

Construction Cost Index in the Kingdom rises by 0.7% in August 2025

The Construction Cost Index (CCI) recorded a 0.7% increase in August 2025, primarily driven by a 0.8% rise in residential construction costs and a 0.6% rise in non-residential construction costs (Figure1)

Annual increase of CCI for residential sector In August 2025

CCI for the residential sector increased by 0.8% in August 2025, primarily due to a 1.5% rise in labor costs compared to August 2024. Additionally, the cost of renting equipment and machinery rose by 1.2%, driven by a 1.4% increase in the rental of equipment and machinery with operators. In parallel, energy prices recorded a notable increase of 9.9%. In contrast, the cost of core construction materials dropped by 0.3%, mainly as a result of a 1.7% decrease in metal product prices and a 1.1% drop in the prices of other construction materials (Figure2).

Annual increase in CCI for non-residential sector in August 2025

CCI for non-residential sectors increased by 0.6% in August 2025, primarily due to a 1.3% rise in equipment and machinery rental costs, largely driven by a 1.6% increase in the rental of equipment and machinery with operators. Labor costs also increased by 1.1% during the same period, while energy prices continued their upward trend, rising by 9.9%.

On the other hand, the cost of basic materials declined by 0.4%, attributed to a 2.0% decrease in the prices of other construction materials and a 1.6% drop in metal product prices (Figure3).

Monthly changes of CCI for residential and non-residential sectors for August 2025

CCI recorded a slight increase of 0.1% in August 2025 compared to July 2025. This rise was mainly driven by a 0.1% increase in residential construction costs, attributed to a 0.1% rise in the prices of basic materials and a 0.1% increase in equipment and machinery rental costs. Meanwhile, labor and energy prices remained stable, with no significant changes. In contrast, non-residential construction costs remained steady, showing no notable change compared to July 2025.

Figure1: Annual change in general construction for August 2025 (%)



Figure2: Annual change in CCI for residential sector by section for August 2025 (%)

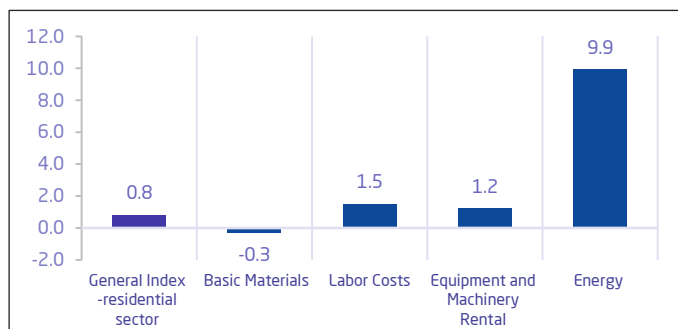
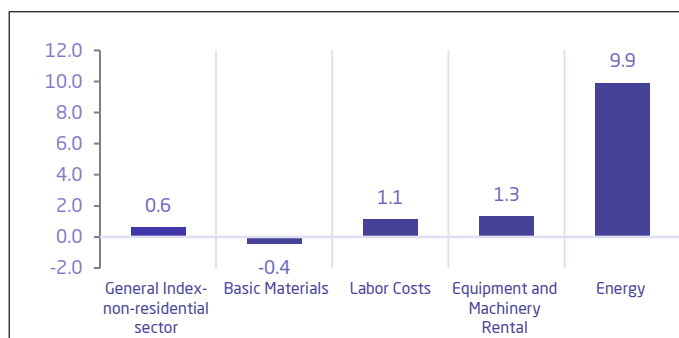
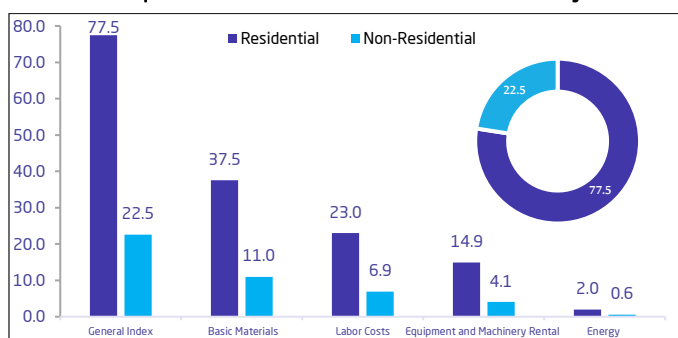


Figure3: Annual change in CCI for non-residential sector by section for August 2025



Relative importance of residential and non-residential sectors by section



CCI Methodology and Quality

The Construction Cost Index (CCI) reflects the movements of construction input costs, consisting of 51 items. The prices of which are collected monthly from thirteen regions through field visits to contractors' offices, engineering offices, and construction material sales establishments. The year 2023 has been set as the base year, and the construction cost index statistics are published monthly. For more details, please refer to: [Methodology and Quality](#) , [table](#)