6 February 2019

Construction Production Grew by 8.4% in 2018

Construction – December 2018

In December 2018 the working days adjusted construction output increased by 5.3% year-on-year (y-o-y), in real terms. The unadjusted construction output grew by 3.9%. The planning and building control authorities granted by 0.9% less building permits, y-o-y, and the approximate value of permitted constructions jumped up by 28.0%, y-o-y. The number of started dwellings fell 4.4%, y-o-y, and the number of completed dwellings grew by 14.2%, y-o-y.

In 2018 the construction output increased by 8.4%, y-o-y, in real terms. The planning and building control authorities granted by 3.6% less building permits, y-o-y, and the approximate value of permitted constructions increased by 1.5%, y-o-y. The number of started dwellings increased by 5.1%, y-o-y, and the number of completed dwellings grew by 18.5%, y-o-y.

In December 2018 the seasonally adjusted, including working days, **construction output** increased by 3.0%, month-on-month, in real terms. The working days adjusted construction output in December 2018 was by 5.3% higher, y-o-y. The working days unadjusted one increased by 3.9%, y-o-y. December 2018 was by one working day shorter than December 2017. The production in building construction increased by 3.6% (contribution   
+2.7 percentage points (p.p.)), y-o-y. The production of civil engineering construction grew by 4.8% (contribution +1.2 p.p.), y-o-y.

The **average registered number of employees**1), in construction enterprises with 50+ employees in December 2018 grew by 1.2%, y-o-y. Their **average gross monthly nominal wage** increased by 5.0%, compared year-on-year, and reached CZK 38 172.

In December 2018 the number of building permits granted decreased by 0.9%, y-o-y. The planning and building control authorities granted 6 246 **building permits**. The **approximate value** of the permitted constructions attained CZK 28.3 billion and jumped up by 28.0% compared to the same period of 2017.

The **number of dwellings started** in December 2018 fell by 4.4%, y-o-y, and attained 2 637 dwellings. The number of dwellings started in family houses decreased by 5.5% and that of dwellings started in multi-dwelling buildings declined by 29.0%.

The **number of completed dwellings** grew by 14.2%, y-o-y, in December 2018 and was 4 295 dwellings. The number of completed dwellings in family houses grew by 23.8%. The number of completed dwellings in multi-dwelling buildings increased by 18.1%.

According to Eurostat the WDA (working days adjusted) **construction output in the EU28** increased by 1.8%, y-o-y, **in November 2018**. Buildings increased by 0.9% and civil engineering works grew by 4.8%. According to the preliminary schedule Eurostat shall release the data for December 2018 on 19 February 2019.

**Construction in Q4 2018**

Compared to Q3 2018 the seasonally adjusted, including working days, construction output was by 2.0% lower, quarter-on-quarter, in real terms in Q4 2018. In Q4 2018 the working days adjusted construction output increased by 4.2%, y-o-y, in real terms. The working days unadjusted construction output increased by 4.7%, y-o-y, in real terms. Q4 2018 was by one working day longer than Q4 2017. The production in building construction increased by 4.8% (contribution +3.4 p.p.), y-o-y, and the production of civil engineering construction grew by 4.5% (contribution +1.3 p.p.), y-o-y.

The **average registered number of employees**1) in construction enterprises with 50+ employees increased by 0.8%, y-o-y in Q4 2018. Their **average monthly nominal wage** increased by 7.5%, y-o-y and reached CZK 40 670.

In Q4 2018 the **number of building orders** of construction enterprises with 50+ employees increased by 13.5%, y-o-y; the enterprises received and concluded 18 211 orders in the Czech Republic. The **total value** of the orders increased by 3.6%, y-o-y and was CZK 60.7 billion. The building construction orders were for CZK 28.4 billion (growth by 7.0%) and those for civil engineering constructions were for CZK 32.3 billion (increase by 0.8%). The average value of a new concluded building order was CZK 3.3 million and was by 8.8% lower, y-o-y.

In Q4 2018 the **number of building permits granted** decreased by 1.8%, y-o-y; the planning and building control authorities granted 20 677 building permits. The **approximate value** of constructions permitted in Q4 2018 accounted for CZK 99.9 billion and grew by 6.5% compared to the same period of 2017.

The **floor area** of new buildings permitted in Q4 2018 was 1 873 thousand m2, which means a growth by 7.1%, compared y-o-y. The floor area of permitted residential buildings fell by 1.1%, and that of non-residential buildings increased by 14.5%.

The **number of dwellings started** in Q4 2018 increased by 2.4%, y-o-y and accounted for 8 379 dwellings. The number of dwellings started in family houses declined by 0.5%, and that in multi-dwelling buildings decreased by 1.9%. The number of dwellings in non-residential buildings was growing.

The **number of completed dwellings** in Q4 2018 increased by 20.1%, y-o-y and attained 10 564 dwellings. The number of completed dwellings in family houses jumped up by 26.2%, y-o-y, and the number of completed dwellings in multi-dwelling buildings grew by 13.3%.

**Construction in 2018**

In 2018 the **construction output** increased by 8.4%, y-o-y, in real terms. The year 2018 had the same number of working days compared to the year 2017. The production in building construction increased by 8.6% (contribution +6.3 p.p.), y-o-y, and the production of civil engineering construction grew by 8.0% (contribution +2.1 p.p.), y-o-y.

The **average registered number of employees**1) in construction enterprises with 50+ employees fell by 0.4%, y-o-y, in 2018. Their **average monthly nominal wage** increased by 8.2%, y-o-y and reached CZK 37 330.

In 2018 the **number of building orders** of construction enterprises with 50+ employees increased by 3.0%, y-o-y; the enterprises received and concluded 63 256 orders in the Czech Republic. The **total value** of the orders grew by 16.4%, y-o-y, and was CZK 235.9 billion. The building construction orders were for CZK 108.6 billion (growth by 16.4%) and those for civil engineering constructions were for CZK 127.3 billion (growth by 16.4%). In 2018 the average value of a newly concluded building order accounted for CZK 3.7 million and was by 13.0% higher, y-o-y. At the end of 2018 construction enterprises with 50+ employees had 18.8 thousand orders contracted (growth by 9.1%) and these orders represented the inventory of still unimplemented construction works of the total value of CZK 153.8 billion (growth by 15.3%).

In 2018 the **number of building permits granted** decreased by 3.6%, y-o-y; the planning and building control authorities granted 81 174 building permits. The **approximate value** of constructions permitted in 2018 accounted for CZK 358.1 billion and increased by 1.5% compared to that of 2017.

The **floor area** of buildings permitted in 2018 was 6 920 thousand m2, which means a growth by 7.4%, compared y-o-y. The floor area of permitted residential buildings increased by 0.9%, and that of non-residential buildings rose by 14.3%.

The **number of dwellings started** in 2018 increased by 5.1%, y-o-y and accounted for 33 121 dwellings. The number of dwellings started in family houses increased by 2.7%, and that in multi-dwelling buildings grew by 0.5%.

The **number of completed dwellings** in 2018 grew by 18.5%, y-o-y and attained 33 868 dwellings. The number of completed dwellings in family houses jumped up by 26.3%, y-o-y, and the number of completed dwellings in multi-dwelling buildings grew by 11.5%.

*Notes:*

1) *The indicator of registered number of employees 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 2019*

*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 2019*

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 (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