6 November 2015

Civil Engineering Construction Was Still Influencing the Growth in Construction Production

Construction – September 2015

**In September 2015 the construction output increased by 2.4%, year-on-year (y-o-y), in real terms. The planning and building control authorities granted by 2.4% more building permits, y-o-y, and the approximate value of permitted constructions increased by 15.0%,
y-o-y. The number of started dwellings rose by 6.3%, y-o-y, and the number of completed dwellings increased by 6.7%, y-o-y.**

In September 2015 the **construction output** increased by 2.4%, y-o-y, in real terms. The working days adjusted construction output in September 2015 was by 3.7% higher, y-o-y. September 2015 was by one working day shorter than that of 2014. The seasonally adjusted construction output in September 2015 was by 1.1% higher, compared month-on-month. The production in building construction decreased by 4.6% (contribution -3.1 percentage point (p.p.)), y-o-y. The production of civil engineering construction recorded a considerable growth by 17.0% (contribution +5.5 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 September 2015 was by 16.3% lower.

The **average registered number of employees\***), in construction enterprises with 50+ employees fell by 2.7%, y-o-y, in September 2015. Their **average gross monthly nominal wage** increased by 8.1%, compared year-on-year, and reached CZK 33 083.

In September 2015 the **number of building permits granted** increased by 2.4%, y-o-y; the planning and building control authorities granted 7 482 building permits. The **approximate value** of the permitted constructions attained CZK 23.2 billion and grew by 15.0% compared to the same period of 2014.

The **number of dwellings started** in September 2015 grew by 6.3%, y-o-y, and attained 2 080 dwellings. The number of dwellings started in family houses increased by 6.1% and that of dwellings started in multi-dwelling buildings grew by 6.2%.

The **number of completed dwellings** increased by 6.7%, y-o-y, in September 2015 and was 2 423 dwellings. The number of completed dwellings in family houses fell by 7.5%. The number of completed dwellings in multi-dwelling buildings soared by 54.0%.

According to Eurostat the WDA (working days adjusted) **construction output in the EU28** decreased by 5.0%, y-o-y, **in August 2015**. Buildings decreased by 6.1% and civil engineering works fell by 0.8%. According to the preliminary schedule Eurostat shall release the data for September 2015 on 18 November 2015 (at 11:00 a.m.).

**Construction in Q3 2015**

In Q3 2015 the **construction output** increased by 6.2%, y-o-y, in real terms. If working days adjusted it increased by 7.1%. Q3 2015 was by two working days shorter compared to the same period of the previous year. Compared to Q2 2015 the seasonally adjusted construction output was by 0.8% lower, quarter-on-quarter. The production in building construction decreased by 0.6% (contribution -0.4 p.p.), y-o-y, and the production of civil engineering construction soared by 20.4% (contribution +6.6 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 Q3 2015. Their **average monthly nominal wage** increased by 7.4%, y-o-y and reached CZK 32 151.

In Q3 2015 the **number of building orders** of construction enterprises with 50+ employees jumped up by 19.1%, y-o-y; the enterprises received and concluded 14 755 orders in the Czech Republic. The **total value** of the orders decreased by 10.0%, y-o-y, and was CZK 51.1 billion. The building construction orders were for CZK 16.7 billion (drop by 21.7%) and those for civil engineering works were for CZK 34.4 billion (decline by 3.0%). The average value of a new concluded building order was CZK 3.5 million and was by 24.5% lower, y-o-y.

At the end of Q3 2015 construction enterprises with 50+ employees had 17.2 thousand orders contracted (growth by 5.6%) and these orders represented the inventory of still unimplemented construction works of the total value of CZK 148.9 billion (drop by 18.6%).

In Q3 2015 the **number of building permits granted** decreased by 3.8%, y-o-y; the planning and building control authorities granted 21 220 building permits. The **approximate value** of constructions permitted in Q3 2015 accounted for CZK 67.8 billion and increased by 5.8% compared to the same period of 2014.

The **floor area** of buildings permitted in Q3 2015 was 1 411 thousand m2, which means a considerable growth by 22.6% compared y-o-y. The floor area of permitted residential buildings increased by 5.6%, and that of non-residential buildings soared by 46.4%.

The **number of dwellings started** in Q3 2015 increased by 5.1%, y-o-y and accounted for 6 745 dwellings. The number of dwellings started in family houses grew by 3.1%, and that in multi-dwelling buildings grew by 2.7%.

The **number of completed dwellings** in Q3 2015 declined by 3.5%, y-o-y and attained 6 069 dwellings. The number of completed dwellings in family houses decreased by 6.6%, y-o-y, and the number of completed dwellings in multi-dwelling buildings fell by 11.0%.

*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: 3 November 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 December 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)