9 May 2016

Marked Decline in Construction Continued

Construction – March 2016

In March 2016 the construction output decreased by 12.5% year-on-year (y-o-y), in real terms. The planning and building control authorities granted by 2.3% more building permits, y-o-y, and the approximate value of permitted constructions fell by 21.6%, y-o-y. The number of started dwellings declined by 16.7%, y-o-y, and the number of completed dwellings decreased by 5.4%, y-o-y.

In March 2016 the **construction output** decreased by 12.5%, y-o-y, in real terms. The working days adjusted construction output in March 2016 was by 11.4% lower, y-o-y. March 2016 was by one working day shorter compared to March 2015. The seasonally adjusted construction output in March 2016 was by 5.1% lower, month-on-month (m-o-m). The production in building construction dropped by 12.2% (contribution -9.1 percentage points (p.p.)), y-o-y. The production of civil engineering construction declined by 13.5% (contribution -3.4 p.p.), y-o-y.

The **average registered number of employees\***), in construction enterprises with 50+ employees fell by 3.4%, y-o-y, in March 2016. Their **average gross monthly nominal wage** increased by 7.2%, compared year-on-year, and reached CZK 31 125.

In March 2016 the **number of building permits granted** increased by 2.3%, y-o-y; the planning and building control authorities granted 6 374 building permits. The **approximate value** of the permitted constructions attained CZK 18.1 billion and dropped by 21.6% compared to the same period of 2015.

The **number of dwellings started** in March 2016 fell by 16.7%, y-o-y, and attained 1 667 dwellings. The number of dwellings started in family houses grew by 6.5% and that of dwellings started in multi-dwelling buildings plummeted by 38.3%.

The **number of completed dwellings** decreased by 5.4%, y-o-y, in March 2016 and was 2 274 dwellings. The number of completed dwellings in family houses rose by 19.0%. The number of completed dwellings in multi-dwelling buildings plummeted by 29.0%.

According to Eurostat the WDA (working days adjusted) **construction output in the EU28** increased by 2.3%, y-o-y, **in February 2016**. Buildings increased by 2.9% and civil engineering works fell by 1.4%. According to the preliminary schedule Eurostat shall release the data for March 2016 on 19 May 2016 (at 11:00 a.m.).

**Construction in Q1 2016**

In Q1 2016 the **construction output** decreased by 8.8%, y-o-y, in real terms. If working days adjusted it fell by 7.3%. Q1 2016 was by one working day shorter compared to the same period of the previous year. Compared to Q4 2015 the seasonally adjusted construction output was by 1.4% higher, quarter-on-quarter. The production in building construction decreased by 9.9% (contribution -7.7 p.p.), y-o-y, and the production of civil engineering construction declined by 5.0% (contribution -1.1 p.p.), y-o-y.

The **average registered number of employees**1) in construction enterprises with 50+ employees fell by 2.6%, y-o-y in Q1 2016. Their **average monthly nominal wage** increased by 7.3%, y-o-y and reached CZK 30 336.

In Q1 2016 the **number of building orders** of construction enterprises with 50+ employees grew by 22.7%, y-o-y; the enterprises received and concluded 11 800 orders in the Czech Republic. The **total value** of the orders decreased by 9.2% and was CZK 32.6 billion. The building construction orders were for CZK 16.2 billion (decline by 6.1%) and those for civil engineering constructions were for CZK 16.4 billion (drop by 12.0%). The average value of a new concluded building order was CZK 2.8 million and was by 26.0% lower, y-o-y.

At the end of Q1 2016 construction enterprises with 50+ employees had 17.7 thousand orders contracted (increase by 12.6%) and these orders represented the inventory of still unimplemented construction works of the total value of CZK 138.3 billion (drop by 18.0%).

In Q1 2016 the **number of building permits granted** increased by 1.7%, y-o-y; the planning and building control authorities granted 17 438 building permits. The **approximate value** of constructions permitted in Q1 2016 accounted for CZK 56.4 billion and increased by 6.9% compared to the same period of 2015.

The **floor area** of new buildings permitted in Q1 2016 was 1 056 thousand m2, which means a fall by 0.5%, compared y-o-y. The floor area of permitted residential buildings increased by 2.6%, and that of non-residential buildings decreased by 3.2%.

The **number of dwellings started** in Q1 2016 increased by 2.1%, y-o-y and accounted for 5 164 dwellings. The number of dwellings started in family houses increased by 8.8%, and that in multi-dwelling buildings grew by 8.4%.

The **number of completed dwellings** in Q1 2016 fell by 0.7%, y-o-y and attained 6 177 dwellings. The number of completed dwellings in family houses increased by 7.3%, y-o-y, and the number of completed dwellings in multi-dwelling buildings dropped by 27.6%.

*Notes:*

\*) *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 the year 2015 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: 4 May 2016*

*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: 7 June 2016*

Annex:

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

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