6 August 2020

Y-o-y decrease of construction output continued

Construction – June 2020

In June 2020, the construction output decreased by 11.5%, year-on-year (y-o-y), in real terms. The seasonally adjusted construction output decreased by 2.0%, month-on-month (m-o-m). The planning and building control authorities granted by 6.8% more building permits, y-o-y. The approximate value of permitted constructions decreased by 25.4%, y-o-y. The number of started dwellings decreased by 3.7%, y-o-y. The number of completed dwellings decreased by 19.3%, y-o-y.

In June 2020, the **construction output1)** decreased by 2.0%, m-o-m, in real terms. In the year-on-year comparison, it decreased by 11.5%. Compared to the corresponding month of the previous year, the production in building construction decreased by 14.7% (contribution −10.6 percentage points (p. p.)). The production of civil engineering construction decreased by 3.2%, y-o-y (contribution −0.9 p. p.). Smaller enterprises and entrepreneurs focusing more on building construction recorded a more marked decrease in production than larger enterprises.

The **average registered number of employees2)** in construction decreased by 1.8%, y-o-y, in June 2020. Their **average gross monthly nominal wage** increased by 4.4%, y-o-y, in June 2020 mainly due to blanket paying of half-year bonuses and other bonuses.

In June 2020, the planning and building control authorities granted 7 853 **building permits**; it was 6.8% up, y-o-y. The **approximate value** of the permitted constructions reached CZK 29.5 billion and compared to the corresponding period of 2019 it decreased by 25.4%. The decrease in the approximate value was influenced by a high comparison basis from June 2019, when large constructions of the transport infrastructure were permitted.

The **number of dwellings started** decreased in June 2020 by 3.7%, y-o-y, and reached the number of 2 744 dwellings. The number of dwellings started in family houses decreased by 2.3%. The number of dwellings started in multi-dwelling buildings decreased by 11.6%.

The **number of completed dwellings** decreased by 19.3%, y-o-y, in June 2020 and amounted to 2 460 dwellings. The number of completed dwellings in family houses increased by 11.5%; the number of completed dwellings in multi-dwelling buildings decreased by 64.6%.

According to Eurostat, **construction output in the EU27 in May 2020** decreased by 10.3%, y-o-y. Buildings decreased by 11.6% and civil engineering works decreased by 4.1%. According to a preliminary release calendar, Eurostat will release data for June 2020 on 17 August 2020.

**Construction in the Q2 2020**

In the Q2 2020, the **construction output** was by 6.5% lower in real terms compared to the Q1 2020. The construction output decreased by 8.1%, y-o-y. The production in building construction decreased by 12.2%, y-o-y (contribution −8.9 p. p.) and the production of civil engineering construction increased by 2.9%, y-o-y (contribution +0.8 p. p.).

The **average registered number of employees** in construction decreased by 1.9%, y-o-y, in the Q2 2020. Their **average gross monthly nominal wage** increased by 2.1%, y-o-y, in the Q2 2020.

In the Q2 2020, construction enterprises with 50+ employees received and concluded 16 748 **construction orders** in the Czech Republic. The number ofconstruction orders decreased by 1.3%, y-o-y. The **total value** of the orders increased by 5.2%, y-o-y, and was CZK 67.9 billion. The building construction orders were for CZK 31.6 billion (growth by 10.9%) and those for civil engineering constructions were for CZK 36.3 billion (an increase by 0.7%). The average value of a newly concluded construction order was CZK 4.1 million and was by 6.5% higher, y-o-y.

In the Q2 2020, the planning and building control authorities granted 22 490 **building permits**, which was by 0.4% less, y-o-y. The **approximate value** of constructions permitted in the Q2 2020 was CZK 100.2 billion and dropped by 6.3%, compared to the corresponding period of 2019.

The **number of dwellings started** in the Q2 2020 decreased by 0.3%, y-o-y, and amounted to 9 506 dwellings. The number of dwellings started in family houses increased by 0.7% and that in multi-dwelling buildings dropped by 1.9%.

The **number of completed dwellings** in the Q2 2020 decreased by 13.0%, y-o-y, and amounted to 7 240 dwellings. The number of completed dwellings in family houses increased by 5.7%, y-o-y, and the number of completed dwellings in multi-dwelling buildings decreased by 47.7%.

*Notes:*

1) The year-on-year development of construction output (production) is adjusted for working days unless otherwise stated. Month-on-month or quarter-on-quarter rates are also seasonally adjusted. Contributions to an increase or to a decrease are calculated from data that are adjusted for working days. June 2020 had two working days more compared to June 2019.

2) Indicators related to employment in construction apply to the whole population of enterprises the principal (prevailing) activity of which is construction. The indicator of registered number of employees does not include persons working under various contracts for work, working owners of enterprises and cooperating household members, who do not have contracts of employment. The piece of data on the registered number of employees in construction also excludes agency workers, who have contracts of employment within economic activities of services (CZ-NACE 78.2).

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*Method of data acquisition: direct surveys of the CZSO (*Stav 1–12 *and* Stav 2–12*)*

*End of data collection: 3 August 2020*

*Related outputs:* [*https://www.czso.cz/csu/czso/sta\_ts*](https://www.czso.cz/csu/czso/sta_ts)

[*https://www.czso.cz/csu/czso/bvz\_ts*](https://www.czso.cz/csu/czso/bvz_ts)

*Next News Release will be published on: 7 September 2020*

Annexes:

Table 1 Construction production indices, building permits granted, and housing construction (year-on-year indices for the month)

Table 2 Construction production index, construction orders, building permits granted, and housing construction (seasonally unadjusted, year-on-year indices for a quarter of the year)

Chart 1 Construction production indices (year-on-year indices for the month)

Chart 2 Construction production indices (base indices)

Chart 3 Construction production indices, international comparison