7 February 2017

Construction Production Declined by 7.6% in 2016

Construction – December 2016

In December 2016 the construction output increased by 1.9% year-on-year (y-o-y), in real terms. The planning and building control authorities granted by 13.5% more building permits, y-o-y, and the approximate value of permitted constructions increased by 21.1%, y-o-y. The number of started dwellings grew by 19.9%, y-o-y, and the number of completed dwellings grew by 4.3%, y-o-y.

In 2016 the construction output decreased by 7.6%, y-o-y, in real terms. The number of started dwellings increased by 3.2%, y-o-y, and the number of completed dwellings grew by 8.9%, y-o-y.

In December 2016 the **construction output** increased by 1.9%, y-o-y, in real terms. The seasonally adjusted construction output in December 2016 was by 2.1% higher, month-on-month (m-o-m). The production in building construction increased by 5.1% (contribution
+3.6 percentage points (p.p.)), y-o-y. The production of civil engineering construction declined by 6.0% (contribution -1.7 p.p.), y-o-y.

The **average registered number of employees\***), in construction enterprises with 50+ employees fell by 2.9%, y-o-y, in December 2016. Their **average gross monthly nominal wage** decreased by 1.7%, compared year-on-year, and reached CZK 34 719.

In December 2016 the **number of building permits granted** increased by 13.5%, y-o-y; the planning and building control authorities granted 7 084 building permits. The **approximate value** of the permitted constructions attained CZK 27.6 billion and grew by 21.1% compared to the same period of 2015.

The **number of dwellings started** in December 2016 grew by 19.9%, y-o-y, and attained 2 917 dwellings. The number of dwellings started in family houses jumped up by 26.3% and that of dwellings started in multi-dwelling buildings increased by 16.4%.

The **number of completed dwellings** increased by 4.3%, y-o-y, in December 2016 and was 3 244 dwellings. The number of completed dwellings in family houses grew by 2.0%. The number of completed dwellings in multi-dwelling buildings jumped up by 32.9%.

According to Eurostat the WDA (working days adjusted) **construction output in the EU28** increased by 0.2%, y-o-y, **in November 2016**. Buildings increased by 1.1% and civil engineering works dropped by 2.1%. According to the preliminary schedule Eurostat shall release the data for December 2016 on 17 February 2017 (at 11:00 a.m.).

**Construction in Q4 2016**

In Q4 2016 the **construction output** decreased by 3.3%, y-o-y, in real terms. Compared to Q3 2016 the seasonally adjusted construction output was by 1.1% higher, quarter-on-quarter. The production in building construction increased by 3.8% (contribution +2.4 p.p.), y-o-y, and the production of civil engineering construction dropped by 15.8% (contribution -5.7 p.p.), y-o-y.

The **average registered number of employees**1) in construction enterprises with 50+ employees fell by 3.1%, y-o-y in Q4 2016. Their **average monthly nominal wage** increased by 1.0%, y-o-y and reached CZK 35 396.

In Q4 2016 the **number of building orders** of construction enterprises with 50+ employees soared by 40.4%, y-o-y; the enterprises received and concluded 17 054 orders in the Czech Republic. The **total value** of the orders increased by 8.7% and was CZK 50.0 billion. The building construction orders were for CZK 22.5 billion (growth by 25.7%) and those for civil engineering constructions were for CZK 27.5 billion (drop by 2.2%). The average value of a new concluded building order was CZK 2.9 million and was by 22.6% lower, y-o-y.

In Q4 2016 the **number of building permits granted** increased by 6.2%, y-o-y; the planning and building control authorities granted 21 839 building permits. The **approximate value** of constructions permitted in Q4 2016 accounted for CZK 75.1 billion and increased by 12.8% compared to the same period of 2015.

The **floor area** of new buildings permitted in Q4 2016 was 1 769 thousand m2, which means a growth by 19.2%, compared y-o-y. The floor area of permitted residential buildings increased by 17.1%, and that of non-residential buildings grew by 20.9%.

The **number of dwellings started** in Q4 2016 increased by 15.9%, y-o-y and accounted for 7 766 dwellings. The number of dwellings started in family houses increased by 19.1%, and that in multi-dwelling buildings grew by 23.5%.

The **number of completed dwellings** in Q4 2016 grew by 23.5%, y-o-y and attained 8 964 dwellings. The number of completed dwellings in family houses increased by 2.8%, y-o-y, and the number of completed dwellings in multi-dwelling buildings soared by 83.1%.

**Construction in 2016**

In 2016 the **construction output** decreased by 7.6%, y-o-y, in real terms. The production in building construction decreased by 3.3% (contribution -2.2 p.p.), y-o-y, and the production of civil engineering construction declined by 16.0% (contribution -5.4 p.p.), y-o-y.

The **average registered number of employees**1) in construction enterprises with 50+ employees fell by 2.7%, y-o-y in 2016. Their **average monthly nominal wage** increased by 4.2%, y-o-y and reached CZK 33 012.

In 2016 the **number of building orders** of construction enterprises with 50+ employees jumped up by 27.0%, y-o-y; the enterprises received and concluded 61 508 orders in the Czech Republic. The **total value** of the orders fell by 1.9%, y-o-y, and was CZK 183.8 billion. The building construction orders were for CZK 85.6 billion (growth by 21.0%) and those for civil engineering constructions were for CZK 98.2 billion (drop by 15.7%). In 2016 the average value of a newly concluded building order accounted for CZK 3.0 million and was by 22.8% lower, y-o-y.

At the end of 2016 construction enterprises with 50+ employees had 19.2 thousand orders contracted (growth by 40.9%) and these orders represented the inventory of still unimplemented construction works of the total value of CZK 128.3 billion (growth by 2.5%).

In 2016 the **number of building permits granted** increased by 3.6%, y-o-y; the planning and building control authorities granted 83 340 building permits. The **approximate value** of constructions permitted in 2016 accounted for CZK 284.3 billion and increased by 11.5% compared to that of 2015.

The **floor area** of buildings permitted in 2016 was 6 068 thousand m2, which means a growth by 13.5% compared y-o-y. The floor area of permitted residential buildings increased by 5.9%, and that of non-residential buildings grew by 20.9%.

The **number of dwellings started** in 2016 increased by 3.2%, y-o-y and accounted for 27 224 dwellings. The number of dwellings started in family houses increased by 15.6%, and that in multi-dwelling buildings dropped by 14.3%.

The **number of completed dwellings** in 2016 grew by 8.9%, y-o-y and attained 27 333 dwellings. The number of completed dwellings in family houses increased by 4.8%, y-o-y, and the number of completed dwellings in multi-dwelling buildings grew by 22.7%.

*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).*

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*Method of data acquisition: the CZSO direct surveys of Stav 1-12 and Stav 2-12*

*End of data collection: 1 February 2017*

*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: 15 March 2017*

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)

Table 3 Construction production index, construction orders, construction permits granted, and housing construction (year-on year indices for the year)