

NEWS RELEASE

7 August 2023

**Construction output in the first half-year of 2023
decreased by 2.0%****Supplementary information to the News Release on
Construction – June 2023**

Construction output in the first half-year of 2023 decreased by 2.0%, year-on-year (y-o-y). Mainly civil engineering construction, which decreased by 6.4%, y-o-y (a contribution of -1.7 percentage point (p. p.)) contributed to it. Production in building construction rather stagnated, y-o-y (-0.5%, a contribution of -0.3 p. p.). In the Q1, construction output was decreasing slower (-1.2%) despite a high comparison basis. The decrease was considerably owing to the civil engineering construction, whereas building construction was in positive figures. In the Q2, the y-o-y decrease accelerated to -2.6% and the differences between the segments were no longer so pronounced when both of them decreased below the level of the last year.

Construction enterprises with 50+ employees concluded in the Czech Republic 36 607 construction orders in the first half-year of 2023 and, in the year-on-year comparison, the number was roughly on the level of the previous year (-0.6%). The total value of these orders decreased by 15.0%, year-on-year, and amounted to CZK 147.4 billion at current prices. The same as for the construction output, the decrease in the value of construction orders is owing to civil engineering construction. The comparison basis was very high especially in the Q2 and a decrease by a quarter is thus not a big surprise (-24.5% to CZK 77.1 billion). New construction orders in the building construction reached the value of CZK 70.3 billion in the first half-year; they decreased by 1.4%, y-o-y, due to the result for the Q1 (-12.3%). In the Q2, new orders for building construction increased, y-o-y (+9.2%). The average value of a newly concluded construction order amounted to CZK 4.0 million in the first half-year and was by 14.5% lower, year-on-year.

The planning and building control authorities granted 39 236 building permits in the first half-year of 2023, which was a year-on-year decrease by 10.9% and the lowest value for that period since 2016. The numbers of building permits decreased mainly as for new constructions; modifications to completed buildings almost remained on the level of the year 2022. The numbers of building permits for new construction of residential buildings decreased the fastest (-34.6%), whereas the numbers of building permits for modifications to completed constructions of non-residential buildings increased by almost a tenth, year-on-year (+9.6%). The highest number of building permits was granted in the *Středočeský* Region, in the *Jihomoravský* Region, and in the *Moravskoslezský* Region.

The approximate value of the permitted constructions reached CZK 287 billion in the first half-year and increased by 6.7%, year-on-year, which is the most for this period since it started to be surveyed in 2006 (at current prices, of course). The growth was driven by modifications to completed buildings of all types of construction, which recorded growth by 18.6% and were growing in both quarters, mainly in the Q1. New constructions increased by 1.4%, year-on-year, thanks to civil engineering construction (mainly transport constructions). On the contrary, new

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construction of residential buildings decreased almost by a quarter, y-o-y (-23.3%). Higher investments have been planned in the *Jihomoravský* Region, in the *Středočeský* Region, and in Prague.

In the first half-year of 2023, construction of 18 103 dwellings started; the number decreased by a fifth (-20.2%), year-on-year. Mainly results for the Q2 contributed to the decrease. Numbers of dwellings started in family houses decreased by a third, y-o-y (-32.9%) in the first half-year and the development was similar in both the quarters. Numbers of dwellings started in multi-dwelling buildings increased in the Q1 (+5.9%); in the Q2, they slumped by 37.6% and in total for the first half-year they were by a fifth lower, y-o-y (-19.5%). Conversions of residential buildings increased, y-o-y (+42.6%) as well as dwellings started in non-residential buildings (+18.3%), which are, however, less significant in number. The highest number of started dwellings was in the *Jihomoravský* Region, where both multi-dwelling buildings and family houses were started, in the *Středočeský* Region (predominantly family houses), and in Prague (multi-dwelling buildings).

17 849 dwellings were completed and their number increased by 2.7%, y-o-y. The development in individual quarters was very unbalanced. While in the Q1 the number of completed dwellings was by a tenth lower, y-o-y (-10.4%) and the decrease took place in both the main categories, in the Q2 it was by almost a fifth more, y-o-y (+17.1%). In the first half-year, mainly in the Q2, the growth was driven by completing of multi-dwelling buildings (+10.5%). Completing of dwellings in family houses was by 2.4% lower compared to the previous year and the decrease was attenuated by results for the Q2. In the year-on-year comparison, more dwellings were also completed in non-residential buildings (+14.1%) and also conversions of multi-dwelling buildings were on the rise (+3.5%). The highest number of completions was in the *Středočeský* Region and in Prague.

Notes:

The year-on-year development of construction output (production) has been adjusted for working days. Quarter-on-quarter rates have been also seasonally adjusted.

Methodology: https://www.czso.cz/csu/czso/sta_m

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Related outputs: https://www.czso.cz/csu/czso/sta_ts

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international comparison in EU countries: [Eurostat](#)

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