7 May 2020

Construction output decreased only slightly

Construction – March 2020

In March 2020, the construction output decreased by 2.3%, year-on-year (y-o-y), in real terms. The seasonally adjusted construction output decreased by 3.1%, month-on-month (m-o-m). The planning and building control authorities granted by 14.0% less building permits, y-o-y. The approximate value of permitted constructions decreased by 17.4%, y-o-y. The number of started dwellings decreased by 30.2%, y-o-y. The number of completed dwellings decreased by 6.8%, y-o-y.

In March 2020, the **construction output1)** decreased by 3.1%, m-o-m, in real terms. In the year-on-year comparison, it decreased by 2.3%. Compared to the corresponding month of the previous year, the production in building construction decreased by 5.4% (contribution −4.3 percentage points (p. p.)). The production of civil engineering construction increased by 10.4%, y-o-y (contribution +2.0 p. p.).

The **average registered number of employees2)** in construction decreased by 1.2%, y-o-y, in March 2020. Their **average gross monthly nominal wage** increased by 3.4%, y-o-y, in March 2020.

In March 2020, the planning and building control authorities granted 6 222 **building permits**; it was 14.0% down, y-o-y. The **approximate value** of the permitted constructions was CZK 29.0 billion and compared to the corresponding period of 2019 it decreased by 17.4%.

The **number of dwellings started** decreased in March 2020 by 30.2%, y-o-y, and reached the number of 2 947 dwellings. The number of dwellings started in family houses decreased by 23.5%. The number of dwellings started in multi-dwelling buildings decreased by 42.3%.

The **number of completed dwellings** decreased by 6.8%, y-o-y, in March 2020 and amounted to 2 226 dwellings. The number of completed dwellings in family houses decreased by 14.5%, while the number of completed dwellings in multi-dwelling buildings increased by 20.1%.

According to Eurostat, **construction output in the EU27 in February 2020** decreased by 0.9%, y-o-y. Buildings decreased by 1.7% and civil engineering works increased by 3.5%. According to a preliminary release calendar, Eurostat will release data for March 2020 on 19 May 2020.

**Construction in the Q1 2020**

In the Q1 2020, the **construction output** was by 2.9% higher in real terms compared to the Q4 2019. The construction output increased by 2.3%, y-o-y. The production in building construction decreased by 0.7% (contribution −0.5 p. p.), y-o-y, and the production of civil engineering construction grew by 15.8% (contribution +2.8 p. p.), y-o-y.

The **average registered number of employees** in construction decreased by 0.2%, y-o-y, in the Q1 2020. Their **average gross monthly nominal wage** increased by 6.8%, y-o-y, in the Q1 2020.

In the Q1 2020, the number of **construction orders** of construction enterprises with 50+ employees decreased by 3.0%, y-o-y; the enterprises received and concluded 12 592 **construction orders** in the Czech Republic. The **total value** of the orders decreased by 13.0%, y-o-y, and was CZK 50.3 billion. The building construction orders were for CZK 24.3 billion (growth by 3.3%) and those for civil engineering constructions were for CZK 26.0 billion (decrease by 24.1%). The average value of a newly concluded construction order was CZK 4.0 million and was by 10.3% lower, y-o-y.

In the Q1 2020, the number of **building permits granted** increased by 0.3%, y-o-y; the planning and building control authorities granted 19 469 **building permits**. The **approximate value** of constructions permitted in the Q1 2020 accounted for CZK 90.4 billion and dropped by 1.4%, compared to the same period of 2019.

The **number of dwellings started** in the Q1 2020 decreased by 4.5%, y-o-y, and accounted for 9 140 dwellings. The number of dwellings started in family houses increased by 9.5% and that in multi-dwelling buildings dropped by 13.1%.

The **number of completed dwellings** in the Q1 2020 decreased by 1.3%, y-o-y, and attained 8 000 dwellings. The number of completed dwellings in family houses dropped by 3.3%, y-o-y, and the number of completed dwellings in multi-dwelling buildings increased by 14.5%.

*Notes:*

Results for March 2020 have been compiled in a standard way based on processing of a monthly report (“Stav 1–12” questionnaire) and using administrative data sources. We express our thanks to all respondents that provided us with data also in the current difficult situation and thus enabled the CZSO to process results in full extent.

1) The year-on-year development of construction output (production) is adjusted for working days unless otherwise stated. Month-on-month or quarter-on-quarter rates are also seasonally adjusted. Contributions to an increase or to a decrease are calculated from data that are adjusted for working days.

2) Indicators related to employment in construction apply to the entire population of enterprises the principal (prevailing) activity of which is construction. The indicator of 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. The piece of data on the registered number of employees in construction also excludes agency workers, who have contracts of employment within economic activities of services (CZ-NACE 78.2).

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*Method of data acquisition: direct surveys of the CZSO (*Stav 1–12 *and* Stav 2–12*)*

*End of data collection: 4 May 2020*

*Related outputs:* <https://www.czso.cz/csu/czso/sta_ts>

<https://www.czso.cz/csu/czso/bvz_ts>

*Next News Release will be published on: 8 June 2020*

Annexes:

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

Table 2 Construction production index, construction orders, building permits granted, and housing construction (seasonally unadjusted, year-on-year indices for a quarter of the year)

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

Chart 2 Construction production indices (base indices)

Chart 3 Construction production indices, international comparison