7 August 2017

Construction Production Continue to Grow due to Buildings

Construction – June 2017

In June 2017 construction output increased by 8.5% year-on-year (y-o-y), in real terms. The planning and building control authorities granted by 0.1% less building permits, y-o-y, and the approximate value of permitted constructions grew by 21.4%, y-o-y. The number of started dwellings increased by 26.2%, y-o-y, and the number of completed dwellings jumped up by 28.5%, y-o-y.

In June 2017 the seasonally adjusted, including working days, **construction output** increased by 0.2%, month-on-month, in real terms. The construction output grew by 8.5%, y-o-y. June 2017 had the identical number of working days with June 2016. The production in building construction increased by 13.7% (contribution + 9.2 percentage points (p.p.)), y-o-y. The production of civil engineering construction declined by 2.2% (contribution – 0.7 p.p.), y-o-y.

The **average registered number of employees\***), in construction enterprises with 50+ employees fell by 2.1%, y-o-y, in June 2017. Their **average gross monthly nominal wage** increased by 6.0%, compared year-on-year, and reached CZK 34 352.

In June 2017 the **number of building permits granted** decreased by 0.1%, y-o-y; the planning and building control authorities granted 7 226 building permits. The **approximate value** of the permitted constructions attained CZK 28.4 billion and grew by 21.4% compared to the same period of 2016.

The **number of dwellings started** in June 2017 jumped up by 26.2%, y-o-y, and attained 2 617 dwellings. The number of dwellings started in family houses grew by 15.0% and that of dwellings started in multi-dwelling buildings soared by 63.6%.

The **number of completed dwellings** jumped up by 28.5%, y-o-y, and was 2 498 dwellings in June 2017. The number of completed dwellings in family houses increased by 1.4%. The number of completed dwellings in multi-dwelling buildings soared by 65.0%.

According to Eurostat the WDA (working days adjusted) **construction output in the EU28** increased by 2.5%, y-o-y, **in May 2017**. Buildings increased by 2.9% and civil engineering works grew by 1.6%. According to the preliminary schedule Eurostat shall release the data for June 2017 on 18 August 2017 at 11:00 a.m.

**Construction in Q2 2017**

In Q2 2017 the seasonally adjusted, including working days, **construction output** increased by 4.0%, quarter-on-quarter, in real terms, compared to Q1 2017. The working days adjusted construction output in Q2 2017 was by 8.1% higher, y-o-y; the working days unadjusted increased by 5.9%, y-o-y. Q2 2017 was by four working days shorter compared to Q2 2016. The production in building construction increased by 10.7% (contribution + 7.3 p.p.), y-o-y, and the production of civil engineering construction dropped by 4.5% (contribution – 1.4 p.p.), y-o-y.

The **average registered number of employees**1) in construction enterprises with 50+ employees fell by 2.3%, y-o-y in Q2 2017. Their **average monthly nominal wage** increased by 5.9%, y-o-y and reached CZK 34 676.

In Q2 2017 the **number of building orders** of construction enterprises with 50+ employees increased by 1.9%, y-o-y; the enterprises received and concluded 16 891 orders in the Czech Republic. The **total value** of the orders increased by 9.2%, y-o-y, and was CZK 53.5 billion. The building construction orders were for CZK 23.5 billion (growth by 2.3%) and those for civil engineering constructions were for CZK 30.0 billion (increase by 15.3%). The average value of a new concluded building order was CZK 3.2 million and was by 7.1% higher, y-o-y.

At the end of Q2 2017 construction enterprises with 50+ employees had 20.8 thousand orders contracted (increase by 1.7%) and these orders represented the inventory of still unimplemented construction works of the total value of CZK 143.7 billion (drop by 2.5%).

In Q2 2017 the **number of building permits granted** decreased by 1.5%, y-o-y; the planning and building control authorities granted 21 935 building permits. The **approximate value** of constructions permitted in Q2 2017 accounted for CZK 84.0 billion and fell by 1.4% compared to the same period of 2016.

The **floor area** of new buildings permitted in Q2 2017 was 1 521 thousand m2, which means a decline by 10.8%, compared y-o-y. The floor area of permitted residential buildings increased by 18.3%, and that of non-residential buildings dropped by 34.2%, both y-o-y.

The **number of dwellings started** in Q2 2017 increased by 16.1%, y-o-y and accounted for 8 498 dwellings. The number of dwellings started in family houses increased by 11.1%, and that in multi-dwelling buildings soared by 50.0%, both y-o-y.

The **number of completed dwellings** in Q2 2017 increased by 15.2%, y-o-y and attained 6 982 dwellings. The number of completed dwellings in family houses increased by 1.5%, y-o-y, and the number of completed dwellings in multi-dwelling buildings jumped up by 33.4%, 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: 2 August 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: 6 September 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