

Housing and construction in Kosovo 2003-2005

The Statistical Office of Kosovo (SOK) continuously measures the private consumption by the Household Budget Survey (HBS). The statistics are needed to determine the basket for the Consumer Price Index (CPI), the private consumption in National Accounts (NA) and analysis of welfare and poverty. The survey also measures education, employment, housing conditions, possession of durable goods, construction and other household related businesses and farming. The data are collected all over the year and all over Kosovo with a random sample of 2 400 households per year, following EU standards and international best practices. The response rate is more than 80 % if the substituted households are counted as non-response.

September, 2006

Introduction

Housing is the next biggest budget post in Kosovo with 31 % of total household consumption. Only one percentage of the households is renters. In HBS and National Accounts the consumption of housing for owner occupied houses is not measured as the actual costs, but the welfare value. If possible, this should be done by taking the rent from a comparable rented dwelling using criteria such as location, size and standard. Only 1 % of the households are renting there dwelling. The minimal renting market in Kosovo does not allow that, particularly in rural areas. In stead the household is asked how much it had to pay if they had to rent the house.

The method was validated in 2004. A team including a real estate expert revisited 25 sampled households from the HBS. The expert made an independent valuation, both an estimate and an interval. All household estimates were inside the value interval, but in most cases some lower than the expert estimate.

The households are investing in private houses, both on contract and with own labour. Those activities were measured in a separate module in the first survey round and again from 2005.

House standard

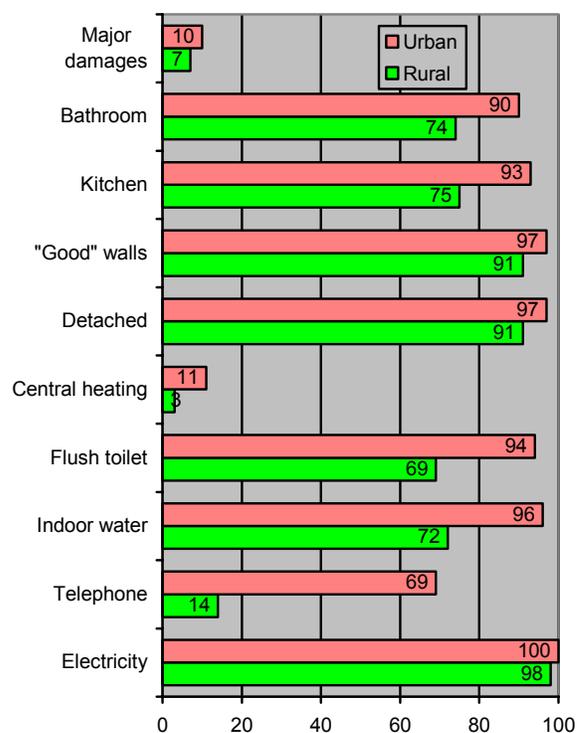
Almost one of ten occupied houses has major damages. This is not changed since 2003. The standard is higher in urban houses in all aspects, but particularly for bathroom, kitchen, central heating, flush toilet, indoor water tap and telephone. Very few households are not connected to electricity. "Good" walls are of bricks, blocks or cement.

Most changes are within the random error but flush toilets have increased from 48 % to 69 % in rural Kosovo from 2002/3. The number of rooms per household has also increased and the rural households have some more rooms.

Table 1 Households by number of rooms and urban/rural 2003 and 2005, %

No. of rooms	2005 Urban	2005 Rural	2002/3 Urban	2002/3 Rural
1	2%	4%	11%	9%
2	5 %	2%	41%	32%
3	26%	19%	26%	25%
4	27%	27%	16%	22%
5	23%	27%	3%	5%
6	11%	14%	2%	3%
7+	6%	7%	1%	2%

Graph 1 House standard by location, % of households having

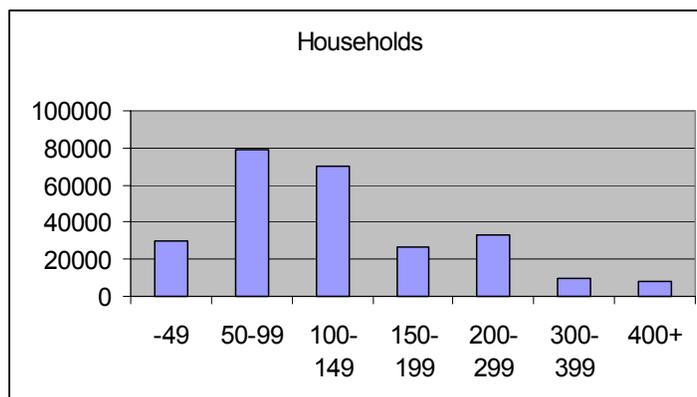


Welfare value of own houses

A majority (58 %) of the households has an estimated welfare value of own houses about 100 € per month. Only 3 % have 400 € or more.

The average annual value is 1 420 € compared to 1 260 € in 2003, an increase with 13 %.

Graph 2 Monthly value of owner occupied houses 2005, €



Construction

About 4 % of the households made investments on their houses in 2005 compared to 5 % in 2003. The average investment in 2005 was 72 € compared to 315 € in 2003. Most money (69 %) are used for buying materials. Own work is valued to 10 % of the total investment and 21 % is contracted.

The biggest source for financing construction is remittances from abroad. The next biggest is use of savings. Only 14 % are bank loans

Table 2 Construction of permanent houses per household 2003 and 2005, €

	2005	2002/3
Contracted	15	51
Bought materials	50	206
Used own materials	1	10
Value of own work	6	48
Total	72	315

Table 3 Sources for financing construction 2005, %

	%
Government subsidies	2
Bank loans	14
Remittances from abroad	46
Savings or other own resources	37
Other	1

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