

# TWINNING CONTRACT

2023/447-234



## EU for Further Development of Statistics System in BiH



## MISSION REPORT

**Activity: 1.3.2A: Commercial Real Estate Indicators (CREI) Variables**  
**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



Funded by  
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STATISTICS  
DENMARK



REPUBLIC OF SLOVENIA  
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Statistics Finland

## European Union Member State Short-Term Experts (MS STEs/consultants) Contact Information

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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
EU	European Union
EUD	European Union Delegation of 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 Adviser
RTAA	Resident Twinning Adviser Assistant
ToR	Terms of Reference



## Executive Summary

The first mission, which lasted 2.5 days, focused primarily on assessing available data sources in Bosnia and Herzegovina. The consultants presented practices from their countries in the field of construction statistics and ongoing efforts in developing new Commercial Real Estate Indicators (CREI). Subsequently, the participants from the BiH statistical institutions: Agency for Statistics of Bosnia and Herzegovina (BHAS), the Institute of Statistics in the Federation of Bosnia and Herzegovina (FIS) and the Republika Srpska Institute of Statistics (RSIS) presented their processes for producing statistics on building permits and the information they obtained from various sources related to the CRE indicators. Potential sources were identified for tracking construction starts and works completion. Initial information suggests that BiH municipalities may possess relevant data.

During the meeting, it was agreed that all the three BiH institutions will organise a meeting with municipalities' representatives in the coming months. The consultants also drafted a letter for contacting municipalities in order to provide necessary information for the meeting. As preparation for the next mission, the three statistical institutions should conduct an analysis of building permits data for the past 5 years. Information gathered from both these recommendations should be presented during the next mission, which is scheduled for the last week of January 2025.

## 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 first mission to be devoted to the Commercial Real Estate Indicators (CREI) Subcomponent of the Project.

The purposes of the mission were:

- Assessment of available data sources, creation of new survey/extension of currently used survey, compilation of CREI variables
- Initiation of discussion of methodology to be applied
- Writing Mission Report
- Preparation of ToR for next mission

The consultants would like to express their gratitude 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.

The views and observations stated in this report are those of the consultants 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

At the beginning of the meeting, the Resident Twinning Adviser (RTA) outlined the main objectives of this first mission. The MS experts from Slovenia and Italy presented available information on the current state of the new EU Regulation proposal on Commercial Real Estate Indicators (CREI). They also shared current practice regarding the production of statistics on building permits and activities related to new CRE indicators. In Slovenia, the plan is to utilize the same administrative sources as for building permits.

Continuing on, the BiH participants presented their current processes for producing statistics on building permits and the information they have obtained from different sources regarding construction starts and works completion. During the mission, it was concluded that these laws could potentially cover the new requirements concerning two new indicators (construction start and works completion). The current situation in BiH is that the investor is required to inform the responsible municipality about the start and the completion of construction works using a prescribed form. Based on these information, the conclusion was that municipalities should possess the required information for the production of the two new CRE variables. It was agreed that before initiating a new survey, the responsible persons of the three statistical institutions in BiH should organise a meeting with some BiH municipalities to gather additional information on the responsible persons within the municipalities in charge of these activities and on their processes of collecting relevant data. For this purpose, the consultants prepared a draft letter, which can be used to approach the municipalities. As for now, no potential sources for vacancy rates have been identified and it has been decided that the twinning project will focus only on the two variables: construction start and works completion. Vacancy rates is currently not foreseen to be part of the EU regulation.

Based on the information and proposal of Eurostat's Task Force for CRE indicators, and considering that in BiH there already exists a survey on building permits, the consultants suggested that it would be beneficial to analyse those data to understand what portion represents relevant data for commercial real estate and their share using Classification of types of construction (CC classification). The representatives of all the three statistical institutions of BiH agreed to carry out this task before the next mission.

### **3. Conclusions and recommendations**

Initial information suggests that municipalities likely already possess the relevant data. It is necessary to determine how to collaborate with them and analyze the format of this data. It was agreed that the representatives of all the three statistical institutions would organise a meeting with municipalities' representatives in the coming months.

Additionally, by the next mission, the three statistical institutions should conduct an analysis of building permit data for the last 5 years. Information gathered from both recommendations should be presented during the next mission.

It was also agreed that the representatives from some municipalities should be invited to a meeting during the next mission in order to gather some additional information from them.

Based on the results of analyses conducted by the three statistical institutions in BiH and the information they gathered from the municipalities, the next steps in creating a new survey will be further considered during the following mission. Since the regular monthly production of issued building permits data is already established, this survey could serve as a foundation for collecting data on construction start and works completion on a quarterly basis.

## 4. What to do before the next mission

<b>Action</b>	<b>Deadline</b>	<b>Responsible person</b>
Organising a meeting with municipalities	Before the next mission	BHAS, FIS & RSIS
Analysis of data on building permits	Before the next mission	BHAS, FIS & RSIS
Preparation of draft report of findings from the above activities	For the next mission	BHAS, FIS & 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: 9 (at 10 a.m.) - 11 September (12 p.m. – noon) 2024**

**Venue: Sarajevo, BHAS, Pehlivanusa, 3rd floor**

**Bosnia and Herzegovina**

#### **Activity 1.3.2A: CREI Variables**

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:**

- Assessment of available data sources, creation of new survey/extension of currently used survey, compilation of CREI variables
- (Initiation of discussion of methodology to be applied)
- Mission report
- Preparation of ToR for next activity

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

- Assessment of available data sources, creation of new survey/extension of currently used survey, compilation of CREI variables initiated
- (Discussion of methodology to be applied initiated)

- Mission report drafted
- ToR for next activity prepared





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

<b>Activity 1.3.2B</b>	<b>CREI II</b>
<b>Budget section</b>	III. Components Mandatory Results – Component X
<b>Subject</b>	<ul style="list-style-type: none"> <li>• Meeting with the representatives of the BiH municipalities</li> <li>• Reporting on the results of the conducted analyses by the three BiH statistical institutions</li> <li>• Deciding on the following steps</li> <li>• Preparation of ToR for next mission</li> </ul>
<b>Methods</b>	Onsite, STE mission in BiH
<b>Resources</b>	MS: Ema Mistic (SI), Roberto Iannaccone (IT) RTA, RTAA and LA BC: Relevant staff expected to be involved in component 1.3.2
<b>Duration</b>	2 STEs x 2.5 working days
<b>Output</b>	<ul style="list-style-type: none"> <li>• Meeting with the representatives of the BiH municipalities</li> <li>• Reporting on the results of the conducted analyses by 3 BiH statistical institutions</li> <li>• Deciding on the following steps</li> <li>• Mission report</li> <li>• ToR (including time (frame)) for the next activity</li> </ul>
<b>Time schedule</b>	Last week in January 2025

## Annex 3. Persons met

### BHAS:

Fahir Kanlic  
Anita Brkovic

### FIS:

Edina Dulic  
Nusreta Imamovic

### RSIS:

Biljana Đukić  
Želimir Radišić

### RTA Team:

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

## Signatures

For the approval of the contents of this report, the 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