

NEWS RELEASE

9 May 2023

**Construction output in the first quarter of 2023
decreased by 2.5%****Supplementary information to the News Release on
Construction – March 2023**

Construction output in the first quarter of 2023 decreased by 2.5%, year-on-year. Compared to the Q4 2022, the production was by 1.9% higher. Besides others, it was a high comparison basis that contributed to the worse result in the year beginning. Production in civil engineering construction was decreasing faster (-10.9%); production of building construction remained, year-on-year, on the same level of the last year.

Construction enterprises with 50+ employees concluded in the Czech Republic 17 485 construction orders in the Q1 2023 and, in the year-on-year comparison, the number increased by 10.5%. The total value of these orders decreased by 13.9%, year-on-year, and amounted to CZK 63.4 billion at current prices. The development in segments was similar to a great extent. New construction orders in the building construction reached the value of CZK 30.0 billion and decreased by 15.0%, year-on-year, thanks to a relatively high comparison basis of the previous year. The civil engineering construction also recorded a year-on-year decrease in the value of orders by 13.0% to CZK 33.4 billion. The average value of a newly concluded construction order amounted to CZK 3.6 million and was by 22.1% lower, year-on-year.

The planning and building control authorities granted 19 052 building permits in the Q1 2023, which was a year-on-year decrease by 11.4% and the lowest value for that period since 2019. 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 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 131.5 billion and increased by 9.3%, year-on-year. The growth was driven by modifications to completed buildings; new constructions recorded a slight decrease by 0.9%, year-on-year. As for construction categories (types), the non-residential buildings construction was the biggest contributor to the growth; on the contrary, new construction of residential buildings decreased. Higher investments have been planned in the *Středočeský* Region, in the *Jihomoravský* Region, and in Prague.

In the Q1 2023, construction of 9 504 dwellings (flats) started and the number decreased by 12.2%, year-on-year. Numbers of dwellings started decreased by over a third (-35.2%) in family houses; in dwellings in multi-dwelling buildings there was an increase by 6.0% (3 369 new dwellings). The highest number of dwellings started was in Prague (multi-dwelling buildings), in the *Středočeský* Region (predominantly family houses), and in the *Jihomoravský* Region, where both multi-dwelling buildings and family houses were started.

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8 208 dwellings were completed and their number decreased by almost a tenth, y-o-y (-9.9%). Completing of dwellings slowed down both in family houses (4 615 dwellings, -11.0%) and multi-dwelling buildings (2 505 dwellings, -13.9%). The total decrease was attenuated by modifications/alterations mainly to multi-dwelling buildings. The highest number of completions was in the *Středočeský* Region and in Prague.

The average registered number of employees in construction decreased in the Q1 2023 by 1.4%, year-on-year. Their average gross monthly nominal wage increased by 13.6%, year-on-year, in the Q1 2023.

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

https://www.czso.cz/csu/czso/bvz_ts

international comparison in EU countries: [Eurostat](https://www.eurostat.ec.europa.eu/)

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