

Building Construction Cost Index (BCCI)

Building Construction Cost Index (BCCI) depicts the trends in the Building Construction Cost (building material prices and wages of different types of labour and other charges) at a specified centre over a period of time (base year to current year). To study the variation in type of Construction, design, region etc. it is necessary to compile the Building Cost Index numbers for demarcated regions with in which the design, construction techniques and materials used are similar. To calculate index collect data for current year and base year cost of standard materials and wages of labour . Secondly weights are to be assigned to each item included in the index in the proportion of their expenditure of the total cost .The index numbers compiled using the Weighted Arithmetic Mean method.

$$\text{Index} = \frac{\sum_j W_{ij} * P_j}{\sum_j W_{ij}} * 100$$

W_{ij} is the weight of the item in the total building cost

P_j is the relative cost of the item (current cost / constant cost)