7 May 2015

Civil Engineering Works, the Workhorse of the Construction Output Growth

Construction – March 2015

**In March 2015 the construction output increased by 8.4%, year-on-year (y-o-y), in real terms. The planning and building control authorities granted by 5.1% less building permits, y-o-y, and the approximate value of permitted constructions grew by 19.6%,
y-o-y. The number of started dwellings fell by 7.1%, y-o-y, and the number of completed dwellings increased by 32.2%, y-o-y.**

In March 2015 the **construction output** increased by 8.4%, y-o-y, in real terms. The working days adjusted construction output in March 2015 was by 6.5% higher, y-o-y. March 2015 was by one working day longer than that of 2014. The seasonally adjusted construction output in March 2015 was by 1.1% higher, month-on-month (m-o-m). The production in building construction increased by 4.6% (contribution +3.5 percentage point (p.p.)), y-o-y. The production of civil engineering construction recorded a considerable growth by 20.9% (contribution +4.9 p.p.), y-o-y. Compared to the same period of 2008, the year of boom, the construction output dropped by 26.0% in the period from this year beginning to the end of March 2015.

The **average registered number of employees\***), in construction enterprises with 50+ employees fell by 1.6%, y-o-y, in March 2015. Their **average gross monthly nominal wage** increased by 6.8%, compared year-on-year, and reached CZK 29 082.

In March 2015 the **number of building permits granted** decreased by 5.1%, y-o-y; the planning and building control authorities granted 6 241 building permits. The **approximate value** of the permitted constructions attained CZK 23.1 billion and grew by 19.6% compared to the same period of 2014.

The **number of dwellings started** in March 2015 decreased by 7.1%, y-o-y, and attained 2 005 dwellings. The number of dwellings started in family houses decreased by 3.2% and that of dwellings started in multi-dwelling buildings plummeted by 46.6%.

The **number of completed dwellings** grew by 32.2%, y-o-y, in March 2015 and was 2 404 dwellings. The number of completed dwellings in family houses declined by 10.4%. The number of completed dwellings in multi-dwelling buildings soared by 145.1%.

According to Eurostat the WDA (working days adjusted) **construction output in the EU28** decreased by 2.4%, y-o-y, **in February 2015**. Buildings decreased by 2.7% and civil engineering works fell by 0.5%. According to the preliminary schedule Eurostat shall release the data for March 2015 on 20 May 2015 (at 11:00 a.m.).

**Construction in Q1 2015**

In Q1 2015 the **construction output** increased by 6.9%, y-o-y, in real terms. Compared to Q4 2014 the seasonally adjusted construction output was by 5.8% higher, quarter-on-quarter. The production in building construction increased by 4.9% (contribution +3.8 p.p.), y-o-y, and the production of civil engineering construction grew by 14.3% (contribution +3.1 p.p.), y-o-y.

The **average registered number of employees**1) in construction enterprises with 50+ employees fell by 2.1%, y-o-y in Q1 2015. Their **average monthly nominal wage** increased by 4.0%, y-o-y and reached CZK 28 446.

In Q1 2015 the **number of building orders** of construction enterprises with 50+ employees increased by 2.8%, y-o-y; the enterprises received and concluded 9 140 orders in the Czech Republic. The **total value** of the orders decreased by 8.7%, y-o-y, and was CZK 33.8 billion. The building construction orders were for CZK 16.0 billion (growth by 16.6%) and those for civil engineering constructions were for CZK 17.8 billion (drop by 23.6%). The average value of a new concluded building order was CZK 3.7 million and was by 11.2% lower, y-o-y.

At the end of Q1 2015 construction enterprises with 50+ employees had 14.4 thousand orders contracted (growth by 5.8%) and these orders represented the inventory of still unimplemented construction works of the total value of CZK 164.0 billion (decline by 0.9%).

In Q1 2015 the **number of building permits granted** decreased by 0.3%, y-o-y; the planning and building control authorities granted 17 146 building permits. The **approximate value** of constructions permitted in Q1 2015 accounted for CZK 52.8 billion and decreased by 10.2% compared to the same period of 2014.

The **floor area** of buildings permitted in Q1 2015 was 1 063 thousand m2, which means a growth by 2.3% compared y-o-y. The floor area of permitted residential buildings decreased by 3.6%, and that of non-residential buildings grew by 8.0%.

The **number of dwellings started** in Q1 2015 decreased by 7.1%, y-o-y and accounted for 5 062 dwellings. The number of dwellings started in family houses grew by 3.5%, and that in multi-dwelling buildings dropped by 25.2%.

The **number of completed dwellings** in Q1 2015 rose by 4.5%, y-o-y and attained 6 227 dwellings. The number of completed dwellings in family houses dropped by 5.8%, y-o-y, and the number of completed dwellings in multi-dwelling buildings increased by 25.2%.

*Notes:*

\*) *The registered number of employees indicator 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. Data on the registered number of employees in construction also exclude agency workers, who have contracts of employment, yet within activities of services (CZ-NACE 78.2).*

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*Method of data acquisition: the CZSO direct surveys of Stav 1-12 and Stav 2-12*

*End of data collection: 4 May 2015*

*Following outcomes:* <https://www.czso.cz/csu/czso/sta_ts> <https://www.czso.cz/csu/czso/bvz_ts>

*Next News Release will be published on: 8 June 2015*

Annex:

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

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