



## METHODOLOGICAL EXPLANATION

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# CONSTRUCTION COSTS INDICES FOR NEW RESIDENTIAL BUILDINGS

This methodological explanation relates to the data releases:

Construction cost indices for residential buildings, Slovenia, quarterly (First Release)



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## 1 PURPOSE

The purpose of publishing the data is to monitor costs incurred by a construction company in building new residential buildings. At the same time it reflects the prices that these companies have to pay for inputs in the construction process.

Key statistics published are:

- Construction costs
- Construction material costs
- Labour costs

## 2 LEGAL FRAMEWORK

- [Annual Programme of Statistical Surveys \(LPSR\)](#) (only in Slovene)
- [National Statistics Act](#) (OJ RS, No. 45/95 and 9/01)
- Regulation 2019/2152 European Parliament and Council (CELEX: 32019R2152)

## 3 UNIT DESCRIBED BY THE PUBLISHED DATA

Units described by the published data are the construction material cost index, the labour cost index and the total construction cost index.

## 4 SELECTION OF OBSERVATION UNIT

**Construction labour costs:** Observation unit is business entity or its unit registered for performing activities in the territory of the Republic of Slovenia for section F – construction (divisions 41, 42 and 43 of the 2008 Standard Classification of Activities).

**Construction material costs:** Units of observation are representative products manufactured in Slovenia. Data on observation units is collected from reporting units i.e. enterprises that are manufacturers of those products.

**Construction labour costs:** the survey covers the entire target population.

**Construction material costs:** Units are selected on the basis of threshold coverage. The main criteria for the selection are activity and turnover within the SKD 2008 class. Selected are as many units as needed to achieve 60–70 % of total sales value in a particular class.

## 5 SOURCES AND METHODS OF DATA COLLECTION

Data are collected quarterly.

For calculating the construction cost index, according to EU regulations various sources can be used. The construction material cost index and the construction labour cost index have been developed for other indicators in the relevant statistical areas in SURS, namely the construction material costs index in the price statistics (with the survey on Producer price indices), and the labour cost index in the labour statistics. So from two already existing indicators, which were for calculating the construction cost index slightly adjusted, we set up the third only by using so-called secondary data sources without further burdening of reporting units.

**Construction labour costs:** data are obtained with the statistical survey Earnings of Persons in Paid Employment by Legal Persons (ZAP/M).

**Construction material costs:** the source for calculating the construction material cost index is data on producer prices for selected groups of building materials collected from selected respondents. Data are obtained with the survey on Producer price indices by the following questionnaire:

- Cene industrijskih proizvodov pri proizvajalcih za prodajo na domačem trgu (CENE-DOMA/M) to collect producer prices of products sold on the domestic market.

Enterprises fill in the prices in the questionnaire every month for the transactions during the period from the 16<sup>th</sup> of the previous month to the 15<sup>th</sup> of the current month. They send the questionnaire to SURS by the 20<sup>th</sup> of the current month.

Data for the survey are not obtained from administrative sources.

## 6 DEFINITIONS

**The total construction cost index** for residential buildings is composed of two components, i.e. of two indices, namely the construction material cost index and the labour cost index, resulting from the construction of new residential buildings.

**The construction material cost index** shows quarterly dynamics of producer prices on the domestic market covering 43 different product groups by activity classes in sections B – Mining and quarrying and C – Manufacturing that contain products related to the construction or construction of dwellings.

**The labour cost index** reflects quarterly movement of costs for the hour worked.

## **7 EXPLANATIONS**

### **7.1 CLASSIFICATIONS**

Table 1: List of materials included in the construction material cost index

<b>Prodcom list 2022</b>	<b>Description</b>
08.11.	Ornamental and building stone, limestone, gypsum, chalk and slate
08.12.	Gravel, sand, clays and kaolin
16.10.	Wood, sawn and planed
16.21.	Veneer sheets and wood-based panels
16.23.	Other builders' carpentry and joinery
20.16.	Plastics in primary forms
20.30.	Paints, varnishes and similar coatings, printing ink and mastics
20.52.	Glues
20.59.	Other chemical products <u>n.e.c.</u>
22.19.	Other rubber products
22.21.	Plastic plates, sheets, tubes and profiles
22.23.	Builders' ware of plastic
22.29.	Other plastic products
23.12.	Shaped and processed flat glass
23.14.	Glass fibres
23.31.	Ceramic tiles and flags
23.32.	Bricks, tiles and construction products, in baked clay
23.43.	Ceramic insulators and insulating fittings
23.51.	Cement
23.52.	Lime and plaster
23.61.	Concrete products for construction purposes
23.63.	Ready-mixed concrete
23.64.	Mortars
23.65.	Fibre cement
23.69.	Other articles of concrete, plaster and cement
23.70.	Cut, shaped and finished stone
23.99.	Other non-metallic mineral products <u>n.e.c.</u>
24.10.	Basic iron and steel and <u>ferro-alloys</u>
24.31.	Cold drawn bars
24.42.	Aluminium
24.43.	Lead, zinc and tin
25.11.	Metal structures and parts of structures
25.12.	Doors and windows of metal
25.21.	Central heating radiators and boilers
25.29.	Other tanks, reservoirs and containers of metal
25.62.	Machining services
25.72.	Locks and hinges
25.93.	Wire products, chain and springs
25.99.	Other fabricated metal products <u>n.e.c.</u>
26.51.	Measuring, testing and navigating equipment
27.12.	Electricity distribution and control apparatus

## **7.2 DATA PROCESSING**

### **DATA EDITING**

Data editing was not performed.

### **WEIGHTING**

Weights for calculating the total construction cost index were obtained from the annual accounts of companies registered within section F – Construction according to the 2008 Standard Classification of Activities and are reflected in the form of shares of the value of labour costs and material costs from final accounts.

### **SEASONAL ADJUSTMENT**

Seasonal adjustment is not applicable.

## **7.3 INDICES**

The construction cost index (total) for residential buildings is calculated as a weighted average of the labour cost index and the construction material cost index.

$$\text{CSTI} = w_1 * \text{CSTM} + w_2 * \text{CSTL}$$

CSTI – construction cost index (total)

CSTM – construction material cost index

CSTL – construction labour cost index

$w_1, w_2$  – weights

For more information about calculating the labour cost index and the output price index, see methodological explanations of the Labour cost index and Output price indices.

## **7.4 PRECISION**

The precision is not calculated.

## 7.5 OTHER EXPLANATIONS

## 8 PUBLISHING

- SiStat Database: – [Construction](#) – Construction works and costs - [Indices of construction costs](#). Data are published as indices.
- First Release (Construction, Construction Works and costs): »Construction cost indices for new residential buildings, Slovenia, quarterly«.
- Eurostat.

## 9 REVISION OF THE DATA

### 9.1 PUBLISHING OF PRELIMINARY AND FINAL DATA

Provisional data are not disseminated. Only final data are published.

### 9.2 FACTORS INFLUENCING COMPARABILITY OVER TIME

There are no breaks in time series, so all points in time are comparable.

## 10 OTHER METHODOLOGICAL MATERIALS

Methodological materials on SURS's website are available at <https://www.stat.si/statweb/en/Methods/QuestionnairesMethodologicalExplanationsQualityReports>.

Questionnaire (only in Slovene):

- Earnings of Persons in Paid Employment by Legal Persons (ZAP/M)  
Theme: Earnings and Labour costs, subtheme: Earnings
- Producer prices of products sold on the domestic market (CENE-DOMA/M)

Theme: Prices and Inflation, subtheme: Prices and Manufacturing and Services

Methodological explanations:

- Labour Cost Survey

Methodological explanation



Theme: Earnings and Labour Costs, subtheme: Labour Costs

- Producer price indices

Theme: Prices and Inflation, subtheme: Prices and Manufacturing and Services

Methodological materials on SURS's website are available at <https://www.stat.si/statweb/en/Methods/QuestionnairesMethodologicalExplanationsQualityReports>.

- Reference Metadata in Euro SDMX Metadata Structure: (ESMS): [Construction costs](#)