6 August 2015

Production Grew due to Engineering Works

Construction – June 2015

**In June 2015 the construction output increased by 7.8%, year-on-year (y-o-y), in real terms. The planning and building control authorities granted by 3.4% more building permits, y-o-y, and the approximate value of permitted constructions increased by 5.0%,
y-o-y. The number of started dwellings jumped up by 37.6%, y-o-y, and the number of completed dwellings increased by 15.9%, y-o-y.**

In June 2015 the **construction output** increased by 7.8%, y-o-y, in real terms. The working days adjusted construction output in June 2015 was by 6.4% higher, y-o-y. June 2015 was by one working day longer than that of 2014. The seasonally adjusted construction output in June 2015 was by 1.4% lower, month-on month (m-o-m). The production in building construction decreased by 2.4% (contribution -1.6 percentage point (p.p.)), y-o-y. The production of civil engineering construction jumped up by 31.2% (contribution +9.4 p.p.), y-o-y. Compared to the same period of 2008, the year of boom, the construction output in the period from this year beginning to the end of June 2015 was by 18.4% lower.

The **average registered number of employees\***), in construction enterprises with 50+ employees fell by 2.7%, y-o-y, in June 2015. Their **average gross monthly nominal wage** increased by 5.9%, compared year-on-year, and reached CZK 30 540.

In June 2015 the **number of building permits granted** increased by 3.4%, y-o-y; the planning and building control authorities granted 7 418 building permits. The **approximate value** of the permitted constructions attained CZK 24.0 billion and grew by 5.0% compared to the same period of 2014.

The **number of dwellings started** in June 2015 jumped up by 37.6%, y-o-y, and attained 3 350 dwellings. The number of dwellings started in family houses increased by 14.3% and that of dwellings started in multi-dwelling buildings soared by 61.1%.

The **number of completed dwellings** increased by 15.9%, y-o-y, in June 2015 and was 2 031 dwellings. The number of completed dwellings in family houses was at the same value as in the last year. The number of completed dwellings in multi-dwelling buildings was more than doubled.

According to Eurostat the WDA (working days adjusted) **construction output in the EU28** increased by 0.5%, y-o-y, **in May 2015**. Buildings decreased by 0.4% and civil engineering works grew by 4.7%. According to the preliminary schedule Eurostat shall release the data for June 2015 on 19 August 2015 (at 11:00 a.m.).

**Construction in Q2 2015**

In Q2 2015 the **construction output** increased by 9.8%, y-o-y, in real terms. Compared to Q1 2015 the seasonally adjusted construction output was by 1.1% higher, quarter-on-quarter. The production in building construction increased by 2.9% (contribution +2.0 p.p.), y-o-y, and the production of civil engineering construction soared by 25.1% (contribution +7.8 p.p.), y-o-y.

The **average registered number of employees**1) in construction enterprises with 50+ employees fell by 2.6%, y-o-y in Q2 2015. Their **average monthly nominal wage** increased by 6.4%, y-o-y and reached CZK 31 337.

In Q2 2015 the **number of building orders** of construction enterprises with 50+ employees declined by 9.7%, y-o-y; the enterprises received and concluded 10 846 orders in the Czech Republic. The **total value** of the orders decreased by 0.4%, y-o-y, and was CZK 44.7 billion. The building construction orders were for CZK 17.4 billion (decline by 2.1%) and those for civil engineering works were for CZK 27.3 billion (growth by 0.8%). The average value of a new concluded building order was CZK 4.1 million and was by 10.3% higher, y-o-y.

At the end of Q2 2015 construction enterprises with 50+ employees had 15.7 thousand orders contracted (growth by 2.4%) and these orders represented the inventory of still unimplemented construction works of the total value of CZK 156.9 billion (drop by 10.5%).

In Q2 2015 the **number of building permits granted** increased by 4.5%, y-o-y; the planning and building control authorities granted 21 540 building permits. The **approximate value** of constructions permitted in Q2 2015 accounted for CZK 67.8 billion and decreased by 1.9% compared to the same period of 2014.

The **floor area** of buildings permitted in Q2 2015 was 1 391 thousand m2, which means a growth by 10.6% compared y-o-y. The floor area of permitted residential buildings increased by 9.3%, and that of non-residential buildings grew by 12.5%.

The **number of dwellings started** in Q2 2015 increased by 17.7%, y-o-y and accounted for 7 868 dwellings. The number of dwellings started in family houses grew by 12.7%, and that in multi-dwelling buildings jumped up by 22.5%.

The **number of completed dwellings** in Q2 2015 rose by 19.2%, y-o-y and attained 5 541 dwellings. The number of completed dwellings in family houses increased by 6.8%, y-o-y, and the number of completed dwellings in multi-dwelling buildings was doubled.

*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).*

*Responsible head at the CZSO: Radek Matějka, phone: (+420) 274052894,
e-mail:* *radek.matejka@czso.cz*

*Contact person: Petra Cuřínová, phone: (+420) 274054199,
e- mail:* *petra.curinova@czso.cz*

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

*End of data collection: 3 August 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: 7 September 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)