6 August 2018

Annual Growth in Construction Production Continued

Construction – June 2018

In June 2018 the working days adjusted construction output increased by 8.9% year-on-year (y-o-y), in real terms. The unadjusted construction output grew by 7.5%. The planning and building control authorities granted by 1.9% less building permits, y-o-y, and the approximate value of permitted constructions grew by 13.9%, y-o-y. The number of started dwellings increased by 0.6%, y-o-y, and the number of completed dwellings fell by 5.8%, y-o-y.

In June 2018 the seasonally adjusted, including working days, **construction output** increased by 0.2%, month-on-month, in real terms. The working days adjusted construction output in June 2018 was by 8.9% higher, y-o-y. The working days unadjusted one grew by 7.5%, y-o-y. June 2018 was by one working day shorter compared to June 2017. The production in building construction increased by 6.7% (contribution +4.8 percentage points (p.p.)), y-o-y. The production of civil engineering construction grew by 9.6% (contribution +2.7 p.p.), y-o-y.

The **average registered number of employees\***), in construction enterprises with 50+ employees in June 2018 fell by 1.7%, y-o-y. Their **average gross monthly nominal wage** increased by 9.9%, compared year-on-year, and reached CZK 37 471.

In June 2018 the number of building permits granted decreased by 1.9%, y-o-y. The planning and building control authorities granted 7 089 **building permits**. The **approximate value** of the permitted constructions attained CZK 32.3 billion and grew by 13.9% compared to the same period of 2017.

The **number of dwellings started** in June 2018 increased by 0.6%, y-o-y, and attained 2 632 dwellings. The number of dwellings started in family houses increased by 7.9% and that of dwellings started in multi-dwelling buildings was at the level of the last year June.

The **number of completed dwellings** fell by 5.8%, y-o-y, in June 2018 and was 2 353 dwellings. The number of completed dwellings in family houses grew by 10.0%. The number of completed dwellings in multi-dwelling buildings fell down by 20.0%.

According to Eurostat the WDA (working days adjusted) **construction output in the EU28** increased by 2.6%, y-o-y, **in May 2018**. Buildings increased by 1.9% and civil engineering works grew by 5.0%. According to the preliminary schedule Eurostat shall release the data for June 2018 on 20 August 2018.

**Construction in Q2 2018**

In Q2 2018 the seasonally adjusted, including working days, **construction output** increased by 3.8%, quarter-on-quarter, in real terms, compared to Q1 2018. The working days adjusted construction output in Q2 2018 was by 8.1% higher, y-o-y. The working days unadjusted one grew by 8.4%, y-o-y. Q2 2018 was by one working day longer compared to Q2 2017. The production in building construction increased by 9.7% (contribution +7.1 p.p.), y-o-y, and the production of civil engineering construction grew by 5.1% (contribution +1.3 p.p.), y-o-y.

The **average registered number of employees**1) in construction enterprises with 50+ employees decreased by 1.5%, y-o-y in Q2 2018. Their **average monthly nominal wage** increased by 6.5%, y-o-y and reached CZK 36 690.

In Q2 2018 the number of building orders of construction enterprises with 50+ employees increased by 1.9%, y-o-y. The enterprises received and concluded 17 152 **building orders** in the Czech Republic. The **total value** of the orders jumped up by 25.9%, y-o-y, and was CZK 67.5 billion. The building construction orders were for CZK 30.2 billion (growth by 27.1%) and those for civil engineering constructions were for CZK 37.3 billion (increase by 25.0%). The average value of a new concluded building order was CZK 3.9 million and was by 23.6% higher, y-o-y.

At the end of Q2 2018 construction enterprises with 50+ employees had 21.9 thousand orders contracted (increase by 7.2%) and these orders represented the inventory of still unimplemented construction works of the total value of CZK 167.6 billion (increase by 18.1%).

In Q2 2018 the number of building permits granted decreased by 1.2%, y-o-y. The planning and building control authorities granted 21 664 **building permits**. The **approximate value** of constructions permitted in Q2 2018 accounted for CZK 89.5 billion and increased by 6.6% compared to the same period of 2017.

The **floor area** of new buildings permitted in Q2 2018 was 1 981 thousand m2, which means a significant growth by 30.3%, compared y-o-y. The floor area of permitted residential buildings increased by 5.7%, and that of non-residential buildings soared by 65.8%, both y-o-y.

The **number of dwellings started** in Q2 2018 increased by 5.2%, y-o-y and accounted for 8 938 dwellings. The number of dwellings started in family houses increased by 8.8%, and that in multi-dwelling buildings fell by 3.7%, both y-o-y.

The **number of completed dwellings** in Q2 2018 grew by 14.7%, y-o-y, and attained 8 006 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 declined by 1.8%, 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: 1 August 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: 6 September 2018*

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