

PRICE INDICES FOR NEW RESIDENTIAL BUILDINGS CONSTRUCTION (2010=100.0)

Introduction

The calculation of these indices started in 1971 with the Material Costs Index for new residential buildings construction and was completed in 1980 with the Cost Index for new residential buildings construction and the Work Categories Price Indices for new residential buildings construction.

The Price Index for new residential buildings construction are included in the Council Regulation 1165/98 under the following discrimination:

- 1) Work Categories Price Indices for new residential buildings construction (output index)

This index reflects the changes in prices paid to the constructors-contractors of the different individual construction stages of new residential buildings.

- 2) Overall Costs Index for the construction of new residential buildings (input index)

This index reflects the development of costs the constructors are incurred for the construction of a standardized building (block of flats) and is calculated on the basis of the materials prices and the labour remuneration paid by them. This index is thus compiled from two individual price indices:

- i) The Material Costs Index for the construction of new residential buildings, which is a monthly input index reflecting changes in building materials prices
- ii) The Price Index of labour remuneration or labour costs of new residential buildings construction, which quarterly records the changes over time of the remunerations of the individual works performed during the construction of a new residential building.

In accordance with the compilation methodology proposed by Eurostat, the 'Other Expenditures' Index, relating to the expenditure for the drawing up and issue of building permits, has been abolished since 2005.

Weights

The weights for base year 2010, were calculated on the basis of the corresponding weights of the year 2005, after being extrapolated to the prices of the year 2010, in accordance with the changes of the individual indices for the period 2005-2010. After that, the obtained results were evaluated with respect to the representativeness of the surveyed materials, work categories and individual works for the construction of a typical residential building.

Gathering data and Reporting Units

Commercial or industrial enterprises, supplying materials to constructors or construction enterprises or technical construction companies and contractors, are used as the reporting units. For electricity, price figures are collected from the Public Power Corporation, while for water, data are provided by water supplies companies. The geographical coverage of the indices includes the country as a whole, but prices are collected only in the biggest cities of the country according to the census 2011 results: (Greater Athens, Thessaloniki, Patras, Herakleion, Larisa and Volos).

Calculation of the Prices Indices for new residential buildings construction

For the calculation of the indices: work categories, labour remuneration and overall cost, we used the following variation of the Laspeyres formula:

$$I^{(t)} = \sum_{i=1}^n R_i^{(t)} \cdot w_i$$

where:

$I^{(t)}$: the general index for the current period (quarter t),

$R_i^{(t)}$: the individual price index of the work category or the labour remuneration i during the current period t and

w_i : the corresponding weight of the work category or the labour remuneration i .