

Own Account Construction

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SNA production boundary

Activities that fall within the production boundary of the SNA are:

- a) the production of all individual or collective goods or services that are supplied to units other than their producers (or intended to be so supplied);
- b) **the own-account production of all goods that are retained by their producers for their own final consumption or gross fixed capital formation (GFCF);**
- c) the own account production of housing services and of personal and domestic services by paid domestic staff.

Own-account construction

The major part of own account GFCF of households constitutes the construction, extension and capital repair of dwellings and the construction activities in rural areas undertaken by unincorporated households.

Construction activities of unincorporated households are often not covered by regular data collection and are therefore considered as part of NOE.

In Eurostat Tabular Framework own-account construction is included under non-exhaustiveness type N3 Producers not required to register.

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Measurement and valuation

The own account production should be valued at the basic prices at which it could be sold if offered for sale on the market;

When reliable market prices cannot be obtained, a second best procedure is to value output for own final use by costs of production. It will usually be necessary to value the output of own-account construction on the basis of costs;

If some or all of the labour is provided free, an estimate of what the cost of paid labour would have been must be included in the estimated total production costs using wage rates for similar kinds of work.

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Data sources

Own-account construction of dwellings:

- Annual construction and investment statistics;
- Benchmark surveys of construction industry (share of own account construction), other specialised surveys;
- Administrative data on planning permissions and registered finished buildings (including information on investment costs), other data from local authorities;
- Household budget survey (HBS);
- Other household surveys e.g. time use surveys.

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Data sources (cont'd)

Own-account improvement and repair of dwellings

- HBS (distinction between capital and current repair);
- Specialised surveys (cross-checked with HBS);
- Time use surveys, hourly rates.

Own account construction of agricultural buildings

- Sample surveys, data from specialised agencies;
- Imputed hours worked; hourly rates.

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Methods used by countries

- Projection of benchmark estimates of GO and/or IC, using related growth rates;
- GO is estimated on the base of annual housing construction statistics and fixed shares of household construction activities and/or investment costs;
- GO of own-account construction is estimated on the base of data from registering authorities (comparisons of prices per m² to adjust for under-reporting); IC and GVA are derived using the ratio for small producers.

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Methods used by countries (cont'd)

- IC is estimated on the base of investment costs shown in building permissions (adjustment to avoid double counting e.g. work carried out by registered enterprises) and/or expenditures shown in HBS. GO and GVA are estimated using the ratios for small producers;
- GVA is estimated on the base of labour inputs (time use surveys, specialised surveys) of owners, relatives, casual helpers and imputed hourly rates. Some countries include uplift for OS;
- The above estimates are cross-checked using input/output ratios, commodity flow methods, etc. **Consistent recording in production and expenditure aggregates.**

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Questions for discussion

- Is own account construction important in your country and do you include an estimate in your NA? (Azerbaijan, Kazakhstan and Kyrgyzstan have indicated so in their contributions)
- What are the basic assumptions, calculation procedures and data sources ?
- Do they differ for construction of dwellings and capital repair?
- What are the specific measurement problems?
- Future plans for improvements.