

65
عاماً
YEARS



الهيئة العامة للإحصاء
General Authority for Statistics

Construction Cost Index

Frequently Asked Questions and Answers

Construction Cost Index- FAQs

1. What is the Construction Cost Index (CCI)?

The Construction Cost Index is an economic measure that quantifies changes in construction costs by tracking the prices of key materials, labor wages, equipment and machinery rental costs, as well as energy and service expenses associated with the construction sector over a specified period of time.

2. What is the purpose of compiling the Construction Cost Index (CCI)?

The Construction Cost Index (CCI) is compiled to provide reliable data that supports:

- analyzing market trends by monitoring prices within the construction sector.
- Enhancing government planning for residential and non-residential construction projects.
- Assisting companies and investors in making well-informed decisions related to construction activities.

3. What are the data sources used to compile the Construction Cost Index (CCI)?

The Construction Cost Index (CCI) data are obtained from:

- Construction companies
- Engineering offices
- Establishments related to the construction sector

4. Which sectors does the Construction Cost Index (CCI) cover?

The Construction Cost Index (CCI) covers the following sectors:

- Residential sector (e.g., villas, apartment buildings, housing units)
- Non-residential sector (e.g., commercial, educational, healthcare, and industrial buildings)

5. What are the main categories covered by the Construction Cost Index (CCI)?

The Construction Cost Index (CCI) consists of the following categories:

- Raw material costs (e.g., iron, cement, bricks, wood, etc.)
- Labor costs.
- Equipment and machinery rental costs.
- Energy costs.

6. How can the Construction Cost Index (CCI) be utilized?

The CCI can be used by various groups as follows:

- Government: To formulate economic policies, support urban planning, and guide related decision-making.
- Companies and investors: To estimate future construction project costs and prepare budgets.
- Individuals: To track price trends when planning personal construction projects.

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7. To what extent is the Construction Cost Index (CCI) influenced by external economic factors?

The Construction Cost Index (CCI) is subject to the influence of various economic determinants, including inflation, energy prices, the availability of raw materials, and broader global economic trends. These factors can collectively shape the performance of the index, highlighting the complex interplay between domestic and international economic conditions.

8. What is the relationship between the construction cost (CCI) index and property prices and rents?

Since the components of the construction cost index are integral to the construction and development of real estate, increases in construction costs can directly affect the cost of property development, which in turn is reflected in both property prices and rental rates.

9. How can real estate developers and contractors utilize the Construction Cost Index (CCI) in estimating project budgets?

The construction cost index assists developers and contractors in precise financial planning, risk mitigation, pricing optimization, and effective contract management. It can also inform strategic decisions, such as timing the procurement of materials, setting project prices, and selecting construction sites based on anticipated costs.



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