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Construction



Structure

The construction section covers construction of buildings, civil engineering and specialised construction activities. Across the EU-27, by far the largest of these three divisions was specialised construction activities: in 2018, these activities accounted for nearly three fifths (59.0 %) of construction value added and for an even higher share of construction employment (62.9 %).

Concentration of construction activity — top five EU Member States

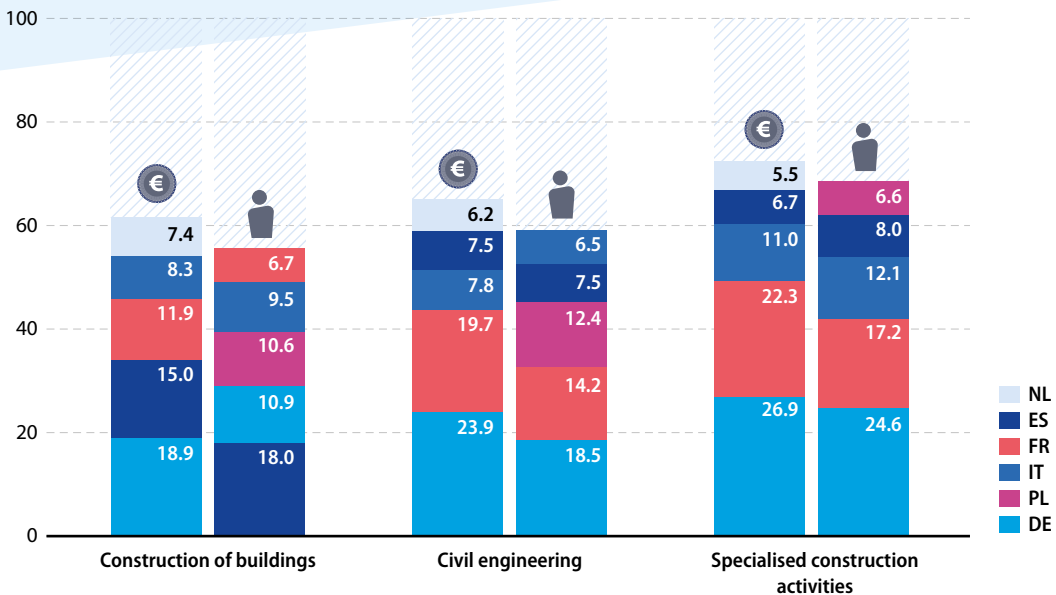
(% share of EU-27 employment and value added for each activity, 2018)

EU-27 construction sector in 2018
3.3 million enterprises
12.1 million persons employed
EUR 506.9 billion value added

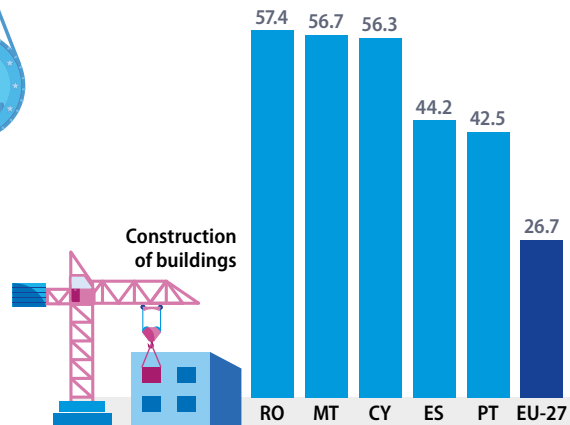
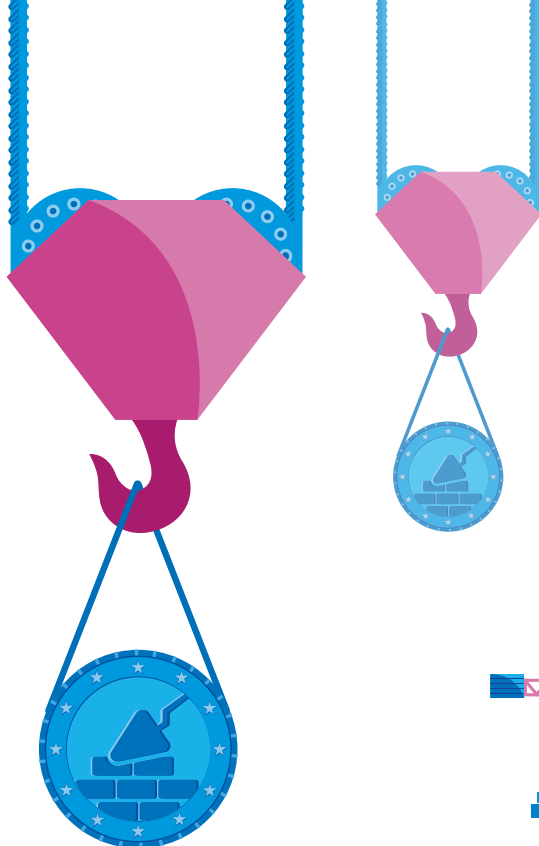
In all three of the construction divisions, the five largest EU Member States in value added terms were Germany, France, Italy, Spain and the Netherlands. In 2018, Germany had the largest value added for all three divisions; France had the second largest value added for civil engineering and specialised construction activities, whereas Spain had the second largest value added for the construction of buildings.

In terms of employment, the five largest EU Member States in all three construction divisions were Germany, France, Italy, Spain and Poland. While Germany and France were the largest employers for civil engineering and for specialised construction activities, Spain had the largest workforce for the construction of buildings.

€ Value added Person Employment



Source: Eurostat (online data code: sbs_na_con_r2)

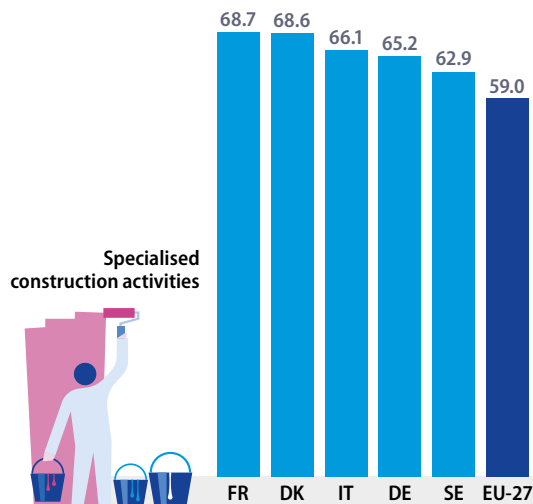
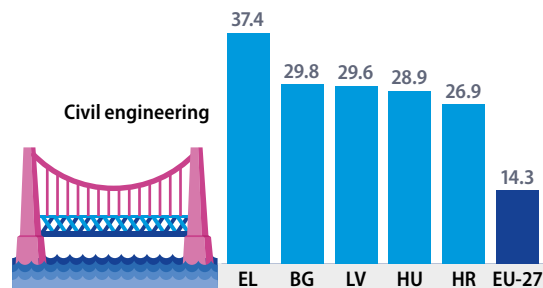


Value added specialisation — top five EU Member States

(% share of construction value added, 2018)

Although a lot of construction is done by enterprises serving a relatively small geographical market, with little international trade compared with many industrial activities, there are nevertheless quite large specialisations in the three construction divisions.

In 2018, over half of construction value added in Romania, Malta and Cyprus resulted from the construction of buildings, more than double the average for the EU-27 (26.7 %). In Greece, civil engineering contributed more than a third of the construction total and in Bulgaria, Latvia and Hungary the share was just under 30 %, also more than double the average for the EU-27 (14.3 %). It was commonplace for specialised construction activities to account for more than half of construction value added, the EU-27 average was 59.0 %; this share rose to around two thirds in Germany, Italy, Denmark and France.



Note: data are shown for the three NACE Rev. 2 construction divisions.

Source: Eurostat (online data code: sbs_na_con_r2)

Average personnel costs within construction divisions

(EUR thousand per employee, 2018)

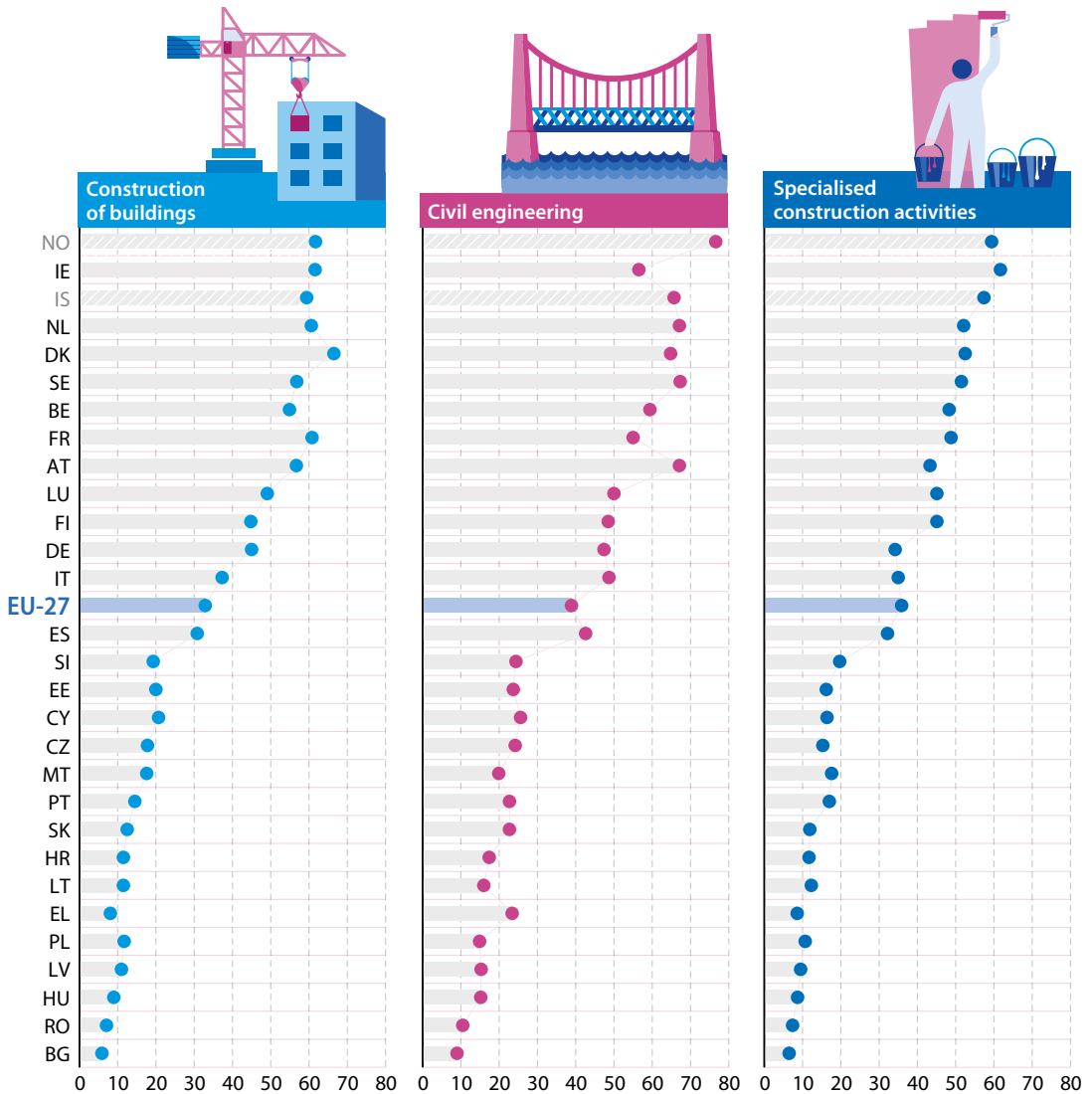
In 2018, average personnel costs across the three divisions of the EU-27's construction sector ranged from a high of EUR 38.9 thousand per employee for civil engineering down to EUR 32.9 thousand per employee for the construction of buildings.

In the EU-27, average personnel costs were lower for the construction of buildings than for the other two construction divisions. However, this situation was only observed in nine EU Member States. In a majority of Member States, the lowest average personnel costs

were recorded for specialised construction activities (which dominate the construction sector in the largest Member States). In Ireland the lowest average personnel costs were for civil engineering, while in Malta, the joint lowest average personnel costs were recorded for specialised construction activities and the construction of buildings.

Note: ranked on average personnel costs for all construction activities.

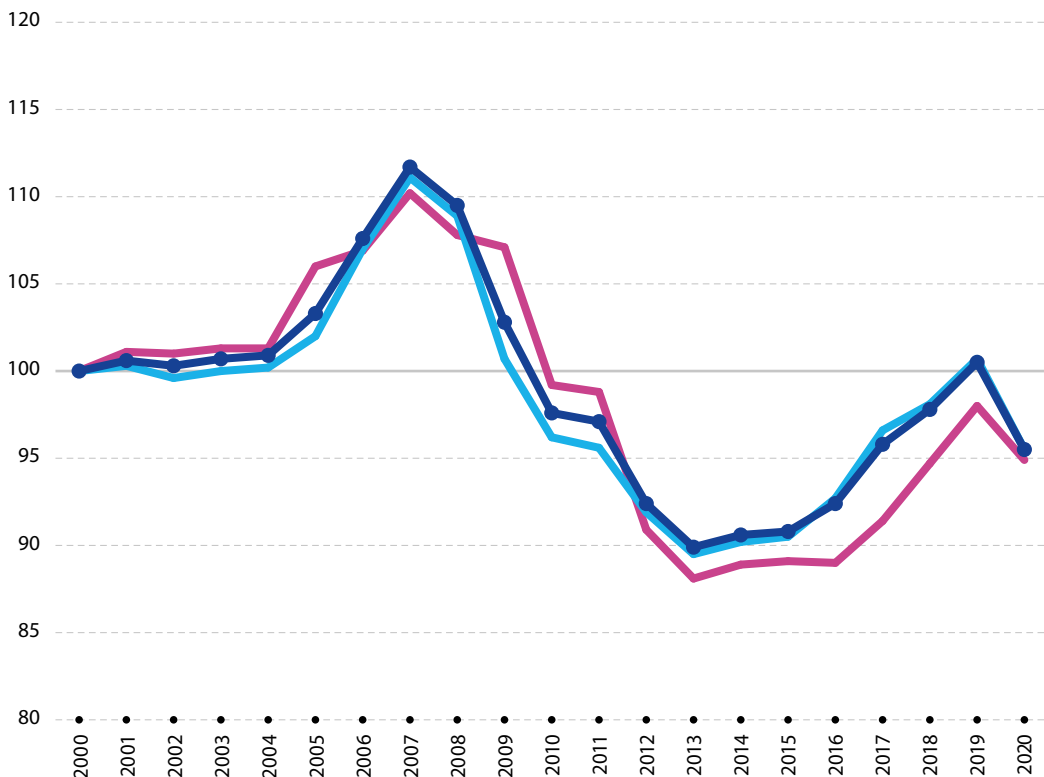
Source: Eurostat (online data code: [sbs_na_dt_r2](#))



Developments

Construction production index

(2000 = 100, EU-27, 2000-2020)



Construction — total

Building

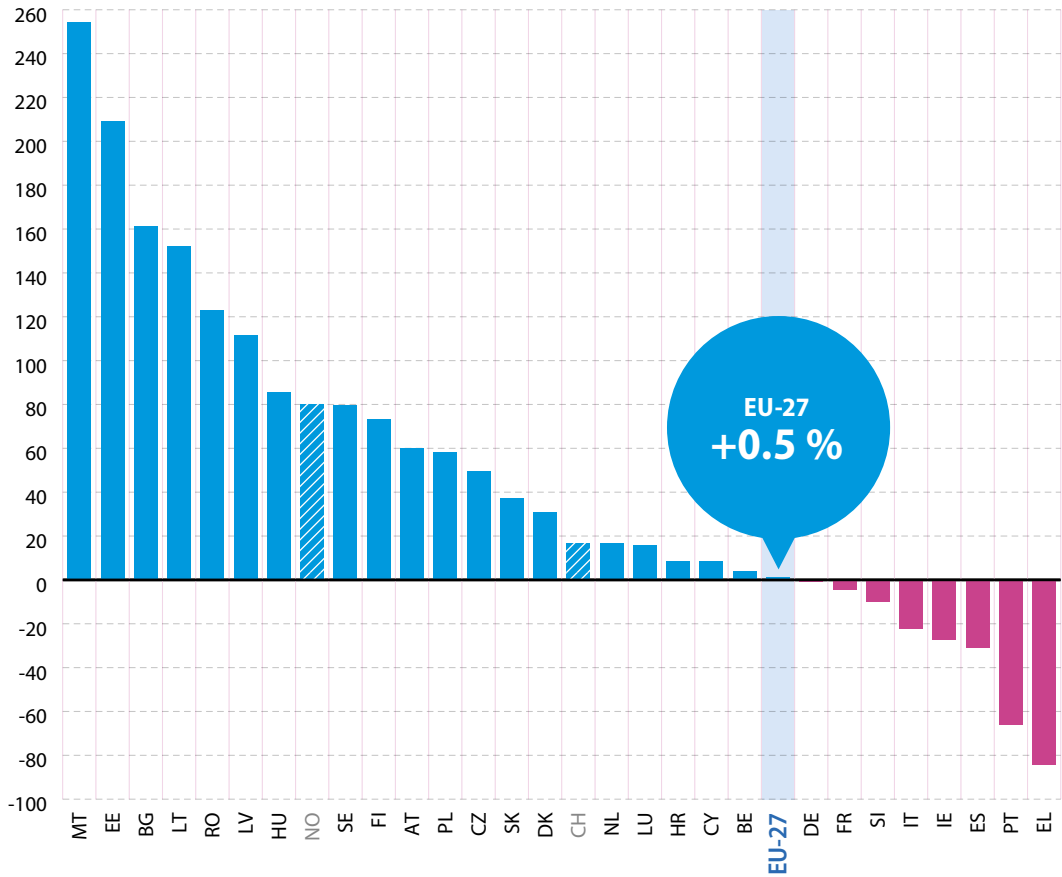
Civil engineering

Source: Eurostat (online data code: sts_copr_a)

The construction production index reflects real terms (deflated) output developments for the construction activity. Construction output in the EU-27 was relatively stable between 2000 and 2004, followed by a period of expansion up until 2007. In 2008, the impact of the global financial and economic crisis was felt; there was a decline in output recorded each year from 2008 to 2013. Despite some recovery thereafter, construction output was still around 10 % lower in 2019 than it had been in 2007. In 2020, output fell by 5.0 % reflecting the impact of the COVID-19 pandemic. This was comparable in percentage terms with the falls recorded in 2009, 2010 and 2012. The developments for building and civil engineering were quite similar, peaking in 2007, reaching a low point in 2013 and recovering only partially before turning down again 2020. In 2020, building and civil engineering output were both 14 % below their 2007 peaks.

Overall change in the construction production index

(%, 2000-2019)



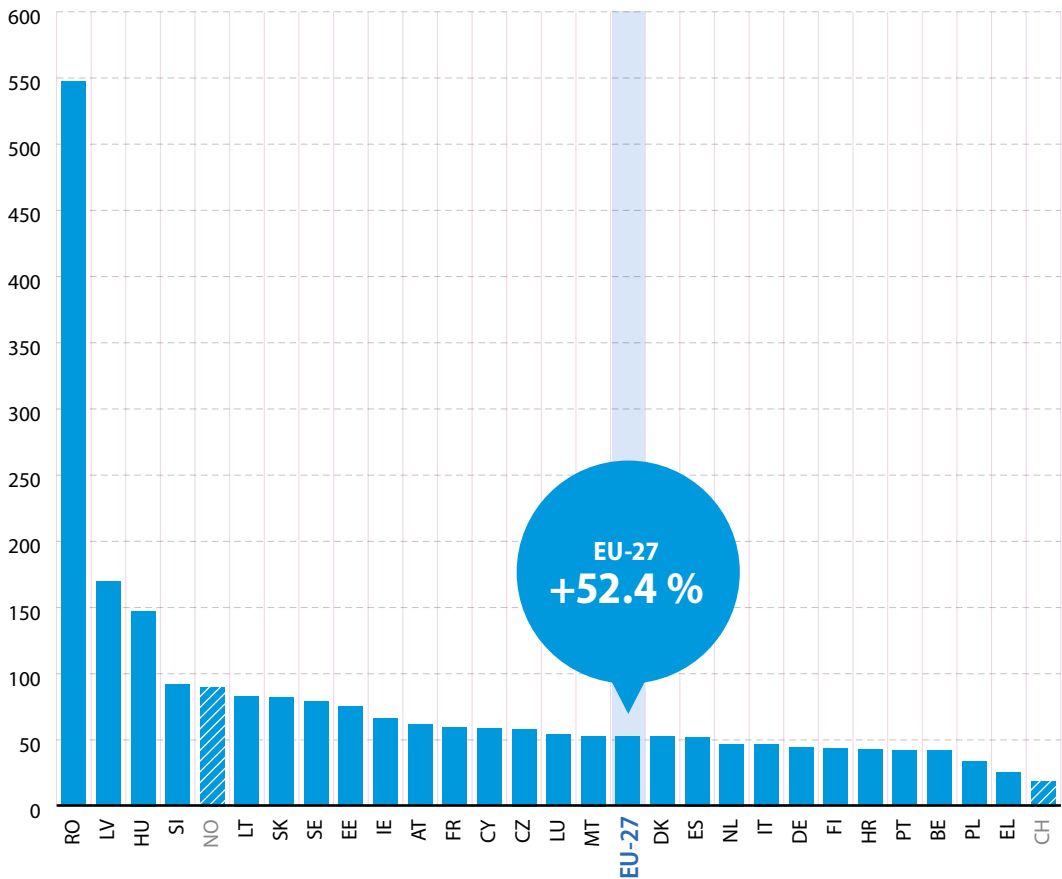
Developments in construction output between 2000 and 2019 varied greatly between the EU Member States. Greece's construction output in 2019 was 84 % below its 2000 level, while there were also considerable contractions recorded in Portugal (-66 %), Spain (-31 %), Ireland (-27 %) and Italy (-22 %). At the other end of the scale, construction output in Latvia, Romania, Lithuania and Bulgaria more than doubled between 2000 and 2019, while in Estonia and Malta it more than tripled.

Note: SE, 2000-2018.

Source: Eurostat (online data code: sts_copr_a)

Overall change in construction costs for new residential buildings

(%, 2000-2019)



The costs index is available for the construction of new residential buildings (excluding residences for communities). Between 2000 and 2019, construction costs for this type of building work increased 52 % within the EU-27. Cost increases were particularly large in Romania, where they were more than six times as high in 2019 as they had been in 2000 (up 547 %); costs more than doubled in Latvia (up 170 %) and Hungary (up 147 %). The lowest increases for construction costs of new residential buildings were observed in Greece (up 26 %) and Poland (up 34 %).

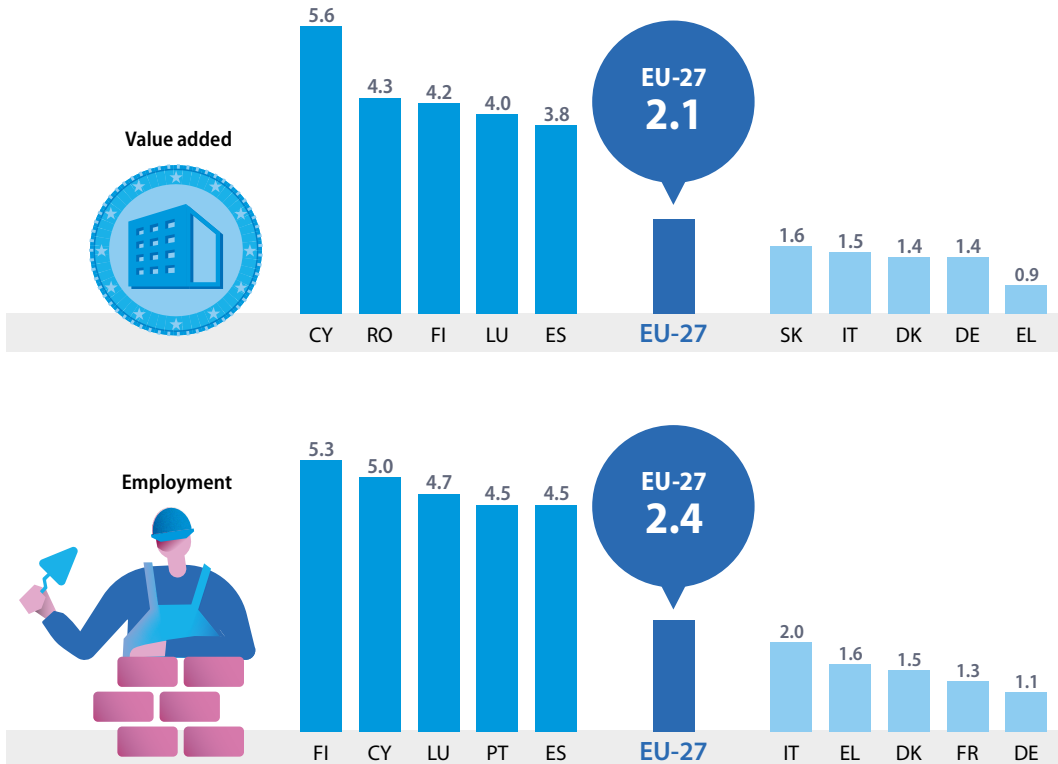
Note: the construction costs index for new residential buildings excludes residences for communities. Data for BG not available for the whole time series

Source: Eurostat (online data code: sts_copi_a)

Focus on buildings

Construction of buildings — top five and bottom five EU Member States

(% share of value added and the number of persons employed in the non-financial business economy, 2018)



The construction of buildings contributed 2.1 % of value added in the EU-27's non-financial business economy in 2018 and employed 2.4 % of the workforce. This activity accounted for more than double this value added share in Cyprus, Romania and Finland and more than double the employment share in Finland and Cyprus. These relatively high shares reflect a number of factors driving demand (such as overall population growth and tourism-related construction activity), as well as characteristics of the organisation of the construction sector between builders and specialists.

Note: the construction of buildings covers NACE Rev. 2 Division 41.

Source: Eurostat (online data code: sbs_na_sca_r2)

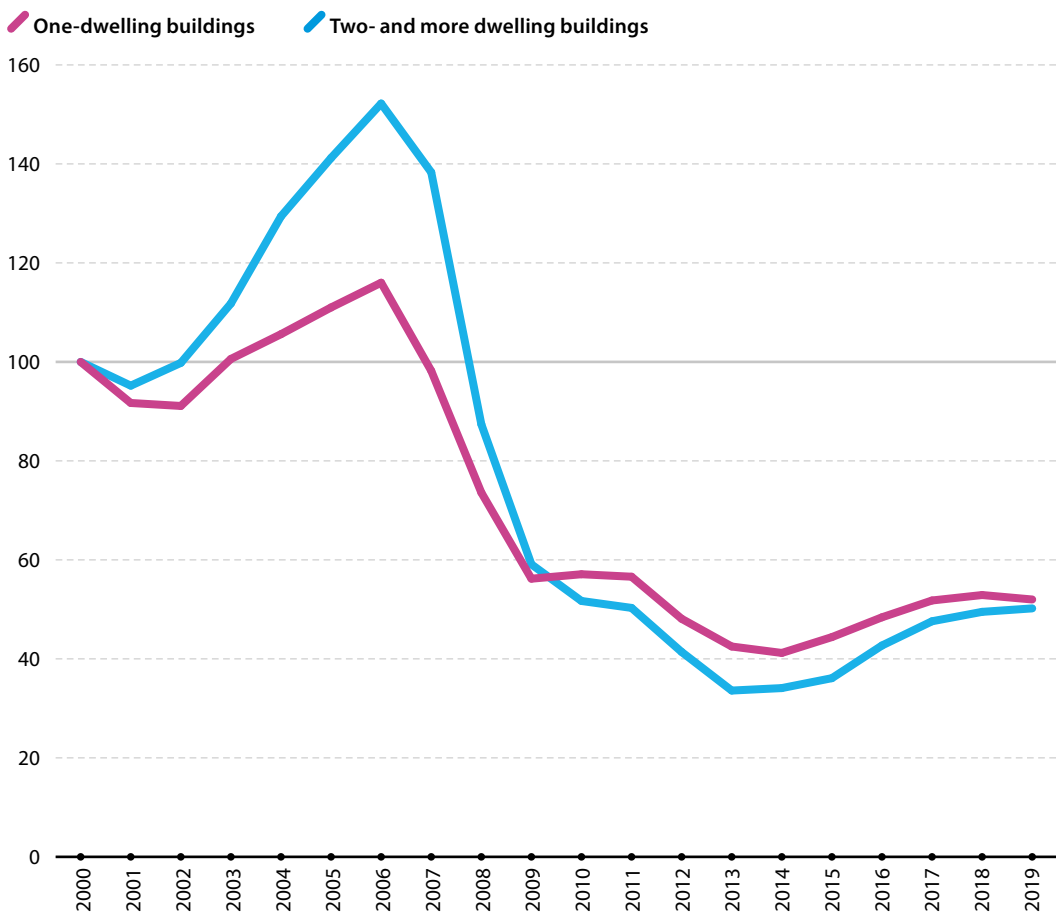
Building permit index

(2000 = 100, EU-27, 2000-2019)

The index of building permits reflects the number of permits granted and therefore provides a measure of expected building activities in the near future. The index is available for two types of buildings: one-dwelling residential buildings and residential buildings with two or more dwellings (but not residential buildings for communities). Across the EU-27, permits for both types of dwellings fell strongly from peaks in 2006 to relative lows in 2013 (for residential buildings with two or more dwellings) and 2014 (for one-dwelling residential buildings). Despite some recovery thereafter, the index for one-dwelling residential buildings in 2019 was less than half its 2006 peak level while the index for residential buildings with two or more dwellings was less than one third its 2006 peak level.

Note: a building permit is an authorisation to start work on a building project; the index is based on the number of dwellings for which a permit has been granted.

Source: Eurostat (online data code: sts_copr_a)





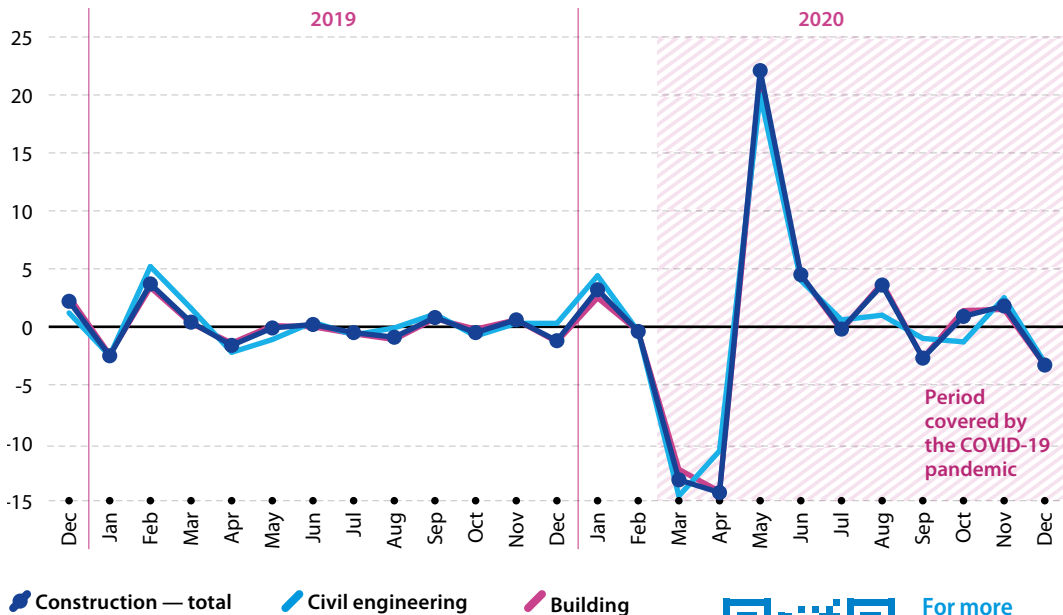
Impact of COVID-19 pandemic

During the early months of the COVID-19 pandemic, almost all EU Member States implemented containment measures. Some parts of construction were hit directly by these restrictions (as well as indirectly by falling demand). Most EU Member States lifted restrictions on outdoor construction activities in late spring / early summer 2020.



Construction production indices

(% change compared with the previous month, EU-27, December 2018–December 2020)



■ Construction — total
 ■ Civil engineering
 ■ Building

The impact of the first wave of the pandemic and its accompanying restrictions can be seen by studying the change in the level of output in early 2020: construction output across the EU-27 in April 2020 was 26 % lower than in February 2020. The fall in EU-27 construction output during the first wave of the pandemic was followed by a rapid — but as yet incomplete — rebound with construction sites among some of the first workplaces to reopen as lockdowns were eased. Output growth of 32 % between April and August 2020 brought the level of construction output in August 2020 back to 98 % of its February 2020 level; an uneven development in the final months of the year left output in December 2020 around 95 % of its February 2020 level. To give some context to the relative importance of these figures, construction accounted for 7.7 % of value added in the EU-27's non-financial business economy in 2018.



[For more and updated information on construction during the pandemic](#)

[For a graphical visualisation of time series for key indicators](#)



Source: Eurostat (online data code: sts_copr_m)