

On Construction in Q4 of 2021 and in the year as a whole

In 2021, economic activity in construction declined

In Q4 of 2021, the volume of construction output decreased by 11% annually. Compared to the corresponding quarter last year, the decline in building construction was 8.6%. During this period, the volumes of civil engineering and specialized construction works were 17.7% and 6.9% lower, respectively.

In 2021, the activities of the sector decreased by 6.2%. Decline was observed in almost all quarters of the year, with the exception of a slight increase in the second

quarter. The decline in the first quarter can primarily be attributed to the base effect (i.e., the unusually warm winter of 2020, which is favourable for construction). Thus, both activities in the implementation of existing projects and the launch of new projects slowed down.

The decrease is observed in all main construction groups. In 2021, the volume of construction of buildings decreased the most - by 10.5%. Construction of residential buildings continued to increase, while construction of non-residential buildings declined. This can be explained by the wait-and-see attitude of private investors to develop commercial facilities in the Covid-19 pandemic.

In 2021, the rate of decline in civil engineering output reached 5%. In this core group, the only segment with positive growth was other civil engineering, which consists of the construction of hydraulic structures and other civil engineering not elsewhere classified.

In 2021, compared to 2020, specialized construction works decreased by 2.7%. The decline is observed in all segments of the main group, except for a small increase in the construction completion segment, which includes plastering, floor and wall finishing, painting and glazing, and similar activities.

Analysing the dynamics of the number of issued building permits, a more positive picture can be observed. In 2021, the number of building permits issued increased. In particular, 4 972 building permits were issued, which is 3.2% more than in the previous year. In 2021, the expected floor space in building permits has increased by 26.6%, compared to 2020.

The construction is expected to return to growth this year. This will be influenced by a number of factors, such as the ability of the sector and the customers to adapt to the trends in supply and prices for construction materials caused by Covid-19, and the launch of projects for the new period of the EU Structural Funds and the Recovery and Sustainability Mechanism.

