6 November 2019

Production Retained the High Level of the Last Year September

Construction – September 2019

In September 2019 the working days adjusted construction output increased by 0.2% year-on-year (y-o-y), in real terms. The seasonally adjusted construction output grew by 1.8%, month-on-month (m-o-m). The planning and building control authorities granted by 12.0% more building permits, y-o-y, and the approximate value of permitted constructions grew by 4.6%, y-o-y. The number of started dwellings soared by 45.8%, y-o-y; and the number of completed dwellings soared by 40.9%, y-o-y.

In September 2019 the **construction output**1 increased by 1.8%, m-o-m, in real terms. From annual point of view, it grew by 0.2%. The production in building construction increased by 1.0% (contribution +0.7 percentage points (p.p.)), y-o-y compared to the same month of the last year. The production of civil engineering construction declined by 1.7% (contribution −0.5 p.p.), y-o-y. The working days unadjusted construction output was up by 2.9%, y-o-y. September 2019 was by two working days longer than September 2018.

The **average registered number of employees**2 in construction grew by 1.6%, y-o-y in September 2019. Their **average gross monthly nominal wage** increased by 5.4%, y-o-y, in September 2019.

In September 2019 the number of building permits granted increased by 12.0%, y-o-y. The planning and building control authorities granted 7 535 **building permits**. The **approximate value** of the permitted constructions attained CZK 33.2 billion and grew by 4.6% compared to that of the corresponding period of 2018.

The **number of dwellings started** in September 2019 soared by 45.8%, y-o-y, and attained 3 653 dwellings. The number of dwellings started in family houses fell by 2.9%. The number of dwellings started in multi-dwelling buildings increased more than five times, yet the annual comparison is in part affected by a low comparison basis.

The **number of completed dwellings** soared by 40.9%, y-o-y, in September 2019 and was 3 308 dwellings. The number of completed dwellings in family houses jumped up by 18.8%. The number of completed dwellings in multi-dwelling buildings increased two times.

According to Eurostat the WDA (working days adjusted) **construction output in the EU28** increased by 1.9%, y-o-y, **in August 2019**. Buildings increased by 2.2% and civil engineering works grew by 1.4%. According to the preliminary schedule Eurostat shall release the data for September 2019 on 19 November 2019.

**Construction in Q3 2019**

In Q3 2019, compared to Q2 2019, the **construction output** was by 0.2% lower, quarter-on-quarter, in real terms. The construction output increased by 0.4%, y-o-y. The production in building construction decreased by 0.4% (contribution −0.3 p.p.), y-o-y, and the production of civil engineering construction grew by 2.2% (contribution +0.7 p.p.), y-o-y. The working days unadjusted construction output increased by 1.8%, y-o-y. Q3 2019 was by three working days longer than Q3 2018.

The **average registered number of employees** in construction increased by 1.1%, y-o-y in Q3 2019. Their **average monthly nominal wage** increased by 6.3%, y-o-y in Q3 2019.

In Q3 2019, the **number of building orders** of construction enterprises with 50+ employees declined by 6.0%, y-o-y; the enterprises received and concluded 15 874 **building orders** in the Czech Republic. The **total value** of the orders jumped up by 19.8%, y-o-y and was CZK 65.1 billion. The building construction orders were for CZK 28.2 billion (increase by 4.4%) and those for civil engineering constructions were for CZK 36.8 billion (increase by 35.1%). The average value of a new concluded building order was CZK 4.1 million and was by 27.5% higher, y-o-y.

At the end of Q3 2019 construction enterprises with 50+ employees had 21.0 thousand orders contracted (increase by 0.6%) and these orders represented the inventory of still unimplemented construction works of the total value of CZK 178.3 billion (increase by 11.8%).

In Q3 2019 the **number of building permits granted** increased by 7.9%, y-o-y; the planning and building control authorities granted 22 394 **building permits**. The **approximate value** of constructions permitted in Q3 2019 accounted for CZK 100.0 billion and grew by 9.8%, y-o-y, compared to that in the corresponding period of 2018.

The **floor area** of new buildings permitted in Q3 2019 was 1 844 thousand m2, which means a growth by 14.1%, compared y-o-y. The floor area of permitted residential buildings jumped up by 22.0%, and that of non-residential buildings grew by 5.2%.

The **number of dwellings started** in Q3 2019 jumped up by 22.6%, y-o-y and accounted for 10 035 dwellings. The number of dwellings started in family houses grew by 0.1%, and that in multi-dwelling buildings grew more than two times.

The **number of completed dwellings** in Q3 2019 increased by 11.8%, y-o-y and attained 9 355 dwellings. The number of completed dwellings in family houses grew by 4.9%, y-o-y, and the number of completed dwellings in multi-dwelling buildings jumped up by 30.2%.

*Notes:*

1 The year-on-year trend in construction production is published as a working days adjusted value, unless otherwise stated. Month-on-month and quarter-on-quarter indices are also seasonally adjusted. Increments of a growth or decline are also calculated on the basis of working days adjusted figures.

*2 Indicators on employment in construction are for the whole population of enterprises having construction as a dominant activity. 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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*End of data collection: 31 October 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: 9 December 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)

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