6 November 2020

Year-on-year decrease of output slackened

Construction – September 2020

In September 2020, the construction output decreased by 8.2%, year-on-year (y-o-y), in real terms. The seasonally adjusted construction output increased by 0.6%, month-on-month (m-o-m). The planning and building control authorities granted by 1.0% less building permits, y-o-y. The approximate value of permitted constructions decreased by 19.3%, y-o-y. The number of started dwellings decreased by 29.5%, y-o-y. The number of completed dwellings decreased by 28.8%, y-o-y.

In September 2020, the **construction output1)** increased by 0.6%, m-o-m, in real terms. In the year-on-year comparison, it decreased by 8.2%. Compared to the corresponding month of the previous year, the production in building construction decreased by 8.9% (contribution −6.2 percentage points (p. p.)). The production of civil engineering construction decreased by 6.7%, y-o-y (contribution −2.0 p. p.). Besides outages due to the coronavirus epidemic, the y-o-y decrease was influenced also by a relatively high comparison basis from September 2019.

The **average registered number of employees2)** in construction decreased by 1.6%, y-o-y, in September 2020. Their **average gross monthly nominal wage** increased by 2.9%, y-o-y, in September 2020.

The planning and building control authorities granted 7 433 **building permits** in September 2020; it was by 1.0% less, y-o-y. The **approximate value** of the permitted constructions reached CZK 26.5 billion and compared to the corresponding period of 2019 it decreased by 19.7%.

The **number of dwellings started** decreased in September 2020 by 29.5%, y-o-y, and reached the number of 2 572 dwellings. The number of dwellings started in family houses increased by 0.2%. The number of dwellings started in multi-dwelling buildings decreased by 72.3%.

The **number of completed dwellings** decreased by 28.8%, y-o-y, in September 2020 and amounted to 2 359 dwellings. The number of completed dwellings in family houses increased by 8.1%; the number of completed dwellings in multi-dwelling buildings decreased by 68.1%.

According to Eurostat, **construction output in the EU27 in August 2020** decreased by 1.5%, y-o-y. Buildings decreased by 2.0% and civil engineering works increased by 0.9%. According to a preliminary release calendar, Eurostat will release data for September 2020 on 17 November 2020.

**Construction in the third quarter of 2020**

In the Q3 2020, compared to the Q2 2020, the **construction output** was by 2.3% lower, quarter-on-quarter, in real terms. The construction output decreased by 9.4%, y-o-y. The production in building construction decreased by 10.2%, y-o-y, (contribution −7.2 p. p.) and the production of civil engineering construction decreased by 7.6%, y-o-y (contribution −2.2 p. p.).

**The average registered number of employees** in construction decreased by 1.7%, y-o-y, in the Q3 2020. Their **average gross monthly nominal wage** increased by 4.8%, y-o-y, in the Q3 2020.

In the Q3 2020, the number of construction orders of construction enterprises with 50+ employees increased by 9.2%, y-o-y; the enterprises received and concluded 17 597 **construction orders** in the Czech Republic. The **total value** of the orders increased by 3.3%, y-o-y, and was CZK 65.9 billion. The building construction orders were for CZK 27.3 billion (growth by 0.9%) and those for civil engineering constructions were for CZK 38.6 billion (growth by 5.1%). The average value of a new concluded building order was CZK 3.7 million and was by 5.4% lower, y-o-y.

In the Q3 2020, the number of building permits granted remained on the same level as in 2019; the planning and building control authorities granted 22 452 **building permits**. The **approximate value** of constructions permitted in the Q3 2020 was CZK 95.9 billion and decreased by 4.1%, compared to that in the corresponding period of 2019.

**The number of dwellings started** in the Q3 2020 decreased by 15.2%, y-o-y, and was 8 510 dwellings. The number of dwellings started in family houses decreased by 4.6%, and that in multi-dwelling buildings decreased by 47.6%.

**The number of completed dwellings** in the Q3 2020 decreased by 13.7%, y-o-y, and was 8 038 dwellings. The number of completed dwellings in family houses increased by 0.4%, y-o-y, and the number of completed dwellings in multi-dwelling buildings decreased by 37.3%.

*Notes:*

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 whole population of enterprises the principal (prevailing) activity of which is construction. The indicator of the registered number of employees does not include persons working under various contracts for work (an agreement on work performance and an agreement on work activity), 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: 2 November 2020*

*Related outputs:* [*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: 8 December 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