

## On Construction in Q3 of 2024

**Construction sector sees decline in Q3 of 2024**

In the 3rd quarter of 2024, construction output decreased by 6.9% compared to the 3rd quarter of 2023 (unadjusted data at constant prices). For the first three quarters of 2024 combined, construction output volumes were 3.6% lower year-on-year. This decline was primarily driven by a significant reduction in building construction activity, which continues to be influenced by relatively high lending rates.

The output volumes of all major construction groups decreased in the 3rd quarter of 2024 compared to the same period in 2023, with building construction experiencing the steepest decline.

Building construction output in the 3rd quarter of 2024 decreased by 19.3% compared to the 3rd quarter of 2023. The decline was most pronounced in the volume of residential buildings, particularly two- and multi-apartment buildings, while the non-residential housing segment saw a slower decrease.

During this period, civil engineering construction showed the most stable performance, with volumes remaining approximately at the level of the 3rd quarter of 2023, decreasing by just 0.4%. While construction activities for urban infrastructure facilities increased, they were insufficient to offset the decline in other segments.

The output volumes of specialized construction work in the 3rd quarter of 2024 were 2.7% lower than in the corresponding period of 2023. Growth was observed in segments such as the demolition of buildings, preparation of construction sites, and other specialized construction works.

In the 3rd quarter of 2024, 1,144 building permits were issued, representing a 3.8% decrease compared to the 3rd quarter of 2023. However, the expected area dynamics showed a contrasting trend, with a 30.2% increase during the same period. The largest growth was recorded in the expected area of industrial production buildings and warehouses.

The recent trends in construction sector indicators highlight the need for a cautious outlook regarding its development in the near future.

