15 March 2018

Warm January Enabled Builders to Work at Full Speed

## Construction – January 2018

In January 2018 the construction output increased by 33.6% year-on-year (y-o-y), in real terms. The planning and building control authorities granted by 1.4% more building permits, y-o-y, and the approximate value of permitted constructions jumped up by 20.8%, y-o-y. The number of started dwellings grew by 23.1%, y-o-y, and the number of completed dwellings declined by 7.8%, y-o-y.

In January 2018 the seasonally adjusted, including working days, **construction output** increased by 0.8%, month-on-month, and by 33.6% y-o-y, in real terms. January 2018 had identical number of working days as January 2017 yet weather conditions were incomparable. While January 2017 was significantly below average concerning temperatures, similarly as March 2013 in the Czech Republic last time, January 2018 in the Czech Republic was extremely warm. Its average month temperature of 1.8 °C made it the fourth warmest January since 1961 when overall average temperatures began to be recorded in the country1). The annual difference in the average temperature was 7.4 °C and thus favourable weather conditions enabled builders to carry out all kinds of construction work. From the long-term point of view the January construction production is the weakest point of the construction season contributing by roughly 4% to the total annual production and is extremely sensitive to weather fluctuations. The production in building construction increased by 30.9% (contribution +26.0 percentage points (p.p.)), y-o-y. The production of civil engineering construction soared by 47.7% (contribution +7.6 p.p.), y-o-y.

The **average registered number of employees2**), in construction enterprises with 50+ employees grew by 0.2%, y-o-y, in January 2018. Their **average gross monthly nominal wage** increased by 10.2%, compared year-on-year, and reached CZK 33 529.

In January 2018 the **number of building permits granted** increased by 1.4%, y-o-y; the planning and building control authorities granted 6 045 building permits. The **approximate value** of the permitted constructions attained CZK 26.3 billion and jumped up by 20.8% compared to the same period of 2017.

The **number of dwellings started** in January 2018 jumped up by 23.1%, y-o-y, and attained 2 426 dwellings. The number of dwellings started in family houses soared by 33.8% and that of dwellings started in multi-dwelling buildings decreased by 13.2%.

The **number of completed dwellings** decreased by 7.8%, y-o-y, in January 2017 and was 2 147 dwellings. The number of completed dwellings in family houses jumped up by 22.1%. The number of completed dwellings in multi-dwelling buildings plummeted by 37.7%.

According to Eurostat the WDA (working days adjusted) **construction output in the EU28** increased by 1.5%, y-o-y, in **December 2017**. Buildings increased by 1.5% and civil engineering works grew by 1.8%. According to the preliminary schedule Eurostat shall release the data for January 2018 on 19 March 2018 (at 11:00 a.m.).

\* \* \*

Publishing results for January 2018 also brought the application of a new base period of short-term statistics. The indices are now measured to the average for 2015, instead of the former average for 2010. Further information can be found in [Press Release](https://www.czso.cz/csu/czso/zmena-baze-v-ramci-kratkodobych-statistik) of 12 March 2018.

*Notes:*

1)*Data on average temperatures are taken from the Czech Hydrometeorological institute.*

2) *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).*

*In accordance with the CZSO revision policy the data for 2017 were revised.*

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

*End of data collection: 7 March 2018*

*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: 6 April 2018*

Annexes:

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

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

Graph 2 Construction production indices (base indices)

Graph 3 Construction production indices, international comparison