8 November 2016

Construction Production Fell, Year-on-Year

Construction – September 2016

In September 2016 the construction output fell by 7.4% year-on-year (y-o-y), in real terms. The planning and building control authorities granted by 4.4% less building permits, y-o-y, and the approximate value of permitted constructions declined by 11.5%, y-o-y. The number of started dwellings grew by 21.2%, y-o-y, and the number of completed dwellings increased by 3.5%, y-o-y.

In September 2016 the **construction output** decreased by 7.4%, y-o-y, in real terms. The seasonally adjusted construction output in September 2016 was by 0.1% higher, month-on-month (m-o-m). The production in building construction decreased by 1.2% (contribution -0.7 percentage points (p.p.)), y-o-y. The production of civil engineering construction declined by 17.8% (contribution -6.7 p.p.), y-o-y.

The **average registered number of employees\***), in construction enterprises with 50+ employees fell by 2.8%, y-o-y, in September 2016. Their **average gross monthly nominal wage** increased by 2.7%, compared year-on-year, and reached CZK 33 881.

In September 2016 the **number of building permits granted** fell by 4.4%, y-o-y; the planning and building control authorities granted 7 155 building permits. The **approximate value** of the permitted constructions attained CZK 20.5 billion and dropped by 11.5% compared to the same period of 2015.

The **number of dwellings started** in September 2016 grew by 21.2%, y-o-y, and attained 2 521 dwellings. The number of dwellings started in family houses grew by 7.5% and that of dwellings started in multi-dwelling buildings jumped up by 42.0%.

The **number of completed dwellings** increased by 3.5%, y-o-y, in September 2016 and was 2 509 dwellings. The number of completed dwellings in family houses grew by 15.9%. The number of completed dwellings in multi-dwelling buildings declined by 12.2%.

According to Eurostat the WDA (working days adjusted) **construction output in the EU28** decreased by 0.5%, y-o-y, **in August 2016**. Buildings increased by 0.4% and civil engineering works fell by 4.5%. According to the preliminary schedule Eurostat shall release the data for September 2016 on 17 November 2016 (at 11:00 a.m.).

**Construction in Q3 2016**

In Q3 2016 the **construction output** decreased by 9.8%, y-o-y, in real terms. If working days adjusted it fell by 9.4%. Q3 2016 was by one working day shorter compared to the same period of the previous year. Compared to Q2 2016 the seasonally adjusted construction output was by 0.9% lower, quarter-on-quarter. The production in building construction decreased by 4.0% (contribution -2.6 p.p.), y-o-y, and the production of civil engineering construction recorded a drop by 19.7% (contribution -7.2 p.p.), y-o-y.

The **average registered number of employees**\*) in construction enterprises with 50+ employees fell by 2.6%, y-o-y in Q3 2016. Their **average monthly nominal wage** increased by 5.5%, y-o-y and reached CZK 33 783.

In Q3 2016 the **number of building orders** of construction enterprises with 50+ employees increased by 5.2%, y-o-y; the enterprises received and concluded 15 674 orders in the Czech Republic. The **total value** of the orders decreased by 9.4% and was CZK 50.9 billion. The building construction orders were for CZK 23.0 billion (growth by 29.9%) and those for civil engineering constructions were for CZK 27.9 billion (drop by 27.6%). The average value of a new concluded building order was CZK 3.2 million and was by 13.9% lower, y-o-y.

At the end of Q3 2016 construction enterprises with 50+ employees had 19.7 thousand orders contracted (increase by 13.2%) and these orders represented the inventory of still unimplemented construction works of the total value of CZK 136.5 billion (drop by 12.6%).

In Q3 2016 the **number of building permits granted** decreased by 1.6%, y-o-y; the planning and building control authorities granted 20 870 building permits. The **approximate value** of constructions permitted in Q3 2016 accounted for CZK 67.6 billion and thus showed a minute drop by 0.2% compared to the same period of 2015.

The **floor area** of new buildings permitted in Q3 2016 was 1 538 thousand m2, which means a growth by 9.0%, compared y-o-y. The floor area of permitted residential buildings increased by 9.1%, and that of non-residential buildings grew by 8.8%.

The **number of dwellings started** in Q3 2016 grew by 3.3%, y-o-y and accounted for 6 970 dwellings. The number of dwellings started in family houses increased by 14.5%, and that in multi-dwelling buildings dropped by 18.2%.

The **number of completed dwellings** in Q3 2016 grew by 0.8%, y-o-y and attained 6 115 dwellings. The number of completed dwellings in family houses increased by 1.2%, y-o-y, and the number of completed dwellings in multi-dwelling buildings increased by 21.5%.

*Notes:*

\*) *The indicator of the 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. 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: 1 November 2016*

*Following outcomes:* [*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 December 2016*

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)