8 November 2021

Construction output was increasing thanks to building construction

Construction – September 2021

In September 2021, the construction output increased by 2.2%, year-on-year (y-o-y), in real terms. It the month-on-month (m-o-m) comparison, it was by 0.4% higher. The planning and building control authorities granted by 1.0% more building permits, y-o-y. The approximate value of permitted constructions increased by 28.8%, y-o-y. The number of started dwellings increased by 57.3%, y-o-y. The number of completed dwellings decreased by 10.2%, y-o-y.

*“In September, construction output slightly increased in the year-on-year comparison; in the month-on-month comparison it rather stagnated. Since the comparison basis was rather low it is not a satisfying result. Construction of civil engineering works, based on a segment of big companies, decreased and after almost two years it reported a worse result than the building construction,”* Radek Matějka, Director of the Agricultural and Forestry, Industrial, Construction, and Energy Statistics Department, says.

The **construction output1** in September 2021 was by 0.4% higher, m-o-m, in real terms. In the year-on-year comparison, it increased by 2.2%. Compared to the corresponding month of the previous year, the production in building construction increased by 4.9% (contribution +3.4 percentage point (p. p.)). The production of civil engineering construction decreased by 3.6%, y-o-y (contribution -1.2 p. p.).

The **average registered number of employees2** in construction decreased by 1.2%, y-o-y, in September 2021. Their **average gross monthly nominal wage** increased by 6.4%, y-o-y, in September 2021.

*“The area of building permits and housing construction used the low comparison basis from the last year's September. Both the number and the value of the permitted constructions increased as well as the number of dwellings started. Only completing of family houses seems to have difficulties as it has been decreasing for the fifth successive month. Lack of construction capacities and an increase of prices of construction materials might be reasons for that,”* Petra Cuřínová, Head of the Construction Statistics Unit, explains.

The planning and building control authorities granted 7 509 **building permits** in September 2021; it was by 1.0% more, y-o-y. The **approximate value** of the permitted constructions reached CZK 34.0 billion and compared to the corresponding period of 2020 it increased by 28.8%.

The **number of dwellings started** increased by 57.3%, y-o-y, in September 2021 and reached the number of 4 045 dwellings. The number of dwellings started in family houses increased by 16.9%. The number of dwellings started in multi-dwelling buildings increased by 260.3%. The **number of completed dwellings** decreased by 10.2%, y-o-y, in September 2021 and amounted to 2 121 dwellings. The number of completed dwellings in family houses decreased by 24.5%; the number of completed dwellings in multi-dwelling buildings increased by 47.9%.

According to Eurostat, **construction output in the EU27 in August 2021** decreased by 1.0%, year-on-year. Buildings decreased by 0.7% and civil engineering works dropped by 1.5%. According to a preliminary release calendar, Eurostat will release data for September 2021 on 17 November 2021.

**Construction in the third quarter of 2021**

In the Q3 2021, compared to the Q2 2021, the **construction output** was by 1.6% lower, q-o-q, in real terms. The construction output increased by 1.3%, y-o-y. The production in building construction increased by 1.2%, y-o-y (contribution +0.9 p. p.) and the production in civil engineering construction increased by 1.5%, y-o-y (contribution +0.4 p. p.).

**The average registered number of employees** in construction decreased by 1.2%, y-o-y, in the Q3 2021. Their **average gross monthly nominal wage** increased by 6.5%, y-o-y, in the Q3 2021.

In the Q3 2021, the number of construction orders of construction enterprises with 50+ employees increased by 12.8%, y-o-y; the enterprises received and concluded 21 279 **construction orders** in the Czech Republic. The **total value** of the orders increased by 7.7%, y-o-y, and was CZK 70.1 billion. The building construction orders were for CZK 30.3 billion (growth by 13.4%) and those for civil engineering works were for CZK 39.8 billion (growth by 3.7%). The average value of a new concluded building order was CZK 3.3 million and it was by 4.6% lower, y-o-y.

In the Q3 2021, the planning and building control authorities granted 23 328 **building permits**; in the y-o-y comparison it was by 3.9% more. The **approximate value** of constructions permitted in the Q3 2021 was CZK 162.7 billion and it increased by 69.7%, compared to that in the corresponding period of 2020.

**The number of dwellings started** in the Q3 2021 increased by 42.1%, y-o-y, and was 12 096 dwellings. The number of dwellings started in family houses increased by 13.4% and that in multi-dwelling buildings increased by 171.6%. **The number of completed dwellings** in the Q3 2021 decreased by 9.3%, y-o-y, and was 7 293 dwellings. The number of completed dwellings in family houses decreased by 17.0%, whereas the number of completed dwellings in multi-dwelling buildings increased by 12.9%.

*Notes:*

1 The year-on-year development of construction output (production) has been 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 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 doesn’t include persons working under an agreement on work performance and an agreement on work activity, working owners of enterprises, and contributing family workers (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 2021*

*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: 7 December 2021*

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 (base indices)