

# TWINNING CONTRACT

2023/447-234



## EU for Further Development of Statistics System in BiH



## MISSION REPORT

**Activity: 1.3.2B: Commercial Real Estate Indicators (CREI) II**

**Component: Business Statistics**

**Subcomponent 1.3 Short Term Statistics, 1.3.2 Commercial Real Estate Indicators (CREI)**

Mission carried out by:

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EU FOR FURTHER DEVELOPMENT OF STATISTICS SYSTEM IN BIH



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STATISTICS  
DENMARK



REPUBLIC OF SLOVENIA  
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## List of Abbreviations

BC	Beneficiary Country (Bosnia and Herzegovina)
BHAS	Agency for Statistics of Bosnia and Herzegovina
BiH	Bosnia and Herzegovina
CBBH	Central Bank of Bosnia and Herzegovina
CREI	Commercial Real Estate Indicators
EU	European Union
EUD	European Union Delegation to Bosnia and Herzegovina
FIS	Institute for Statistics of the Federation of Bosnia and Herzegovina
LA	Language Assistant
MS	EU Member State
RSIS	Institute for Statistics of Republika Srpska
RTA	Resident Twinning Advisor
RTAA	Resident Twinning Advisor Assistant
ToR	Terms of Reference

## Executive Summary

The second mission, lasting 2.5 days, was divided into two parts. The first part/day focused on reviewing information and data necessities for establishing new CREIs: construction start and works completion variables. This data was provided by representatives from the Institute of Statistics of the Federation of Bosnia and Herzegovina (FIS), the Republika Srpska Institute of Statistics (RSIS), and the Agency for Statistics of BiH (BHAS). All three institutions had conducted research and analysis on issued building permits over the past five years (2020-2024).

Representatives of FIS and RSIS have visited several municipalities and inspectorates during the past months. Because of different procedures in entities and municipalities and in order for the three BiH statistical institutions to prepare better for a pilot survey regarding these two new CRE indicators, a joint meeting with representatives from several BiH municipalities was organized on the second day of the mission. Unfortunately, some of the municipalities were unable to attend. The meeting was mainly devoted to obtaining additional information and to clarify matters.

Following the meeting with the municipality, it was decided that the three institutions would develop two questionnaires (one for each variable) and conduct a pilot survey in the coming months, prior to the next mission.

## 1. General comments

This mission report was prepared within the EU Twinning Project "Further Development of the Statistics System in Bosnia and Herzegovina". It was the 2nd mission devoted to the Commercial Real Estate Indicators (CREI) Subcomponent of the Project.

The purposes of the mission were:

- Meeting with the representatives of the BiH municipalities
- Reporting on the results of the conducted analyses by the three BiH statistical institutions
- Discussion on the content of the questionnaire for conducting the survey
- Deciding on the following steps
- Preparation of ToR for next mission

The consultants would like to express their thanks to all officials and individuals from Bosnia and Herzegovina met for the kind support and valuable information, and which highly facilitated the work of the consultant.

This views and observations stated in this report are those of the consultant(s) and the RTA and do not necessarily correspond to the views of EU, BHAS, FIS, RSIS, CBBH, Statistics Denmark, Statistics Finland, Statistical Office of the Republic of Slovenia and The Italian National Institute of Statistics.

## 2. Assessment and results

The second mission, lasting 2.5 days, was divided into two parts. The first day focused on reviewing information and data necessary for establishing new CREI related to construction start and works completion variables. This data was provided by representatives from the Institute of Statistics of the Federation of Bosnia and Herzegovina (FIS), the Republika Srpska Institute of Statistics (RSIS), and the Agency for Statistics of BiH (BHAS).

All three institutions had conducted research and analysis on issued building permits over the past five years (2020-2024). Analysis revealed an increase in the number of building permits and that it is also possible to use information from the building permit survey that BiH institutions already possess to produce the new indicators on CRE required by the proposal of the new EU Regulation. However, for setting up these new indicators additional data are required (the date of construction start and works completion). During the first day, procedures and draft agenda for the meeting with municipalities were also agreed on. The agenda is annexed to the Report as Annex 4.

The representatives of BHAS, FIS and RSIS had previously visited several municipalities and municipal inspectorates. Detailed information obtained from these visits was shared with the experts prior to the mission and is annexed to this Report as Annex 5. This information, along with subsequent clarifications from the above mentioned BiH institutions provided on the meeting, confirmed that municipalities also possess data on construction start and works completion.

In order for the three BiH statistical institutions to prepare better for the pilot survey regarding these two new CRE indicators, a joint meeting with representatives from some BiH municipalities was organized on the second day of the mission. Unfortunately one of the municipalities was unable to attend. The meeting focused on gathering additional information and clarifying specific issues.

At the beginning of the meeting, the RTA language assistant presented the purpose of this Project. In continuation, the short-term expert from Slovenia presented the new requirements regarding the construction variables in Short-Term Statistics. Following this, representatives from the statistical institutions of BiH outlined their needs. The meeting was attended by one representative from the Municipality of East Ilidža and one representative of the Inspectorate of the City of East Sarajevo. These representatives explained in more details what data they have at their disposal and how the procedures for issuing requests for construction start and use permit are carried out. They explained that at the start of construction, the inspector issues a site inspection report, and upon completion, a use permit is issued by the responsible person in the municipality. It was determined that these documents contain the necessary information (building permit number and date of issue) to define the start and end of construction. Importantly, this data can then be linked to the building permit survey data via the building permit number to obtain data on the usable floor area.

Following the meeting with the municipality, it was decided that the three institutions would develop two questionnaires and conduct a pilot survey in the coming months, prior to the next mission.

### 3. Conclusions and recommendations

The conclusions and recommendations inherent in Section 2 are presented below in bullet-point form:

- Meeting with the representatives of the BiH municipalities held
- The results of the conducted analyses by the three BiH statistical institutions reported
- The reporting units and type of data identified
- The content of the questionnaire for conducting the pilot survey discussed
- ToR for next mission drafted

## 4. What to do before the next mission

<b>Action</b>	<b>Deadline</b>	<b>Responsible person</b>
Preparation of 2 questioners (for construction starts and work completion)	April 2025	BHAS, FIS and RSIS
Conduct pilot-survey	End of May 2025	BHAS, FIS and RSIS

## Annex 1. Terms of Reference for the current mission

### Terms of Reference

**EU Twinning Project BA 19 IPA ST 01 23**

**Component 1 – Business Statistics**

**Subcomponent 1.3.2 Commercial Real Estate Indicators (CREI)**

**Timing: 28 (at 10 a.m.) - 30 January (12 p.m. – noon) 2025**

**Venue: Institute for Statistics of the FBiH, Zelenih beretki 26, Sarajevo**

**Bosnia and Herzegovina**

### **Activity 1.3.2B: CREI II**

Currently no EU regulation exist on Eurostat reporting on CREI. A regulation is expected to be proposed in July 2024 and likewise expected to be adopted in 2025. The work in this subcomponent is therefore done in parallel with the adoption of the regulation and under the assumption that at the time the activities take place, the variables expected to be reported will be in line with the ones specified in the final decision = regulation. As no regulation exist, the variables are not (necessarily) produced in MS.

1. **Mandatory result** (as stated in the Project description/Twinning Fiche)

CREI indicator in Construction Statistics (with three variables: Construction starts, Works completions, Vacancy rates) developed according to the EBS requirements

\* Vacancy rates is expected to be removed from the EU regulation in question

### **2. Purpose of the activity:**

- Meeting with the representatives of the BiH municipalities
- Reporting on the results of the conducted analyses by the three BiH statistical institutions
- Discussion on the content of the questionnaire for conducting the survey
- Deciding on the following steps
- Preparation of ToR for next mission

### **3. Expected output of the activity:**

- Meeting with the representatives of the BiH municipalities held
- Results of the conducted analyses by 3 BiH statistical institutions reported
- Content of the questionnaire for conducting the survey discussed
- Decisions regarding the following steps made
- Mission report drafted
- ToR (including time (frame)) for the next activity prepared



## Annex 2. (input for the) Terms of Reference for the next mission

<b>Activity 1.3.2C</b>	<b>Commercial Real Estate Indicators (CREI) III</b>
<b>Budget section</b>	III. Components Mandatory Results – Component I
<b>Subject</b>	<ul style="list-style-type: none"> <li>• Analyses of the conducted pilot survey</li> <li>• Discussion on the issues encountered</li> <li>• Revision of questionnaires based on the inputs from pilot survey</li> <li>• Preparation of ToR for next activity</li> </ul>
<b>Methods</b>	STE mission in BiH
<b>Resources</b>	MS: Ema Misic (SI), Roberto Iannaccone (IT) RTA, RTAA and LA BC: Relevant staff expected to be involved in subcomponent 1.3.2
<b>Duration</b>	2 STEs 2.5 working days for MS staff
<b>Output</b>	<ul style="list-style-type: none"> <li>• Analyses of the conducted pilot survey performed</li> <li>• Discussion on the issues encountered held</li> <li>• Revision of questionnaires based on the inputs from pilot survey performed</li> <li>• ToR for next activity prepared</li> </ul>
<b>Time schedule</b>	10-12 June 2025 in Banja Luka

## Annex 3. Persons met

### BHAS:

Fahir Kanlic, Head of Department for Industry and Construction Statistics  
Anita Brkovic, Senior Advisor for Construction Statistics

### FIS:

Muhidin Hadziahmetovic, Deputy Director  
Nusreta Imamovic, Head of the Department for Industry, Construction and Energy Statistics  
Edina Dulic, Senior Advisor for Construction Statistics

### RSIS:

Biljana Djukic, Head of Production Statistics Department  
Zelimir Radisic, Senior Officer for Construction Statistics

### External partners:

Ljiljana Maljukan, Expert Advisor, Municipality of East Sarajevo  
Ljilja Seslija, Urban planning and construction inspector, City of East Sarajevo

### RTA Team:

Niels Madsen, RTA  
Larisa Muslimovic, RTA Assistant  
Senka Ahmetovic-Palic, RTA Language Assistant

## Signatures

For the approval of the contents of this report, representatives from BHAS, FIS and RSIS as well as MS experts and the RTA sign here:



Component leader, BHAS



Component leader, FIS



Component leader, RSIS



RTA



MS Expert

MS Expert

## **Annex 4. Draft agenda for the meeting with the representatives from municipalities**

Purpose: clarifying the procedures, data sources, persons responsible for issuing different permits

Draft agenda:

1. Introduction (short)
  - a. Presentation of the project
  - b. Purpose of new CRE indicators
  - c. Presentations from statistical offices BIH
2. Presentation of the state of art, procedures related to construction by municipalities
3. Discussion, questions:
  - a. Where data on construction starts and use permits are stored and how they are collected
  - b. Which unit is responsible for issuing permit for construction start
  - c. Which unit is responsible for issuing the use permit
  - d. Are they obliged to send these data to some other institution/ministry
  - e. Announcing the pilot survey

## Annex 5. Information provided by statistical institutes of BiH

### Institute for Statistics of Republika Srpska:

“As we know, municipalities are responsible for issuing building permits. The city/municipal inspection is responsible for determining the start date of the works. Namely, under the current law, the investor is obliged to report his intentions to the inspection at least 8 days before the start of the works. The inspection does not issue any decision, but is obliged to visit the construction site and check the condition of the construction site. However, it does not keep records that would be useful to us, i.e. it does not record the number of the building permit, but rather registers the start of the works under the name of the investor. This is precisely where we see a deficiency.

The competent city/municipal service is responsible for determining the end date of the works, which issues the decision on the use permit. We can use this information as the completion of the construction because it is linked to the number of the building permit.

Next week, we should hold a meeting with the City of Banja Luka, so we will have even more information. If there are any differences compared to the previous findings, we will inform you.

As for the analysis of data from the research on building permits that we are conducting, we will definitely complete this part of the work by the planned mission.”

### Institute for Statistics of the Federation of BiH:

“We conducted visits to two municipalities in the city of Sarajevo. We visited the municipalities of Stari Grad Sarajevo and Novi Grad Sarajevo, where a colleague from the Agency for Statistics of BiH also went with us.

In both municipalities, we went to the Inspection Service, which is responsible, as we determined during the mission, for receiving requests for the start of construction from investors. The procedures are similar in both municipalities; the inspection goes to the site within eight days and determines whether the dimensions of the building are in accordance with the project. During construction, changes to the dimensions, appearance, number of floors of the building, as well as its purpose are possible. In such cases, the inspection, when visiting the site, makes a (temporary) decision to suspend work with the obligation that the investor must supplement the change in the project documentation.

In the Stari Grad municipality, it was said that at the end of construction, the inspection, which regularly monitored the work on the site during construction, goes to the site and states that the building is completed (in the sense of completed construction in terms of appearance, dimensions, purpose), which could be treated as the completion of construction. After this inspection conclusion, the investor submits a request for a use permit to the competent department in the municipality (the same department that issued the construction permit).

In the municipality of Novi Grad, the situation is somewhat different regarding the completion of the works. They do not state that the works are completed, but they confirmed that they can provide us with the date of "completion of works", which is the date of issuance of the use permit. Information on the date of issuance of the use permit is obtained from the Urban Planning Department.

In both municipalities, we received a positive response to attend the meeting at the next mission.

As the next step, we planned an analysis of issued building permits with the aim of detecting the municipalities with the most issued permits for commercial real estate.”

### Agency for Statistics of BiH:

“In accordance with the conclusion of the previous mission, the Agency for Statistics of BiH, directly responsible for Brčko District of BiH, has contacted the Inspectorate and the Department for Public Safety of the Brčko District, regarding indicators of commercial real estate.

The construction site has to be declared to the Inspectorate of Brčko District of BiH. The investor and the contractor are obliged to register the start of work with the Urban Planning and Construction Inspection at least 8 days before the start of the works. The Inspectorate does not maintain a database with records of data on the start of the works. Deviations are possible during the construction, which are determined by the Urban Planning and Construction Inspection during its inspections and, in this case, the Inspection issues a Decision on the suspension of works, by which it orders the amendment of the building permit and the change of the project documentation. The Department for Public Safety

issues and maintains the Register of issued building permits. The register is kept according to the name of the investor and it contains the case number under which the building permit was issued.

The Department for Public Safety is responsible for issuing permits for use. The permit does not state the date of completion of the works; this is generally determined by the contract between the investor and the contractor. The use permit indicates the number of the building permit, but the records of issued use permits are kept by the name of the investor.

Regarding the analysis of data from the survey on building permits that we are conducting, this part of the work has been completed and coordinated with colleagues from the entities.”

