

# **Twinning Contract**

**Support to the State and Entity Statistical  
Institution , phase V**

**Construction costs: Italy experience**

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## Construction costs: Regulation

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- **Regulation No 1158/2005 of the European Parliament and of the council amending Council Regulation No 1165/98:**

- **Variables:**

- **320 Construction costs;**
- **321 Material Costs;**
- **322 Labour costs.**

## Construction costs: timeliness

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- **Construction costs are only mandatory for new residential buildings excluding residencies for community;**
- **The reference period is quarter;**
- **Deadlines for data transmission is 3 months.**

- **Coverage characteristics:**
  - **Activities covered**  
NACE Rev. 2 Division 41
  - **Geographical area covered**  
All indices calculated at national level
  - **Reporting unit**  
Industrial Enterprises (survey on output prices on the domestic market) and Regional Civil Engineering Offices
  - **Observation unit(s)**  
Labour, Hire and transport costs, Materials prices

## Construction costs: quality report

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- **Short description of the methodology and characteristics of the survey is contained in the technical explanatory note attached to the release updated regularly.**
- **Generally, major changes in methodology are announced a short period in advance in the publication “Note Informative”.**
- **A description of methodology and sources used in preparing statistics is also contained in the Information System for Survey Documentation and Quality Control (Siqua)**

**Three different types of administrative sources are used according to the factor considered:**

- 1. Labour costs: data are recorded by ISTAT;**
- 2. Material costs : the sources are the Industrial Enterprises (survey on output prices on the domestic market);**
- 3. Hire and transport charge: the sources are the Regional Civil Engineering Offices.**

## Construction costs: type of index

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**The type of index measures the variation over time of the prices of the factors employed in the activity of construction.**

**These factors are: materials costs, wages and salaries, plant and equipment hire and transport.**

**Date of first use as a source  
Residential buildings 1967.**

## Construction costs: type of index

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**The index is broken down in groups**

- i) wages and salaries;**
- ii) Materials;**
- iii) hire and transport charges.**

**The groups contain several categories that are different in name and number. For example the calculation of the labour group index is based on the hourly costs of the following categories of worker qualifications used in the building industry: specialised worker, skilled worker and labourer.**

## Construction costs: labour costs

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**The hourly labour costs are recorded. They are different for each category of workers. They are made up of contractual minimum initial payments, of all the additional allowances and of the social charges taken from the national contract for workers in the industry, complemented by any provincial contracts. Labour costs are recorded by Istat.**

## Construction costs: price of materials

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**The factor prices collected refer to average monthly prices for goods delivered "free to site", excluding VAT. They are recorded by the Industrial Enterprises (survey on output prices on the domestic market). For the residential building, the factor prices of the installations include the equipment installed and operating, so that they incorporate the installation costs (excluding the building works).**

## Construction costs: Hire and transport costs

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**The transport costs refer to quintals (100 kg.) per kilometre (q/km) at an average distance from the excavation and filling site. For the hire charges, the hourly hire costs are considered for the machines which, in the overall hire charges, have a significant weight (excavators, concrete-mixers, bulldozers and cranes). The transport and hire costs are considered on a "hot" basis, in other words with the machine in operation and therefore including fuel and/or electricity consumption and the services of the operator. They are recorded by the Regional civil engineering offices**

## Construction costs: compilation

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**The elementary national indices of each cost item are obtained by relating the cost observed during the month in question to the average monthly cost recorded in the base year 2005. The national indices of categories and groups are obtained by aggregating the respective elementary indices using the Laspeyres formula.**

## Construction costs: aggregation

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**The aggregate index of several cost items is given by the weighted arithmetical mean of the elementary indices of each cost specified by the design of the building, whose weight is represented by its incidence in the total cost of the work done in the base period.**