

## 17. CONSTRUCTION

The construction statistics cover enterprises with construction as principal activity classified to CZ-NACE divisions 41, 42, and 43.

Introduction of the new Classification of Economic Activities (CZ-NACE), which replaced the previously used Industrial Classification of Economic Activities (OKEČ), has resulted not only in a different arrangement of individual activities within the construction industry, but also in a different specification of the range of activities defined as construction activities. The main change, compared to the OKEČ, is the inclusion of developer activities in construction. Those manufacturers of wood, plastic, and metal products for construction purposes, who also install their products, were transferred from the manufacturing section into the construction one. Repairs and maintenance of lifts and escalators are newly included in construction. By contrast, installations of security systems such as burglar alarms and fire alarms were taken from construction. For this reason, the content of the term of construction in this chapter is not consistent with its interpretation in previous editions of the Statistical Yearbook of the CR.

The first reference period for the data processing according to the new classification of the CZ-NACE was January 2009 in the case of the short-term (monthly and quarterly) statistics, or the year 2008 in the case of the structural (annual) statistics. The basic data according to the new classification of the CZ-NACE were also recalculated back to the year 2000 (for the short-term statistics), or back to the year 2005 (for the structural statistics). The administrative data from the Ministry of Finance of the CR and from other institutions were, for the first time, more widely employed in the imputation models within this recalculation and simultaneously some misclassifications were corrected, retrospectively. Therefore, the recalculation cannot be interpreted as a simple transition of the existing data from one classification into another one, but it is a comprehensive revision aimed at an improvement of data quality in the recalculated time series.

During the data processing according to the CZ-NACE a new system of additional estimates was created for most indicators and their basic classification for the not surveyed part of the population, even for the short-term statistics, which had covered the population of enterprises from a certain size threshold so far. Therefore all results given in this chapter represent the whole population of construction enterprises regardless of their size, if not stated otherwise.

### Basic indicators:

The **construction production index** is published for the whole population of enterprises with construction as principal activity and its trend is approximated by the development in the general construction work.

The **construction work** refers namely to works carried out on the construction, reconstruction, extension, renovation, repair, and maintenance of permanent as well as temporary buildings and structures. They also include assembly works on structures and the value of built-in materials and structures.

The **general construction work** represents the volume of construction work of the unit performed by workers included into its registered number of employees plus productive work of apprentices and the volume of construction work on own tangible fixed assets.

The **construction work "S" (according to delivery contracts) in total** comprises the total value of outputs of construction activities of the reporting unit, including built-in materials, implemented on the basis of a delivery contract for the end user (investor), including the value of potential sub-deliveries of construction work obtained from other sub-contractors in order to implement the delivery contract for the end user. (Sub-deliveries of construction work of the reporting unit to other contractors, as well as deliveries of construction work delivered mutually among organisational units of the reporting unit are not included.)

#### The construction work by type of constructions:

- **residential buildings** are residential houses (houses dedicated predominantly for residential purposes); the indicator corresponds to classes 1110, 1121, 1122, and 1130 in section 1 of the Classification of Types of Constructions (CZ-CC);
- **non-residential buildings not designed for production** are all non-residential buildings not used for production, such as buildings for health care and services, buildings for education, and office buildings (including office buildings of production, agricultural, trade, and other enterprises), buildings for culture, hotels, etc.; the indicator corresponds to classes 1211, 1212, 1261 to 1265, and 1272 to 1274 in section 1 of the CZ-CC;
- **non-residential buildings designed for production** are all non-residential buildings used for production (such as buildings for agriculture, manufacturing, trade, transport, and telecommunications, etc.); the indicator corresponds to classes 1230, 1241, 1242, 1251, 1252, and 1271 in section 1 of the CZ-CC;
- **civil engineering works** are, for instance, bridges, roads, streets, railways, underground constructions, pipelines and electricity lines; the indicator corresponds to classes 2111 to 2142 and 2211 to 2420 in section 2 of the CZ-CC; and
- **water management works** include soil amelioration, dams and reservoirs on watercourses, watercourse training and canalisation; the indicator corresponds to classes 2151, 2152, and 2153 in section 2 of the CZ-CC.

**Construction orders** shall mean the volume of construction work to be implemented according to delivery contracts. This is work contracted by the reporting units at ordering parties (incl. additional and/or supplementary orders, etc.) regardless the beginning of work and duration of its implementation. They are shown at prices valid at the order reception, exclusive of VAT.

**Orders at the end of the reference period** captures either the value of received orders (confirmed mutually by the contractor and ordering party) and not started yet, either the value of pending work, in case of uncompleted orders. This means that construction work of orders, which have not been started yet, is reported in their total value, while work of uncompleted constructions is counted only as their remaining book value (i.e. the value of pending work). Constructions, which have been completed, but not handed over and invoiced yet, are not included.

**New orders** are newly received and confirmed orders in the reference quarter as well as additional and supplementary orders (also confirmed) to the previous orders. These include also short-time orders received and implemented in full in the reference quarter.

The **building** is an above ground construction, spatially concentrated and predominantly enclosed by external walls and the roof structure.

The **dwelling** refers to one room or a set of rooms, which are dedicated for residential purposes by the planning and building control authority and which may serve as an independent dwelling for such purpose.

Since 2006 **dwelling started** have been dwellings in buildings for which building permits have been granted in the reference period, and since 2007 dwellings started have been dwellings which construction commenced on the basis of building permits granted or building notifications, no matter whether these dwellings were completed in the reference period or not. For this definition purpose, the building shall mean a family house, multi-dwelling building, and an extension to such buildings, community care service houses and pensions houses, non-residential building (tied dwellings provided by employers usually outside residential buildings), and any non-residential area, conversion of which have given birth to a new dwelling.

**Dwellings completed** are dwellings, for which the planning and building control authorities granted an approval pursuant to the Construction Act, as amended.

The **family house** is a construction, in which more than 50% of the floor area of all rooms is designed for living. The family house can have three separate dwellings as maximum and not more than two above-ground floors and a loft. Common areas and side rooms are not taken into account.

The **multi-dwelling building** is a construction where more than 50% of total floor area of all rooms is designed for living and the number of separate dwellings is four and more.

The **top extension, side extension, and building conversion** are construction modifications to a multi-dwelling building or a family house, which result in new dwellings.

**Community care homes and boarding houses** are special multi-dwelling buildings of special nature, which technology equipment also includes areas for home care (the former), or which allow the renting of dwellings with accompanied services (the latter).

**Dwellings in non-residential buildings** are dwellings created by top or side extensions to the current non-residential buildings (as vocational training facility, for instance) and dwellings formed in newly built non-residential buildings (as dwellings over a newly built multipurpose building).

The **conversion of non-residential areas into dwellings** includes building modifications of non-residential areas in residential and non-residential buildings, which increase the number of dwellings (but not as a result of a new construction).

The **building enclosure** is the sum of enclosures within foundations (cubic metres of foundation structures), plus the bottom and upper parts of the building and roofing (delimited by the external surfaces of the shell structures, at the bottom level by the plane of the bottom floor structure and at the top by the external surfaces of the roof).

The **living floor area of the dwelling** is the floor area of habitable rooms. The **habitable room** is a directly natural light illuminated and ventilated room of at least 8 m<sup>2</sup> of the floor area, which can be sufficiently heated, directly or indirectly, and which is designed and equipped for the year-round dwelling. The living floor area does not include the floor area of **ancillary rooms** (entrance halls, non-residential halls, chambers, utility rooms, and other unoccupied rooms designed to be used along with the dwelling). The ancillary rooms shall not include cellars, laundries, uninhabitable lofts, or garages and **facilities** as toilets, bathrooms, bathroom or shower corners, and larders.

The **useful floor area of the dwelling** is the floor area of all habitable and ancillary rooms, including facilities of the dwelling. Cellars, washrooms and uninhabitable lofts are not surveyed at all. Garages are surveyed only if located in non-residential areas.

The **value of buildings** is given by so-called "combined price" and equals the sum of values of work at current prices valid in individual years of construction.

The **time of construction** is the actual time elapsed between the dwelling building permit has been granted and its completion, i.e. the dwelling has been approved.

The **building permit** lays down binding conditions for the implementation and use of the construction pursuant to Section 115 of the Construction Act.

The **building notification** is the permit of simple constructions pursuant to Section 104 (2), a)–d) of the Construction Act.

The **approximate value of constructions** encompasses all costs, including technology, (at current prices) incurred to the preparation, implementation, and commissioning of a construction.

The **new construction** shall mean a brand new structure, new construction work, no matter whether previously built-up or not, and with no respect to its structural and technical design, purpose, and duration.

**Modifications to completed buildings or structures** shall mean the following:

- top extensions increasing the height of the construction;
- side extensions, which extend the construction layout and are connected with the existing construction in terms of operation; and
- construction modifications, which do not affect either the external layout or the elevation of the construction (built-in modifications).

## Notes on Tables

The data in Tables 17-1 to 17-5 refer to the population of all construction enterprises. Tables 17-6 and 17-7 cover enterprises with 20+ employees. Table 17-8 refers to enterprises with 50+ employees.

### Table 17-4. Financial management indicators of construction enterprises

Data in Table are based on the back recalculation of the structural data for 2005–2007, which was not finalised at the closing date of this Statistical Yearbook due to its time and methodological demands. Therefore results given in this Table are published as preliminary and may be subsequently revised.

### Table 17-6. Construction work “S” in the Czech Republic by region of the construction site

Till 2009 the data were obtained from a survey carried out by the Ministry of Industry and Trade of the Czech Republic. Since 2010 the survey has been carried out by the CZSO.

### Table 17-8. Construction work orders

The data are obtained from the processing of questionnaires from enterprises with **prevailing construction activities** classified to the CZ-NACE groups as follows:

- 41.2 – Construction of residential and non-residential buildings;
- 42.1 – Construction of road and railways;
- 42.2 – Construction of utility projects;
- 42.9 – Construction of other civil engineering projects;
- 43.1 – Demolition and site preparation; and
- 43.9 – Other specialized construction activities.

### Table 17-9. New construction of non-residential buildings by the CZ-CC

The data on completed non-residential buildings are measured yearly in an exhaustive manner for all planning and building control authorities.

### Tables 17-10 to 17-14. Housing construction

Tables provide information on the total number of started and completed dwellings by **all forms of construction**. Since 1996 the total completed dwellings have also included dwellings acquired by the conversion of non-residential areas. The data on completed dwellings are measured yearly in an exhaustive manner for all planning and building control authorities. The number includes dwellings in residential buildings and also in other buildings, including superstructures, extensions or annexes, and dwellings in community care homes and boarding houses, and also in non-residential buildings, including dwellings obtained by the conversion of non-residential areas.

### Tables 17-15 to 17-17. Building permits granted and the approximate value of constructions

The data are measured monthly in an exhaustive manner for all planning and building control authorities.

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Detailed information on construction can be found on a web page of the Czech Statistical Office at:

- [www.czso.cz/eng/redakce.nsf/i/construction\\_ekon](http://www.czso.cz/eng/redakce.nsf/i/construction_ekon)