6 November 2017

Construction Production Stagnated

Construction – September 2017

In September 2017 the construction output, working days adjusted, increased by 0.2% year-on-year (y-o-y), in real terms. The unadjusted construction output declined by 1.1%. The planning and building control authorities granted by 3.8% more building permits, y-o-y, and the approximate value of permitted constructions jumped up by 32.2%, y-o-y. The number of started dwellings fell by 4.0%, y-o-y, and the number of completed dwellings grew by 2.6%, y-o-y.

In September 2017 the seasonally adjusted, including working days, **construction output** decreased by 1.3%, month-on-month, in real terms. The construction output grew by 0.2%, y-o-y; the unadjusted construction output declined by 1.1%. September 2017 was by one working day shorter compared to September 2016. The production in building construction increased by 0.8% (contribution + 0.5 percentage points (p.p.)), y-o-y. The production of civil engineering construction declined by 5.0% (contribution – 1.6 p.p.), y-o-y.

The **average registered number of employees\***) in construction enterprises with 50+ employees fell by 1.6%, y-o-y, in September 2017. Their **average gross monthly nominal wage** increased by 3.4%, compared year-on-year, and reached CZK 34 952.

In September 2017 the **number of building permits granted** increased by 3.8%, y-o-y; the planning and building control authorities granted 7 425 building permits. The **approximate value** of the permitted constructions attained CZK 27.1 billion and jumped up by 32.2% compared to the same period of 2016.

The **number of dwellings started** in September 2017 fell by 4.0%, y-o-y, and attained 2 420 dwellings. The number of dwellings started in family houses jumped up by 21.6% and that of dwellings started in multi-dwelling buildings plummeted by 53.2%.

The **number of completed dwellings** increased by 2.6%, y-o-y, and was 2 578 dwellings in September 2017. The number of completed dwellings in family houses fell by 1.3%. The number of completed dwellings in multi-dwelling buildings dropped by 4.5%. The number of completed dwellings in extensions to multi-dwelling buildings was growing.

According to Eurostat the WDA (working days adjusted) **construction output in the EU28** increased by 3.1%, y-o-y, **in August 2017**. Buildings increased by 3.0% and civil engineering works grew by 3.6%. According to the preliminary schedule Eurostat shall release the data for **September 2017 on 17 November 2017 at 11:00 a.m.**

**Construction in Q3 2017**

In Q3 2017 the seasonally adjusted, including working days, **construction output** decreased by 2.6%, quarter-on-quarter, in real terms, compared to Q2 2017. The working days adjusted construction output in Q3 2017 was by 1.2% higher, y-o-y; the working days unadjusted increased by 0.8%, y-o-y. Q3 2017 was by one working day shorter compared to Q3 2016. The production in building construction increased by 3.7% (contribution + 2.5 p.p.), y-o-y, and the production of civil engineering construction dropped by 5.5% (contribution – 1.7 p.p.), y-o-y.

The **average registered number of employees**1) in construction enterprises with 50+ employees fell by 1.5%, y-o-y in Q3 2017. Their **average monthly nominal wage** increased by 3.2%, y-o-y and reached CZK 34 773.

In Q3 2017 the **number of building orders** of construction enterprises with 50+ employees increased by 2.4%, y-o-y; the enterprises received and concluded 16 537 orders in the Czech Republic. The **total value** of the orders decreased by 3.1%, y-o-y, and was CZK 50.7 billion. The building construction orders were for CZK 23.8 billion (growth by 3.5%) and those for civil engineering constructions were for CZK 26.9 billion (decrease by 8.2%). The average value of a new concluded building order was CZK 3.1 million and was by 5.3% lower, y-o-y.

At the end of Q3 2017 construction enterprises with 50+ employees had 19.8 thousand orders contracted (increase by 0.1%) and these orders represented the inventory of still unimplemented construction works of the total value of CZK 135.0 billion (drop by 3.0%).

In Q3 2017 the **number of building permits granted** increased by 2.3%, y-o-y; the planning and building control authorities granted 22 313 building permits. The **approximate value** of constructions permitted in Q3 2017 accounted for CZK 95.4 billion and increased by 41.0% compared to the same period of 2016.

The **floor area** of new buildings permitted in Q3 2017 was 1 701 thousand m2, which means an increase by 10.6%, compared y-o-y. The floor area of permitted residential buildings increased by 16.8%, and that of non-residential buildings grew by 4.2%, both y-o-y.

The **number of dwellings started** in Q3 2017 increased by 19.2%, y-o-y and accounted for 8 316 dwellings. The number of dwellings started in family houses jumped up by 25.6%, and that in multi-dwelling buildings jumped up by 27.4%, both y-o-y.

The **number of completed dwellings** in Q3 2017 increased by 13.9%, y-o-y and attained 6 983 dwellings. The number of completed dwellings in family houses increased by 8.5%, y-o-y, and the number of completed dwellings in multi-dwelling buildings grew by 15.1%, y-o-y.

*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: 31 October 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: 7 December 2017*

Annexes:

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

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