6 November 2018

Construction Production Recorded Double-Digit Growth Again

Construction – September 2018

In September 2018 the working days adjusted construction output increased by 13.9% year-on-year (y-o-y), in real terms. The unadjusted construction output grew by 12.4%, ­ y-o-y. The planning and building control authorities granted by 9.4% less building permits, y-o-y, and the approximate value of permitted constructions jumped by 17.1%, ­ y-o-y. The number of started dwellings increased by 7.9%, y-o-y, and the number of completed dwellings fell by 8.6%, y-o-y.

In September 2018 the seasonally adjusted, including working days, **construction output** increased by 0.9%, month-on-month, in real terms. The working days adjusted construction output in September 2018 was by 13.9% higher, y-o-y. The working days unadjusted one grew by 12.4%, y-o-y. September 2018 was by one working day shorter than September 2017. The production in building construction increased by 10.1% (contribution +7.2 percentage points (p.p.)), y-o-y. The production of civil engineering construction grew by 18.1% (contribution +5.2 p.p.), y-o-y.

The **average registered number of employees\***), in construction enterprises with 50+ employees in September 2018 fell by 0.1%, y-o-y. Their **average gross monthly nominal wage** increased by 8.7%, compared year-on-year, and reached CZK 37 826.

In September 2018 the number of building permits granted decreased by 9.4%, y-o-y. The planning and building control authorities granted 6 728 **building permits**. The **approximate value** of the permitted constructions attained CZK 31.8 billion and jumped up by 17.1% compared to the same period of 2017.

The **number of dwellings started** in September 2018 increased by 7.9%, y-o-y, and attained 2 611 dwellings. The number of dwellings started in family houses decreased by 7.4% and that of dwellings started in multi-dwelling buildings grew more than two times.

The **number of completed dwellings** fell by 8.6%, y-o-y, in September 2018 and was 2 357 dwellings. The number of completed dwellings in family houses declined by 3.0%. The number of completed dwellings in multi-dwelling buildings decreased by 18.6%.

According to Eurostat the WDA (working days adjusted) **construction output in the EU28** increased by 2.3%, y-o-y, **in August 2018**. Buildings increased by 1.6% and civil engineering works grew by 4.0%. According to the preliminary schedule Eurostat shall release the data for September 2018 on 19 November 2018.

**Construction in Q3 2018**

In Q3 2018 the seasonally adjusted **construction output** increased by 4.1%, quarter-on-quarter, in real terms, compared to Q2 2018. The construction output in Q3 2018 was by 13.2% higher, y-o-y. Q3 2018 had the same number of working days as Q3 2017. The production in building construction increased by 11.5% (contribution +8.3 p.p.), y-o-y, and the production of civil engineering construction jumped up by 17.7% (contribution +4.9 p.p.), y-o-y.

The **average registered number of employees**\*) in construction enterprises with 50+ employees decreased by 1.3%, y-o-y in Q3 2018. Their **average monthly nominal wage** increased by 8.4%, y-o-y and reached CZK 37 552.

In Q3 2018 the number of building orders of construction enterprises with 50+ employees increased by 2.0%, y-o-y. The enterprises received and concluded 16 872 **building orders** in the Czech Republic. The **total value** of the orders increased by 6.5%, y-o-y, and was CZK 55.0 billion. The building construction orders were for CZK 27.3 billion (growth by 10.1%) and those for civil engineering constructions were for CZK 27.7 billion (increase by 3.2%). The average value of a new concluded building order was CZK 3.3 million and was by 4.4% higher, y-o-y.

At the end of Q3 2018 construction enterprises with 50+ employees had 20.9 thousand orders contracted (increase by 4.8%) and these orders represented the inventory of still unimplemented construction works of the total value of CZK 160.2 billion (increase by 17.4%).

In Q3 2018 the number of building permits granted decreased by 7.0%, y-o-y; the planning and building control authorities granted 20 747 **building permits**. The **approximate value** of constructions permitted in Q3 2018 accounted for CZK 91.1 billion and fell by 4.5% compared to the same period of 2017.

The **floor area** of new buildings permitted in Q3 2018 was 1 616 thousand m2, which means a decline by 5.0%, compared y-o-y. The floor area of permitted residential buildings decreased by 5.5%, and that of non-residential buildings fell by 4.5%, both y-o-y.

The **number of dwellings started** in Q3 2018 decreased by 1.6%, y-o-y and accounted for 8 186 dwellings. The number of dwellings started in family houses decreased by 5.9%, and that in multi-dwelling buildings declined by 6.5%, both y-o-y.

The **number of completed dwellings** in Q3 2018 jumped up by 20.2%, y-o-y, and attained 8 391 dwellings. The number of completed dwellings in family houses jumped up by 25.2%, y-o­ -y, and the number of completed dwellings in multi-dwelling buildings grew by 19.3%, 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: 31 October 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: 7 December 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