6 February 2018

Construction Production Grew by 1.7% in 2017

Construction – December 2017

In December 2017 the working days adjusted construction output decreased by 0.4% year-on-year (y-o-y), in real terms. The unadjusted construction output decreased by 3.2%, y-o-y, in real terms. The planning and building control authorities granted by 11.1% less building permits, y-o-y, and the approximate value of permitted constructions dropped by 19.7%, y-o-y. The number of started dwellings fell by 5.4%, y-o-y, and the number of completed dwellings grew by 16.5%, y-o-y.

In 2017 the working days adjusted construction output increased by 2.1%, y-o-y, in real terms; the unadjusted one grew by 1.7%, y-o-y, in real terms. The planning and building control authorities granted by 1.0% more building permits, y-o-y, and the approximate value of permitted constructions jumped up by 24.1%, y-o-y. The number of started dwellings increased by 15.8%, y-o-y, and the number of completed dwellings grew by 4.6%, y-o-y.

In December 2017 the seasonally adjusted, including working days, **construction output** decreased by 1.1%, month-on-month (m-o-m), in real terms. The working days adjusted construction output in December 2017 was by 0.4% lower, y-o-y. The unadjusted construction output decreased by 3.2%, y-o-y, in real terms. December 2017 was by two working days shorter than December 2016. The production in building construction decreased by 1.1% (contribution -0.8 percentage points (p.p.)), y-o-y. The production of civil engineering construction declined by 9.2% (contribution -2.4 p.p.), y-o-y.

The **average registered number of employees\***), in construction enterprises with 50+ employees fell by 0.5%, y-o-y, in December 2017. Their **average gross monthly nominal wage** increased by 2.9%, compared year-on-year, and reached CZK 35 700.

In December 2017 the **number of building permits granted** decreased by 11.1%, y-o-y; the planning and building control authorities granted 6 301 building permits. The **approximate value** of the permitted constructions attained CZK 22.1 billion and dropped by 19.7% compared to the same period of 2016.

The **number of dwellings started** in December 2017 fell by 5.4%, y-o-y, and attained 2 759 dwellings. The number of dwellings started in family houses increased by 4.4% and that of dwellings started in multi-dwelling buildings plummeted by 26.8%.

The **number of completed dwellings** increased by 16.5%, y-o-y, and was 3 767 dwellings in December 2017. The number of completed dwellings in family houses grew by 5.3%. The number of completed dwellings in multi-dwelling buildings jumped up by 22.3%.

According to Eurostat the WDA (working days adjusted) **construction output in the EU28** increased by 2.7%, y-o-y, **in November 2017**. Buildings increased by 3.3% and civil engineering works grew by 1.1%. According to the preliminary schedule Eurostat shall release the data for December 2017 on 19 February 2018 (at 11:00 a.m.).

**Construction in Q4 2017**

Compared to Q3 2017 the seasonally adjusted construction output was by 1.4% higher, quarter-on-quarter in real terms in Q4 2017. In Q4 2017 the seasonally adjusted construction output increased by 1.7%, y-o-y, in real terms. Q4 2017 had the same number of working days as Q4 2016. The production in building construction increased by 3.2% (contribution +2.2 p.p.), y-o-y, and the production of civil engineering construction dropped by 1.8% (contribution
-0.5 p.p.), y-o-y.

The **average registered number of employees**1) in construction enterprises with 50+ employees fell by 0.6%, y-o-y in Q4 2017. Their **average monthly nominal wage** increased by 6.8%, y-o-y and reached CZK 37 649.

In Q4 2017 the **number of building orders** of construction enterprises with 50+ employees declined by 5.3%, y-o-y; the enterprises received and concluded 16 051 orders in the Czech Republic. The **total value** of the orders increased by 12.7%, y-o-y and was CZK 57.1 billion. The building construction orders were for CZK 26.2 billion (growth by 13.5%) and those for civil engineering constructions were for CZK 30.9 billion (increase by 12.1%). The average value of a new concluded building order was CZK 3.6 million and was by 19.0% higher, y-o-y.

In Q4 2017 the **number of building permits granted** decreased by 3.6%, y-o-y; the planning and building control authorities granted 21 055 building permits. The **approximate value** of constructions permitted in Q4 2017 accounted for CZK 93.8 billion and jumped up by 24.9% compared to the same period of 2016.

The **floor area** of new buildings permitted in Q4 2017 was 1 749 thousand m2, which means a decline by 1.1%, compared y-o-y. The floor area of permitted residential buildings increased by 8.2%, and that of non-residential buildings fell by 8.2%.

The **number of dwellings started** in Q4 2017 increased by 5.4%, y-o-y and accounted for 8 182 dwellings. The number of dwellings started in family houses increased by 9.0%, and that in multi-dwelling buildings fell by 5.2%.

The **number of completed dwellings** in Q4 2017 decreased by 1.7%, y-o-y and attained 8 800 dwellings. The number of completed dwellings in family houses increased by 9.7%, y-o-y, and the number of completed dwellings in multi-dwelling buildings fell by 19.5%.

**Construction in 2017**

In 2017 the working days adjusted **construction output** increased by 2.1%, y-o-y, in real terms; the unadjusted one grew by 1.7%, y-o-y, in real terms. The year 2017 was by two working days shorter compared to the year 2016. The production in building construction increased by 5.0% (contribution +3.4 p.p.), y-o-y, and the production of civil engineering construction declined by 5.7% (contribution -1.7 p.p.), y-o-y.

The **average registered number of employees**1) in construction enterprises with 50+ employees fell by 2.0%, y-o-y in 2017. Their **average monthly nominal wage** increased by 4.6%, y-o-y and reached CZK 34 478.

In 2017 the **number of building orders** of construction enterprises with 50+ employees increased by 0.3%, y-o-y; the enterprises received and concluded 61 515 orders in the Czech Republic. The **total value** of the orders grew by 9.3%, y-o-y, and was CZK 202.6 billion. The building construction orders were for CZK 93.3 billion (growth by 8.4%) and those for civil engineering constructions were for CZK 109.2 billion (growth by 9.9%). In 2017 the average value of a newly concluded building order accounted for CZK 3.3 million and was by 9.0% higher, y-o-y.

At the end of 2017 construction enterprises with 50+ employees had 17.4 thousand orders contracted (decline by 5.5%) and these orders represented the inventory of still unimplemented construction works of the total value of CZK 131.1 billion (growth by 1.7%).

In 2017 the **number of building permits granted** increased by 1.0%, y-o-y; the planning and building control authorities granted 84 164 building permits. The **approximate value** of constructions permitted in 2017 accounted for CZK 352.9 billion and jumped up by 24.1% compared to that of 2016.

The **floor area** of buildings permitted in 2017 was 6 442 thousand m2, which means a growth by 6.2%, compared y-o-y. The floor area of permitted residential buildings increased by 18.2%, and that of non-residential buildings fell by 4.2%.

The **number of dwellings started** in 2017 increased by 15.8%, y-o-y and accounted for 31 521 dwellings. The number of dwellings started in family houses increased by 17.7%, and that in multi-dwelling buildings jumped up by 23.4%.

The **number of completed dwellings** in 2017 grew by 4.6%, y-o-y and attained 28 575 dwellings. The number of completed dwellings in family houses increased by 4.2%, y-o-y, and the number of completed dwellings in multi-dwelling buildings grew by 3.0%.

\* \* \*

**Starting from the News Release for January 2018 the basis of short-term statistics shall be changed. Besides a change of the base reference period of base indices, which shall be measured by the 2015 average, instead of the 2010 average, the weighting scheme of 2015 shall be applied as well. Recalculated times series of indices shall be available with the onset in the year 2000.**

*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 2018*

*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 2018*

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)

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

Graph 2 Construction production indices (base indices)

Graph 3 Construction production indices, international comparison