

**83rd Euroconstruct Conference:
European Construction Market
Outlook until 2019 – Austria's
Construction Market on a Robust
Growth Path**

Country Report Austria

Michael Klien, Michael Weingärtler

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Austrian Institute of Economic Research

Abstract

The 83rd Euroconstruct Conference confirms Austria's growth path in the construction sector in the upcoming years. Nevertheless construction output is expected to increase only by 1.6 percent at constant prices in 2017 compared to the previous year which is significantly lower than the average of 2.9 percent in the Euroconstruct region. It has to be considered that Austria has already one of the highest numbers of building permits per 1,000 inhabitants in Europe additionally supported by numerous public housing programmes. Therefore growth in residential construction is limited. On the other hand the steadily improving economic framework, pushed by improving labour markets and higher private consumption along with improving export markets is driving non-residential construction (+2.1 percent) in 2017. Apart from that civil engineering is expected to remain weak with low investments in energy and water works. Growth in civil engineering can be mainly expected from the traffic infrastructure area, all above from investments into the road and railway network.

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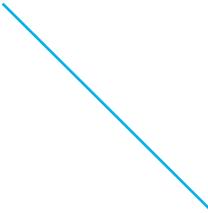
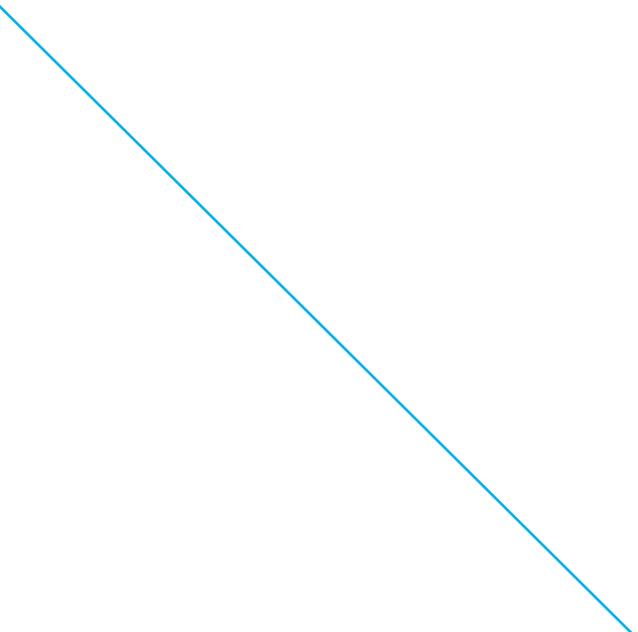


83rd EUROCONSTRUCT Conference ○ 8-9 June 2017, Amsterdam, The Netherlands



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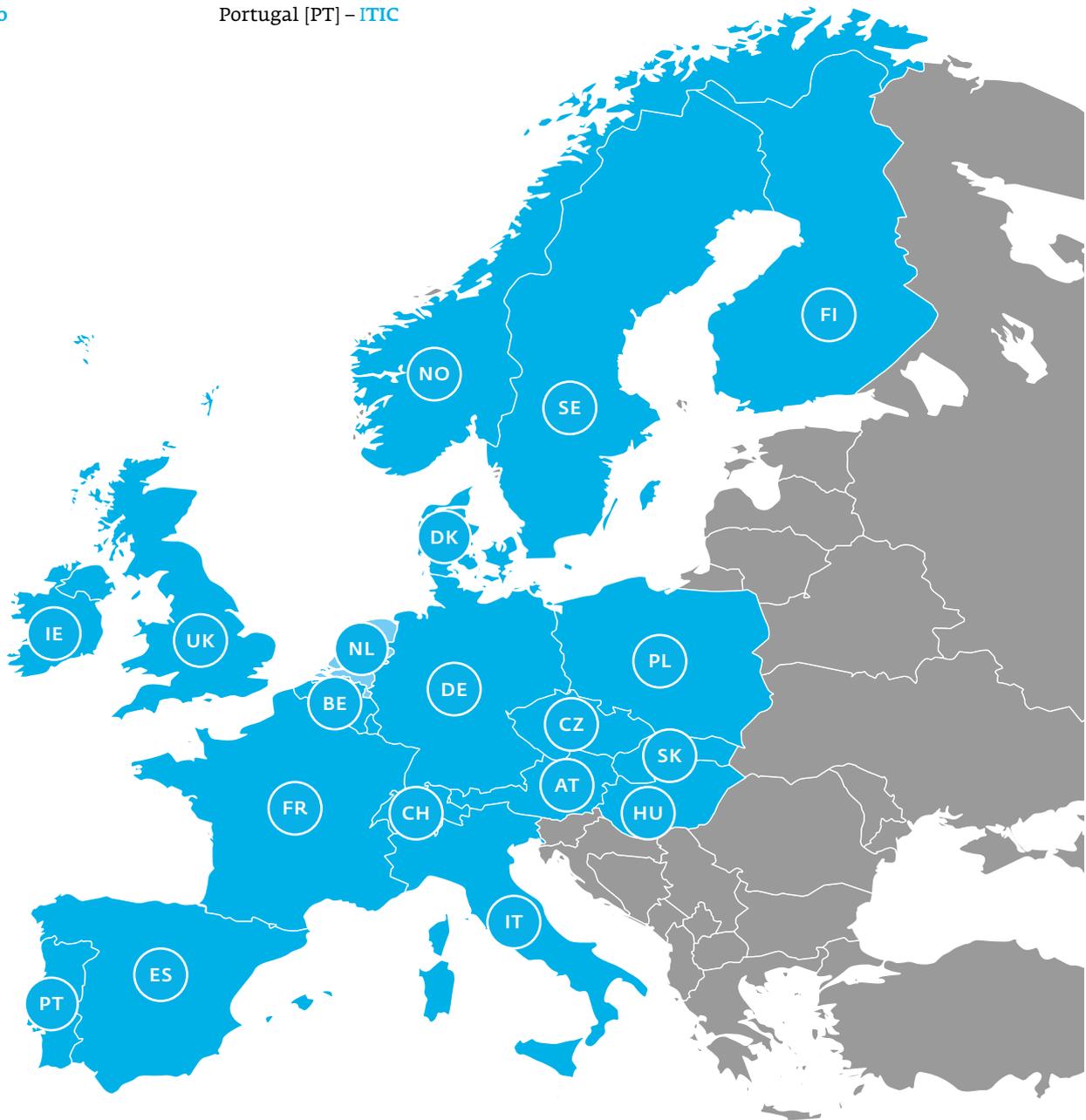
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Austria

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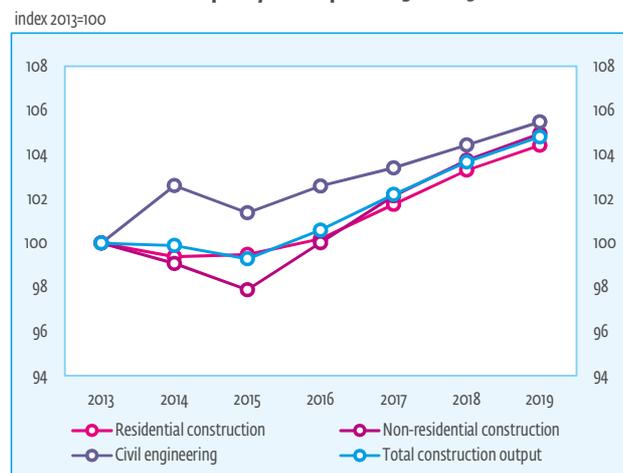
1. Summary and Conclusions

Austria's economy is expected to accelerate in 2017 and 2018. Leading indicators are showing a continued economic recovery. After an overall economic growth of 1.5% in 2016, additional increases of 2.0% in 2017 and 1.8% in 2018 GDP (in real terms) are expected. The economic development rests upon improvements in various demand components: beside the strong domestic consumer demand also investment started to pick up. Also foreign trade is expected to have a higher contribution to overall growth over the course of the projected economic recovery of the whole Euro area from 2017 onwards.

Residential construction is recovering after several years of stagnating or declining output. In 2016, the segment exhibits a modest growth rate of 0.6%, but the positive trend is expected to grow in magnitude in 2017 (1.6%), continue for 2018 (1.5%) and level off in 2019 (1.1%). Although a number of demand side indicators (population, building permits) would suggest even an even higher growth rate, high land prices and the lagging implementation of public stimulus prevent a more clear recovery.

Non-residential construction is the sector which benefits most of all construction segments from positive economic prospects. Especially commercial construction is forecasted to experience strong growth due to a continuation of impulses from strong private consumption. This current positive environment also attracts international brands and an increasing entry in the Austrian retail sector can be observed. Beside commercial construction also industrial building activity, which is highly correlated to economic growth and foreign trade in particular, is expected to increase significantly. On the other hand only weak impulses are expected from the public non-residential construction, especially in the area of health construction.

Total Construction Output by Sector from 2013 to 2019



Source: EUROCONSTRUCT (83rd Conference)

Civil engineering increased by 1.2% in 2016 and a stronger growth is projected in the upcoming years. Transport infrastructure investments will be the main driver in Austrian civil engineering. In this area major impulses are expected from road construction in 2017 while railway investments will mainly drive civil engineering in 2018 and 2019. The Austrian government is prioritising investment in the railway network, in which 70% of the public transport investments will be placed. Also investments in the telecommunication sector will increase above average. This sector benefits from public funds, the so-called broad band billion, which will lead investments into the expansion of the fibre optic network and the set-up of the next 5G telecommunication standard. The underlying economic situation in the energy sector, where prices were still expected to decrease in 2016, remains unfavourable and also the already high quality and coverage standards in the water and wastewater sector do not allow higher investments in the area of waterworks in the upcoming years.

Overall, **total construction** is forecasted to grow by 1.6% in 2017. The positive trend is expected to continue in 2018 and 2019 but growth in real terms is likely to slow down to 1.4% and 1.1% respectively compared to the previous year.

2. Macro-economic Outlook

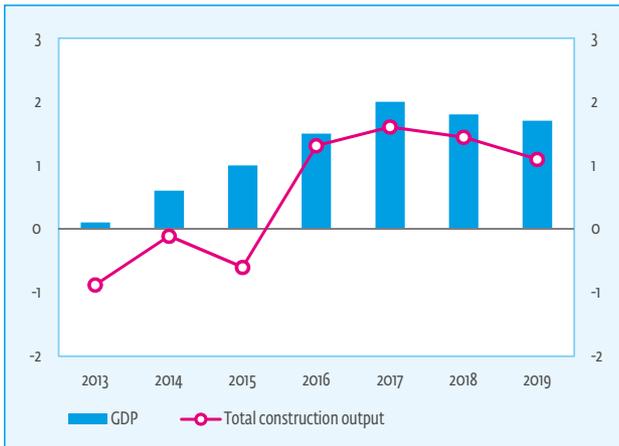
Austria's economy is currently in a period of economic expansion, largely based on a strong domestic demand and a more robust than expected labour market. Gross domestic product in real terms increased by 1.5% in 2016. The economic upswing gained further ground during 2016 due to several factors. On the demand side, a strong increase in consumption of private households could be observed but also investments started to pick up over the course of the year. Indicators of business sentiment such as the WIFO Konjunkturtest have reached historic heights at the end of 2016, and no reversal of the very optimistic sentiments has occurred until April 2017. On the supply side manufacturing and closely linked sectors like trade and industry related services as well as the financial sector contributed positively to the economic expansion.

These very bright developments have led to an upward revision of the economic forecasts for the years 2017 to 2018. According to WIFO's economic forecasts from March 2017, the Austrian economy is now predicted to accelerate its growth trend with 2.0% and 1.8% in the years 2017 and 2018.

Foreign trade. Austria's export sector is expected to gain from the gradual improvement of the world

GDP and Total Construction Output from 2013 to 2019

year to year change in %



Source: EUROCONSTRUCT (83rd Conference)

trade, which increased by 3.1% in 2016. The Euro area, Austria's most important export market, is currently benefitting from the increasing demand in the EURO area as well as from the economic upturn in the USA and Eastern European countries. Consequently, an even slightly stronger growth of 1.9% is expected in 2017 (2016: +1.7%). Business surveys from spring 2017 among exporting companies from Austria indicated that they were assessing their export orders more positively than at the end of 2016 and confidence indicators are clearly above the long term average. Particularly capital goods companies as well as automobile suppliers evaluated the current situation significantly better than those from consumer goods sector. The seasonal and working day adjusted export indicator of the Austrian National Bank also showed a strong growth in the first quarter 2017 (+7.1%). Export sectors are forecasted to grow by 3.6% in 2017 and about 3.4% p.a. in 2018 and 2019 in real terms compared to the previous year. Unlike 2016, also net exports are expected to have a positive contribution in the upcoming years since investments start to stabilise from 2017 onwards, leading to a lower domestic driven import growth.

Industrial production. The material goods industry improved significantly in 2016. The economic expectations of the companies reached the highest value in February since spring 2011 according to WIFO's business surveys. The confidence in the capital goods industry further improved from an already high level. The boost in confidence in the service sector was even stronger which clearly shows the current optimism. In spring 2017, the leading indicators were on a level which can be compared to previous periods of intense economic growth or even economic booms.

Labour market. The supply for labour is expected to rise considerably over the whole forecasting period to 2019. This development is based on several

factors. First, the employment rate of older persons increased because of former reforms of the pension system. Second, the continuous increase of the participation of woman on the labour market is increasing the labour supply and third an ongoing inflow of foreign labour must be expected. The latter is bearing significant uncertainty depending on the access of asylum seekers and subsidiary protected to the labour market.

Employment is forecasted to increase in the upcoming years, following the general economic improvement and recovery. Already at the time of writing, positive employment data and the strong rising number of job vacancies underpin the current upswing. Active dependent employment is expected to increase by 1.6% in 2017 and by 1.3% in 2018. The vivid labour demand has also a positive impact on unemployment which is forecasted to be slightly below 6% from 2017 onwards.

Prices and inflation. The consumer price index increased by 0.9% in 2016. Price dynamics are expected to be markedly stronger in 2017 and 2018 which is premised on internal and external factors. On the one hand the repeal of the reduced sales tax in course of the latest tax reform along with the increasing domestic demand causes a price increase. Additionally output gap is expected to decline even if it is not likely that it will be closed within the forecasting period. The anti-inflationary impact resulting from the output gap is therefore expected to fade away. On the other hand commodity prices and prices of imported goods show an upward trend. However, a key driver of past price increases, energy and fuel/oil is not expected to show substantial upward movements in the coming years. No price pressure is expected from the labour cost side. Increases in real wages per hour worked are again expected to be below the productivity development.

Monetary policy and public budgets. The governing council of the ECB decided to reduce the purchases from April 2017 onwards from formerly 80 bn Euro per month to 60 bn Euro. Nevertheless ECB's monetary policy is still expansive and it is expected to hold on in 2017. This might continue until the average price increase in the European Monetary Union will reach a level of 2%. The situation is slightly different in the area of interest rates. The market is expecting an increasing trend which could start with the first interest rate steps in spring 2018. A similarly rising interest trend is also expected in the Austrian banking system. Nevertheless the current lending situation is very favourable. The latest analysis of the lending guidelines showed that only 14% of the Austrian companies must accept curtailments regarding the volume and condition of their loans. This is the lowest value ever since it was included in the WIFO business survey.

From the budget point of view, Austria's expansive fiscal policy is expected to hold in 2017 but will decrease gradually. Therefore also the public deficit will remain (at a low level) even if the public finances profit from the positive economic performance and the low interest payments. The income ratio is nevertheless expected to decline slightly. Lower employer's contribution to the family compensation fund (Familienlastenausgleichsfonds) and the reform of the stability fee (Stabilitätsabgabe) are the main reasons. Also the expenditure to GDP ratio is expected to decrease because of lower support for the banking system and lower expenditures for unemployment and weak increase of public consumption. All in all, the net financial deficit according to the Maastricht definition slightly increased to 1.4% of GDP in 2016 but it is expected to decline towards 0.7% in 2018. Along with the reduction of the net lending also public debt which amounted to 83.8% of GDP in 2016 is forecasted to decline towards 77% in 2019.

Forecast uncertainties. The main forecasting risks can be split in foreign factors and domestic factors. While the domestic factors tend to influence the forecasts positively foreign risks put pressure on the forecasts.

Foreign factors. A considerable number of international risks are currently influencing the global economic development. The uncertain future foreign economic policy of the States, the upcoming exit of UK from the European Union and increasing protectionism within the European Union (but also outside) are bearing significant downward risks. Additionally, the economic recovery of the raw material exporting emerging countries could turn out much lower than expected in these forecasts. Geopolitical tensions could additionally lower the outlook. These risks were already partly taken into account in the foreign trade analysis. The forecasts of the Austrian export sector were cautiously assessed which can be seen when the development of the exports are compared with the growth of the sales markets.

Domestic factors. Major domestic forecasting risks arise from the schedule of the measures of the governments programme from early 2017. These stimulus measures are not included in the current forecasts and will have significant impacts on Austria's economy starting 2018. Especially the labour market is expected to benefit from a number of related initiatives. Moreover, effects leading to higher consumption of private households and increasing domestic added value are expected from a number of stimulus measures.

Risks on the demand side arise from the government investment grants for large companies

(Investitionszuwachsprämie) and the early depreciation of investments which are also both not considered in the forecasts. Experiences show that positive impacts could arise from the latter measure whereby hardly any economic effects are expected from the investment grants. Finally, the governing coalition of SPÖ and ÖVP will likely call for early re-elections, probably in autumn 2017. It is not yet clear how this could affect government behaviour in terms of expenditures and revenues but also the economy as a whole.

Key Macroeconomic Indicators in Austria 2015 to 2019
annual percentage change, real terms

	2015	2016	2017	2017	2019
Gross domestic product	1.0	1.5	2.0	1.8	1.7
Private consumption	0.0	1.5	1.3	1.2	1.2
Public consumption	2.1	1.3	1.1	1.0	1.0
Investment (GFCF)	0.7	3.4	2.3	1.6	1.7
Inflation	0.9	0.9	1.7	1.7	1.7
Unemployment	5.7	6.0	5.9	5.9	5.9

Source: Statistics Austria. WIFO-forecasts March 2017.

3. Housing Market

Residential construction grew by a modest 0.7% in 2016. This is an acceleration compared to 2015, where residential construction experienced a year of stagnation, and the negative growth patterns in the years 2013 and 2014. At the same time, previous forecasts for 2016 expected a stronger growth of residential construction – in the 82nd report growth was estimated at 1.5% – suggesting a somewhat disappointed development. Although several demand side indicators would have suggested a stronger recovery of residential construction, production data and national accounts indicate that these factors did not generate a substantial push in the segments' activity. High land prices coupled with tight public budgets and the political focus on curbing construction cost leave little room for higher volumes of residential construction.

Forecasts. Part of the shortfall in residential construction can be attributed to delays in the implementation of government initiatives to support housing construction. As a result, parts of their demand contributions are simply shifted to the coming years. This implies an adaption of the expected growth path for the years 2017, 2018 and 2019: residential construction will accelerate considerably in 2017 (+1.6%), followed by years of steady but slowly declining growth rates (2018: +1.5%, 2019: +1.1%).

3.1 New residential construction

Interest rates and financing conditions. There has been little change to the financing conditions in Austria since the last report. The main refinancing rate of 0% set by the ECB in March 2016 is still in place. The long-term downward trend in national interest rate for housing loans has not seen a reversal yet: Interest rates for housing loans with a fixed duration from 5 to 10 years were even slightly below 2% on average throughout 2016 (1,92% at the end of 2016). Moreover, the stock of housing loans has been growing by 3.3% in 2016, which is considerably fast than in the years 2013 and 2014, but not as strong as in 2015 (+6.6%). The key question for financing residential construction is how long the low rates can be sustained. The current situation will likely be sustained until the ECB adopts a different monetary stance and starts increasing interest rates. WIFO forecasts predict a slight interest rate reversal in Austria as early as 2017 (long term interest rate increases from 0.4% to 0.6%), but more significant increases are not expected before 2019 (1.6%). Overall, Austria can be expected to follow the trend within the monetary union very closely, and significant changes in interest rates and financing conditions do not appear imminent.

Regional Building Permits in New Residential Buildings

	2011	2012	2013	2014	2015	2016
Burgenland	2.174	1.120	1.574	2.024	1.737	1.351
Carinthia	2.792	2.716	2.425	2.690	2.983	2.432
Lower Austria	6.954	7.281	8.098	8.750	8.564	7.691
Upper Austria	7.860	7.322	7.203	8.921	7.179	9.125
Salzburg	3.536	2.862	3.749	3.107	3.197	2.627
Styria	6.662	5.845	7.194	7.695	7.018	9.579
Tyrol	5.031	4.000	4.026	4.352	5.204	4.033
Vorarlberg	2.074	2.702	2.283	2.559	2.707	2.746
Vienna	8.828	6.910	9.812	9.888	12.203	14.224
Austria	45.911	4.0758	46.364	49.986	50.792	53.808

Source: Statistics Austria.

Building permits. As one of the main indicators of residential construction, building permits have conveyed a very vivid picture of the Austrian residential construction market. Considerable and repeated increases since 2010 leading to historic heights with figures of more than 50,000 units in new residential buildings in the year 2015 have suggested that the dynamic population growth had a

strong and direct impact on demand. Even more, the latest figures from Statistics Austria suggest as many as 53,800 units in 2016, a further increase by almost 6%. Unfortunately, however, the evolution of housing permits is only partially reflected in production and national accounts data. Although the reasons for this disconnect are not entirely clear, the link between building permits and construction, even if a lag between building and construction is taken into consideration, does not appear as clear as expected. A regional analysis further suggests that in contrast to production data – which were positive in virtually all Austrian regions – the permit increases are very unevenly divided. In 2016, Vienna, Styria and Upper Austria recorded two-digit increases in building permits, whereas permits dropped by more than 10% in Burgenland, Tirol and Lower Austria. The question remains whether this signals a very heterogeneous evolution in residential construction for the coming years.

House Prices

Year-on-year change, %

	2011	2012	2013	2014	2015	2016
Austria Total	4.2	12.4	4.7	3.5	4.1	7.3
Vienna Total	8.5	15.7	8.7	4.2	2.2	4.2
1+2 Family Houses	1.4	3.5	2.9	-3.3	2.6	-1.8
Flats	9.1	16.7	9.1	4.7	2.2	4.2
New flats	9.8	7.0	3.7	1.0	4.7	10.3
Used flats	9.0	18.2	9.8	5.2	1.9	3.4
Austria without Vienna Total	2.3	10.8	2.7	3.1	5.1	9.1
1+2 Family Houses	-3.4	8.7	1.1	6.4	6.8	7.7
Flats	4.6	11.6	3.3	1.9	4.5	9.7
New flats	-3.5	2.2	2.2	-11.2	0.4	8.0
Used flats	5.9	12.9	3.4	3.5	4.9	9.8

Source: OeNB. Prof. Wolfgang Feilmayr. Department for spatial planning. TU Vienna.

House and land prices. A demand side indicator that has been suggesting increased need for housing for several years are house prices. Starting from comparatively low levels, Austria's real estate prices have been increasing consistently in the past 10 years – by over 60%. While the past increases were of a magnitude larger in cities and regions in proximity to urban areas, the most recent figures for 2016 indicate a catch-up effect of more rural regions. Part of this effect might still be due to the higher prices in central locations, pushing demand further from the core into the periphery. The reported slowdowns in the most recent years appear to have been just

a small pause in the current upward trend. Given that construction cost did not increase as fast, residential construction should pick up because profits for developers increase. However, there are some indications that supply can only partially react to the increasing house prices. A main obstacle to increased residential construction appears the lack of appealing and developable land that is available on the market. Even if land becomes available, land prices reportedly have risen even fast than housing prices, therefore cutting into developers profits. As a result, high land prices driven by speculation on the future value of land or simply as a cash deposit due to low interest rates poses an important hindrance to increasing housing supply.

Real estate transactions

number in '000, volume in bn €

		2013	2014	2015	2016
Austria	number	81.447	96.197	112.124	121.436
Vienna		12.484	15.189	18.052	19.490
Austria	volume	16.0	19.5	23.5	26.9
Vienna		4.9	6.0	7.2	8.2

Annual average percentage change

		2013	2014	2015	2016
Austria	number	-12.5	+18.1	+16.6	+8.3
Vienna		-11.2	+18.1	+18.8	+8.0
Austria	volume	-8.3	+21.9	+20.4	+14.2
Vienna		-5.5	+23.4	+19.7	+14.6

Source: RE/MAX (IMMOUnited calculations). – Based on the official land register which covers new and existing buildings. Transactions cover all types of buildings (residential and non-residential) and land.

Real estate transactions. The number of real estate transactions increased once more in 2016, by 8.3%. This is the third consecutive growth since 2014. However, a few differences to the previous year are noteworthy. Firstly, Vienna recorded a slightly lower increase than the other Austrian regions (8.3% to 8.0%). This is again suggestive of the fact that due to high housing and land prices in urban areas, demand is being shifted further outward away from densely populated centres. Secondly, the overall increase is losing momentum. Compared to growth rates of roughly 18% and 16% in the two years before, this is an indication that transactions might have peaked in 2016. Another interpretation is that announced changes in the tax code starting January 2016 led to a surge in 2015, and hence fewer transactions in 2016. From this stance the renewed growth of 8.3% is quite impressive and suggests a strong demand for real estate.

Public initiatives. As part of the negotiations for the national fiscal equalization scheme (Finanzausgleich), measures were taken to complete a shift that started several decades ago: housing policies are now under almost exclusive control and responsibility of regional governments (Länder) and the federal government has its influence reduced to setting regulatory standards in a few selected areas such as rental-law, environmental standards or rules for non-profit housing associations. While the direct financial consequences of this new scheme for housing are limited, a number of complementary measures were taken:

- Envisaged harmonization of the varying technical construction standards (Bauordnungen) between the 9 regional governments. The main aim of this target is to achieve building cost savings through the identification and elimination of obsolete and overarching building standards.
- Regional housing programs should help to assess region specific demand for additional housing and guarantee sufficient funds in the budgets of the respective province. These programs should be prepared at least 2 years in advance and allow a more demand oriented approach for the regional housing construction subsidy schemes.

Although it remains to be seen how this new pact affects residential housing policies in the different regions, the key policies in housing are now formulated not by the federal government but by the nine Länder.

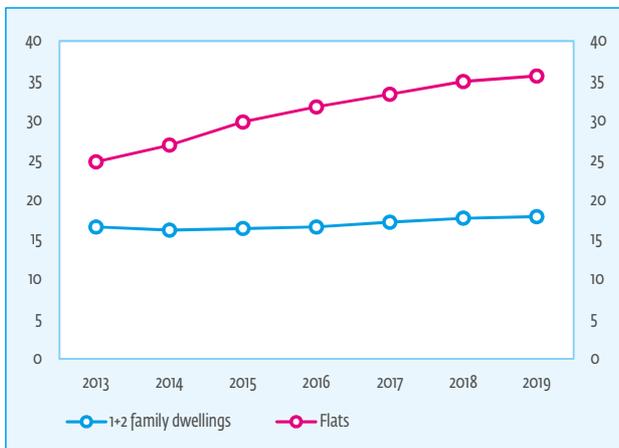
Despite these developments, because of a continued public debate surrounding every increasing housing prices and rents, the central government has taken several measures in the recent past to ease pressure on the housing market. Among the most important, the “Wohnbauoffensive” was introduced with the target to dampen the price increase by expanding the housing supply. The goal is to bring 30,000 additional units on the market until 2020 (or 5,000 p.a. on average) with a total investment volume of 6 bn Euro – has been stalled from operation for almost a year. At the time of writing this report, the relevance of the financing scheme for European state-aid regulations has still not been resolved.

In contrast to the standard public housing aid – which could be only taken out by non-profit housing companies – also commercial developers are allowed to apply for WBIB loans. The bank should have been expected to start financing activities in 2016, but given the still pending decisions from the European counterparts, it is not clear if any impact for residential construction will be felt before 2018. A positive impact of this new housing initiative is expected especially in the first two years after operations start – which is reflected by a slightly stronger

growth of new residential construction in the current forecasts.

Another measure which is more targeted towards owner-occupied housing and home ownership is the BIG investments initiative. Its scope is to build 10,000 units with a total volume of 2 bn Euro until 2020. The initiative will be managed by its subsidiary company ARE (Austria Real Estate) which is in general responsible for office and residential buildings. Investments will be mainly undertaken in the urban areas of Vienna, Graz and Linz. In contrast to the “Wohnbauoffensive” this scheme is up and running since 2016: Since then 641 units were completed and 1.300 units are under construction and further 3.500 units are planned according to ARE. Consequently, major impacts of this initiative for construction activity are also expected from 2016 to 2018.

Housing Completions from 2013 to 2019
in thousands



Source: EUROCONSTRUCT (83rd Conference)

3.2 Residential renovation

Austria's housing renovation has been in stagnation or even decline for several years now. This downward trend is closely related to the evolution of public renovation subsidies, which spiked in the years 2009 and 2010, as part of national and regional efforts to dampen the decline in construction activity and avoid large layoffs during the economic crisis. Since 2010, the regional subsidy schemes, which are the largest component of public renovation initiatives, have almost constantly been in decline: from roughly 850 mn Euro in 2010 to 650 mn Euro in 2015.

A similar development can be observed for national level subsidies. The so called “renovation cheque” (Sanierungsscheck) had a total amount of 100 mn Euro for several years since the crisis. In 2015, the total budget was reduced to 80 mn Euro and further to 43 mn in 2016. In part, the budgetary cuts were motivated by weak demand for these type of subsidies. For instance, in summer 2016 nearly half of the whole schemes budget was still available.

The low uptake rate suggests a little interest by households in renovation and energy efficiency measures but also procedural problems. Hence, apart from the weak demand for energy efficient housing renovation it was also criticised that the renovation support scheme was not promoted well enough. The low participation stems also partly from the very warm winters in 2014 and 2015 in combination with low oil prices, both of which reduce the cost of heating. As a result, these factors weakened the case for thermal renovation.

Another national level stimulus, albeit of lower volume, is the so called “crafts-men bonus” which aims to reduce the black economy and should stimulate renovation works additionally. The bonus was introduced in 2014 for the first time with a volume of 10 mn Euro and 65,000 applications and it will be continued in 2016 and 2017 with double volume (20 mn Euro annually). It targets private persons only, which will receive 20% of the craftsmen's bill up to 600 € per housing unit.

Given that only small shares of housing renovations do not receive subsidies in Austria, this evolution is representative for the whole segment. Interestingly, the number of projects co-financed by the subsidy-schemes has decreased even stronger, suggesting that on average the supported renovations have received larger subsidies, indicating slightly larger renovations than in the past. This is in line with efforts to shifting renovation activities towards deep renovations instead of a peace-meal approach.

For the coming years, the housing renovation segment in Austria is not expected to exhibit a fundamentally different evolution. While positive, growth figures will tend to lie below the new residential housing construction, without any signs of additional impulses. Unless reforms of the public subsidy schemes are undertaken or energy prices increase the economic value of energy efficient buildings, the segment will remain stagnant in the next years.

4. Non-residential Market

Austria's non-residential construction market benefited highly from the economic upswing in 2016. Beside domestic consumption also investments started to pick-up, which is critical for many segments of non-residential construction and puts its growth on a broader basis. Forecasts for non-residential construction had to be adopted and were slightly revised upwards. Preliminary data for 2016 indicate a growth of total non-residential construction by 2.2%. The trend for the upcoming years 2017 and 2019 stays positive but the growth dynamics are expected to slow down over the forecasting

period which goes along with the overall economic development.

New educational buildings. Construction in the area of schools and universities is expected to continue to expand. This is underpinned by higher budget allocations for BIG, the federal real estate company. Investments are also channelled into a special building program for 17 Universities (initiated in 2014 by the Federal Ministry of Science Research and Economy) with a volume of 200 mn Euro. All projects are scheduled to be finished until 2019. Current big new-built university projects are Med Campus at the University in Graz) with completion in the 3rd quarter 2017, TÜWI at University for Natural Resources and Life Sciences Vienna with completion in the 1st quarter 2018. Ongoing new built school projects are the “Education Quarter Lake City Aspern” with completion in 3rd quarter 2017 and the AHS Wien West with completion in 2nd quarter 2018. New construction in the whole

education sector is expected to increase by 2.0% in 2017 and by further 1.7% in 2017 and 1.5% in 2018.

New buildings for hospitals. Construction in the health sector is influenced by two opposite trends. On the one hand the demand for health services is steadily increasing. Demographic trends show that the population over 75 years will increase by 140,000 persons in the next 10 years. In the long run the share of this age population will more than double within the period 2010 to 2050 from 4.0% to 8.1%.

On the other hand, investments in the health sector developed at a significantly lower speed. According to the latest available information health investments even declined in 2015 which can be mainly attributed to lower public expenditure compared to previous years. Private engagement in the health sector rose dynamically in the recent past. The share of private health investments rose by nearly 9 percentage points from 37.0% to 45.7% in 2015. In the long term perspective it nearly doubled since 1990 which can be also attributed to the increasing demand for nursing services. The increase of total health investments rose since 2010 nearly hand in hand with the increase of private and public expenditures for nursing services – with a cumulated increase of approximately 20% in both areas.

Facing the strong demand in this area, further expansion in health construction is expected with an estimated growth of about 2.0% in 2017. The development will continue but at a slower pace of about 1.7% and 1.5% in 2018 and 2019. The nursing sector will still stimulate the future demand for construction while it is limited in the area of hospitals. This sector is currently in a consolidation phase. Several hospitals are planned to be merged to increase the efficiency in the health sector. The latest OECD ‘Health at a Glance 2015’ report shows that Austria has the largest number of hospital discharges within the 34 member states, which is 60% above the OECD average. Austria ranks also within the top five nations regarding the number of hospital beds per 1,000 inhabitants (7.7) and the average length of stays in hospitals (70% above OECD average). This clearly restricts the future development of this sector despite an ongoing aging society which will demand more health and nursing services. It is therefore likely that the structure of the construction investment in this segment might be reallocated from new hospital construction to more elderly care facilities. Also the so called “debt brake” which will apply in 2017 forces the federal state governments to target stricter cost controls which also effects the health sector. As a result of potential budget cuts, there appears little room for large additional new construction projects in the coming years, which is reflected by the growth of around 1% p.a. in new health construction.

Non-residential: breakdown by subsectors

(v) = volume 2016, million €, left scale;
(line graph) = index at constant prices, 2013=100, right scale



Source: EUROCONSTRUCT (83rd Conference)

New industrial and storage buildings. Industrial construction picked up in 2016, following the robust economic performance of manufacturing. The positive development in the capital goods industry, whose added value increased by 1.7% in 2016 is also represented by the WIFO business surveys. Sentiment indicators improved continuously and from summer 2016 onwards the positive assessments predominated. Also capacity utilization increased continuously. Employment in the capital goods industry expanded by 1.0% and also the hours worked rose by 0.5% both according to the National Accounts. New industrial construction is therefore expected to increase further by 2.6% in 2017.

In the area of storage buildings, no significant impulses are awaited. Online trade is still one of the fastest growing markets with double digit growth rates, but the market is dominated by companies like Amazon and Zalando which represent little storage demand in Austria. Austrian companies play a minor role in online trade business and so most of the goods are shipped from abroad. In contrast to Germany, no major storage hubs are currently under construction and according to Columbus Collier real estate also no big logistic hubs with international impact are planned in Austria. Additionally storage and transport companies have cut and optimised their storage space. Most of the current storage projects were realised on the property of existing headquarters since just-in time delivery is gaining in importance which will further increase with the shift towards the so called industry 4.0.

New office buildings. Despite recent improvements, office construction performed weak in the past years. Investors were cautious and projects were only started if they were fully owner occupied or if they show a high pre-letting ratio. The Austrian office market stabilized somewhat in 2015 after several years of decline. A stronger growth could be observed in 2016, mainly because of large scale office projects in Vienna. The capital has the highest office stock in Austria with a floor space of close to 11 mn square meter. The office construction market started to recover in 2016. However completions declined to around 60,000 square meter in 2016 according to the real estate market reports (EHL, CBRE), because of the weak construction performance in 2014 and 2015. On the demand side, at least on the rental market, the performance increased dynamically up to 300,000 square meter. The strong demand for rental offices in combination with low rate of completion led the vacancy decline to a rate of 5.3% in the office sector according to the analysis of CBRE. It was slightly over one percentage point less than compared to 2015 (6.4%). A dynamic development on the rental market regarding the rented floor space could be observed in 2016; nevertheless prime rents are expected to stay stable at

prices up to 26 Euro per square meter and around 15 Euro per square meter in average locations.

From the construction point of view the positive trend is expected to continue in 2017. The number of new office completions is expected to increase further. The completed office floor space will be around 160,000 square meter (CBRE). The larger and most attractive projects are built around Vienna's main train station, which is also one of the biggest city development areas, where projects like the QBC (Quartier Belvedere Central) or The Icon Vienna are built. Other big office projects are located in the 2nd and 3rd district like the Austria Campus and the Orbi Tower.

The downturn in **new commercial construction** stopped at the end of 2015 and turned to the positive in 2016. Two main reasons are responsible for the market reversal: First, the overall economic upswing led an increase in business and consumer confidence and also to a relief on the job market. (Active) dependent employment increased by 1.6% much stronger than the unemployment (+0.8%). Additionally the tax reform 2015/2016 led to rising private disposable income of households, which improved by 2.7%. Both effects had a positive impact on private consumption which expanded by 1.5% in 2016, after stagnation in 2015. These developments influenced the trade sector positively. The turnover increased in 2016 by 1.1% with the strongest increase in the area of automobile trade (+7.3), but also the retail sector could raise the turnover (+1.7%). Around 11.000 retail companies were newly founded (+8.6%) in 2016 and employment in trade rose by 1.0%.

This positive development pushed new residential construction, which increased by around 3.2%. When looking at future development it has to be considered that the trade sectors are performing very heterogeneously. Branches with the highest number of start-ups are market and street trade (+50%), direct sales (+22.1%), agriculture trade (+19.7), mail order and internet trade (+14.1%). These are not the main areas demanding commercial buildings. Additionally the market is characterized by high competition, especially in the area of shopping centres. Nevertheless, the completed floor space of shopping centres in Austria expanded to 119,000 square meters in 2016 and was therefore significantly higher than in 2015 (84,000 square meters) according to CBRE. This strong increase cannot be attributed to vivid new construction in this area. It must be rather attributed to optimisation measures since renovation projects in existing shopping centres took a share of 63% of all projects. Public regulations in several federal states, whose goal is to dampen green field shopping centres, are a further reason for the expansions of existing

shopping centres. Prime rents in 2016 are about 120 Euro per square meter and month and are expected to be stable according to the market report of CBRE.

Agricultural and forestry accounts indicate that building investments will grow about the level of economic growth and therefore no major impulses can be expected from this area.

To summarize, non-residential construction is expected to grow strongest in 2017 by 2.1%. The positive development will hold on until the end of the forecasting period with slightly minor expansion of 1.6% in 2018 and 1.2% in 2019.

5. Civil Engineering Market

Austria's civil engineering reached a market volume of about 6.7 bn Euro in 2016. The downward trend of the previous years was stopped in 2016 and investments picked up by 1.3%. The present estimations for 2016 remain therefore nearly unchanged compared to the previous 82nd EURCOONSTRUCT report. Moreover, the more favourable economic development and the recent budgetary plans led to an upward revision of the civil engineering growth in 2017 by around 1.6% and further expansion is expected for 2018 and 2019.

5.1 General civil engineering framework

The performance of civil engineering moved in line with the recovery of Austria's overall economy in 2016. The transport sector profited from the improving industrial production. The economic sectors NACE B-F¹ which were most relevant for the freight volume increase of 1.6% in 2016. The strongest growth resulted from the subsectors mining and quarrying" (+3.5%), other automotive (+6.7%), and the paper industry (+2.6%). Foreign trade volume (exports and imports) also contributed to the larger transport volume but only at a lower rate (+0.7%). The labour market in the transport sector improved along with the production growth in 2016. The number of employees rose by 1.3% in 2016 and growth of unemployment in the transport sector slowed down from 8% (2015) to 1.6% in 2016 compared to the previous year. Construction prices in civil engineering developed moderately in the recent past (2013: -0.1%; 2014: +0.4%; 2015: -0.8%). Although the negative price development of the recent past was discontinued in 2016, the price increase of 0.6% was still only moderate and well below the average growth of construction prices (+1.3%).

¹ NACE B-F includes mining and quarrying (B); manufacturing (C); electricity, gas, steam and air conditioning supply (D); water supply, sewerage, waste management and remediation activities (E); construction (F)

Labour market indicators

number, '000 persons

		2013	2014	2015	2016
Transport sector	Employees	182.2	183.6	186.4	188.8
	Unemployed	14.3	15.4	16.6	16.8
Manufacturing sector	Employees	877.9	877.3	873.2	878.2
	Unemployed	62.1	66.0	70.6	67.3
Market-related services	Employees	1 522.7	1 534.1	1 552.7	1 582.8
	Unemployed	166.8	186.2	213.8	215.0
Total economy	Employees	3 483.0	3 503.4	3 534.9	3 586.9
	Unemployed	287.2	319.4	354.3	357.3

% change year-on-year

		2013	2014	2015	2016
Transport sector	Employees	-0.3	0.8	1.5	1.3
	Unemployed	9.1	7.1	8.0	1.6
Manufacturing sector	Employees	0.0	-0.1	-0.5	0.6
	Unemployed	11.9	6.3	7.0	-4.7
Market-related services	Employees	0.8	0.8	1.2	1.9
	Unemployed	9.4	11.6	14.8	0.6
Total economy	Employees	0.5	0.6	0.9	1.5
	Unemployed	10.2	11.2	11.0	0.8

Source: Statistics Austria. – 1 public transport in bigger cities (Vienna, Graz, Linz, Innsbruck)

5.2 Civil engineering by sectors

Austrian civil engineering is dominated by investments in transport infrastructure with a volume close to 4.0 bn Euro (59%), followed by energy (1.1 bn Euro) and water works (1 bn Euro) with a share of 17% and 15% respectively. Telecommunication and other civil engineering sectors (like infrastructure for agriculture and forestry) play a comparatively less important role with a volume of 600 mn Euro (9% share).

Investments in the **transport sector** are used to maintain the existing road network but the majority is led into new projects to handle the increasing traffic development (see information box below).

Investments in **transport infrastructure** increased by 1.6% in 2016. The public infrastructure investment program presented in February 2017 targets investments in the road and rail network with a volume of 24.2 bn Euro until 2022. This underpins the ongoing priority of investments in the railway network with a share of close to 70% of the total public infrastructure investment. Transport traffic infrastructure is expected to grow slightly stronger in 2017 with a projected increase by 2.0%. The outlook for the upcoming years is also positive but with marginally lower growth of about 1% annually in 2018 and 2019.

Key transport statistics

	2016	2013	2014	2015	2016
	absolute value	relative change % year-on-year			
Passenger Service					
New passenger car registrations, number	329 604	-5.1	-4.9	1.7	6.8
Municipal transport services ¹ , in mill. persons	1 234	0.2	3.3	1.6	1.8
Regular bus services ² , in mill. persons	700	3.0	-2.8	4.5	
Rail passengers, in mill. persons	285	4.3	1.5	1.5	2.5
Aviation ³ , in mill. persons	28	-1.1	2.7	1.1	1.4
Freight Traffic					
Highway mileage, in mill. km	3 495	1.6	2.8	2.1	4.8
Heavy vehicle car registrations, number	39 968	-1.8	1.8	4.6	9.9
Road, in '000 t ²	378 000	-2.5	7.5	0.4	8.8
Rail, in '000 t ²	88 000	-7.1	2.6	-1.0	-1.8
Pipelines, in '000 t	73 742	19.4	-6.6	4.0	3.0
Waterways, domestic in '000 t	9 053	-0.8	-5.7	-3.0	-6.6
Aviation, in '000 t	170	0.4	13.5	5.0	-1.4

Source: Statistics Austria. – 1 public transport in bigger cities (Vienna, Graz, Linz, Innsbruck). – 2 2016: estimation. – Arriving, departing and transit passengers.

Austria's traffic development

Passenger traffic. New passenger car registrations increased in 2015 by +1.7% and more dynamically in 2016 (+6.8%). Also the number of passengers rose among all means of (public) transport like local train/tram, bus, rail and airways. Municipal transport services in bigger Austrian cities (Vienna, Graz, Linz and Innsbruck) recorded a growth of passengers by 1.8% in 2016. Train traffic, which belongs to the most frequented in European Union and to the top 5 worldwide, recorded a passenger growth of 2.5% while air traffic increased at a lower rate of 1.4% in 2016 compared to the previous year.

Freight traffic. Road traffic increased most in the area of cargo. The highway mileage of heavy vehicles increased by 4.8% in 2016 compared to the previous year. The Arlberg corridor (+16.6%) which was partly closed in 2015 due to construction works and the southern corridor (+5.7%) recorded the strongest traffic increase in 2016. The number of heavy vehicle registrations (+9.9%) and freight volume estimates (+8.8%) indicate an ongoing strong development of road traffic. The railway sector – which has a transport tonnage of about one quarter of the road sector – faced a slight decrease by 1.8% of transported goods. Waterways recorded the strongest decline (-6.6%) within the other means of transport (pipelines, waterways and aviation) regarding its transported tonnage in 2016. Also the airfreight volume declined slightly (-1.4%). On the other hand the transport volume in pipelines increased by 3.0%.

Road.

In 2016 nearly 2.1 bn Euro were invested in the extension and renovation of the Austrian road network. Close to 50% of the total volume is led into the extension and renovation of the highway network and about 35% are invested on municipal and 25% on federal level.

ASFINAG, Austria's highway financing agency, plays an important role in building and maintaining highway infrastructure which accounts for about 50% of the total road investments in Austria. About 1.2 bn Euro will be invested in highways and express ways in 2017. Thereof 530 mn Euro are led into new construction projects and second, additional tunnel tubes (44% of the total volume), 470 mn Euro in renovation works of the existing network and further 200 mn Euro for the establishment of a new toll charge system for heavy vehicles.

New major road project starts in 2017:

- S7 Riegersdorf-Dobersdorf: Start in autumn 2017, project volume of 485 mn Euro, completion in 2022.
- S36 St. Georgen-Judenburg: Start in March 2017, project volume of 158 mn Euro, completion in 2020.
- S3 Hollabrunn-Guntersdorf: Start in summer 2017, project volume of 132 mn Euro, completion in 2019/2020.

Major completions in 2017 are the A10 (Zederhaus) and A5 (Schrick-Poysbrunn). These in combination with ongoing tunnel projects with a volume of about 150 mn Euro and renovation works lead to a total growth of road investments by 2.7% in 2017. The investment plans and budget forecasts indicate a slightly slower growth for 2018 (+1.0%) and 2019 (+0.8%).

Railway.

The railway sector is expected to increase by 1.5% in 2017 based on the information available from the Austrian Stability Pact and the Infrastructure Framework Plans under the consideration of the National Accounts. This expansion will continue in the years 2018 and 2019 at a slightly higher rate of 1.7% and 1.6%.

The most important railway projects are:

- The "Brenner Basis Tunnel" which is currently the largest railway project with a volume of 5 bn Euro (without financing costs). Within the period 2017-2019 investments of about 990 mn Euro are budgeted. The project is at the beginning – 10% of the total volume was spent at early 2017. The annual investments are expected to increase in course of the construction process from 160 mn Euro to 500 mn Euro in 2019. The total volume of the project is 8.7 bn Euro and the route is planned to be finished in 2025.

- Southern route (“Südbahnstrecke”). The biggest project is the “Semmering Basis Tunnel”, connecting Gloggnitz and Mürzzuschlag with a volume of about 3.3 bn Euro. In the period 2017-2019 around 780 mn Euro are budgeted. The largest investments will take place in 2018 (322 mn Euro). The project is scheduled to be completed in 2026.
- The “Koralmbahn”, connection Graz-Klagenfurt has a project volume of 4.2 bn Euro. In the period 2017-2019 construction works will amount to 1 bn Euro which is nearly evenly distributed over this three year period. Completion is targeted in 2023.

Note: Investments in the rail sector are highly influenced by the progress of these big (tunnel) projects which can lead to significant changes in growth.

Beside the big new construction projects also renovation works plays an important role in the railway sector. (Re-)investments are made into measures which guarantee a technological state of the art of older tracks and maintenance work will secure the quality and availability. Additionally a fund for financing railways crossings with volume of 125 mn Euro was established under the financial compensation 2017 which should guarantee construction works from 2017 to 2029.

Aviation. Investments in aviation are dominated by the Airport Vienna, Austria’s biggest airport which accounts for 84% of Austria’s passenger volume. According to the latest decision of the Federal Administrative Court from February 2017 the construction of a third runway was stopped. The project had a volume of 1.8 bn Euro and it was an essential part to meet the forecasted growth of passengers from around 23 mn to 30 mn in 2020 (which will be not achieved according to this decision). This project was not included in the forecasts so the outlook remains unchanged in this area. Nevertheless investments are expected to be significantly lower in the long run because of this decision. Airport Vienna, along with several regional and national level politicians, has announced appeal against this decision before the highest Austrian courts. In any case, the construction of the third runway will with high probability not begin in the years covered by this report.

The largest civil engineering investments at the Vienna airports were led into renovation works of the runways with a volume of about 26 mn Euro in 2016. Beside this about 400 mn Euro will be invested in the modernization of the terminal building in the period 2016 to 2023 and further investments are let into the air cargo centre which will be expanded by 15,000 square meter (project volume 16 mn Euro). Please note that these investments are included in non-residential construction sector (and not in civil engineering).

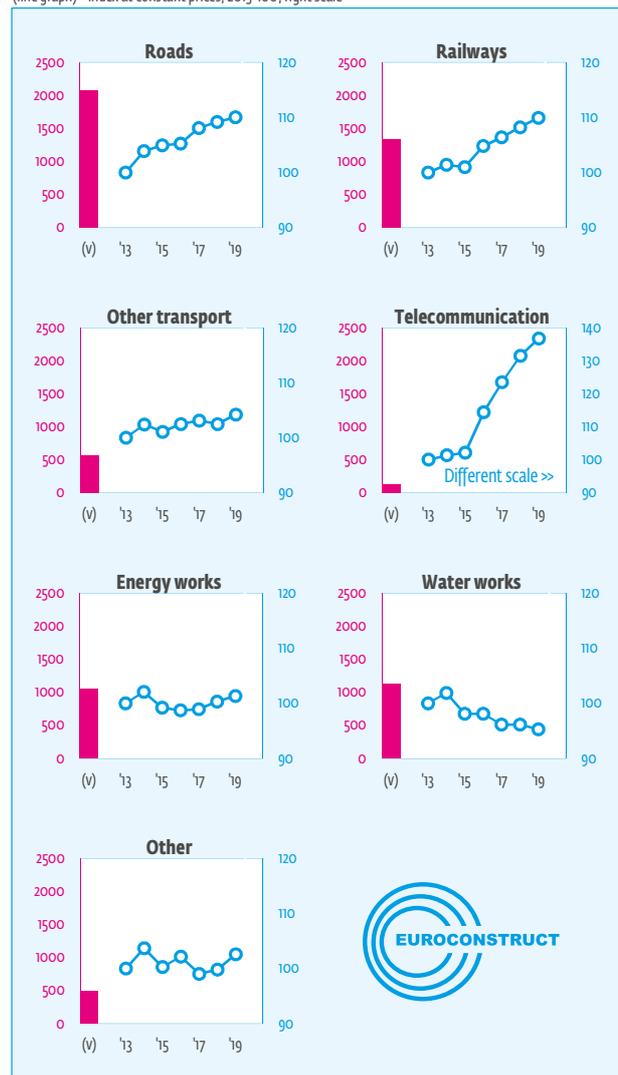
Telecommunication.

The Austrian stability program includes a broadband support program with a volume of 1 bn Euro until 2021 to achieve the goal to catch up to the world leaders in the area of digitalization set by the Austrian government. This means that the previous measures and goals will continue also in the upcoming period. Beside the expansion of broadband internet also the introduction of the new 5G mobile communications standard will be supported. The public funds are led into wide range of measures (like support for schools in the digitalization process) and construction activities are only one part of many. At the beginning of 2017 only 20% of the total volume was spent, the larger rest will be offered gradually via tenders.

Investments in telecommunication are expected to increase by 8% in 2017 as forecasted in the 82nd report. The outlook for 2018 (+6.5%) and 2019 (+4.5%) was revised upwards.

Civil engineering: breakdown by subsectors

(v) = volume 2016, million €, left scale;
(line graph) = index at constant prices, 2013=100, right scale



Source: EUROCONSTRUCT (83rd Conference)

Energy works.

Construction activity in the energy sector is expected to be stable in 2017 (+0.2%). The ongoing low energy prices are still one of the main hindering factors which make several power plant projects unprofitable. Prices for electricity declined both for the private and business sector and are well below the EU-28 average.

Energy prices for households with an annual consumption between 2.5 MWh and 5 MWh sank in 2016 to 0.123 Euro per kilowatt hour (without taxes and levies). The drop in price slowed down from -5.7% in 2014 to -1.4% in 2016. Household prices for electricity in Austria were around 6% lower than in the EU-28. The energy price for businesses with an annual consumption between 500 MWh and 2000 MWh is on average about 0.069 Euro per kilowatt hour and so even 14% lower than in the EU-28 according to EUROSTAT.

Austria's power production is currently sufficient to satisfy electricity demand according to the energy regulator E-Control. In order to meet the international climate target, however, the expansion of hydro-power plants and further investments in renewable are necessary. The share of renewable energy according to the EU directive 2009/28/EG amounted to 32.8% (EU-28: 16%). The largest shares within this area takes water power (37%), followed by solid biomass (29%). Wind, solar, biogas, geothermal and photovoltaic have all together only a share of about 10% of the renewable energy but the latter shows also the strongest growth in the recent past.

Beside the production of electrical power, investments are channelled into the extension of the electricity network with a volume of 700 mn Euro over the next three years.

Note: The impact of the planned German separation from Austria's electricity market is not taken into account in the current projections. Germany plans to introduce a congestion management on the boarder to Austria which would lead to different prices in Germany and Austria (instead of the current same price) when capacity limits are reached. This measure was suggested to secure Germany energy infrastructure. But on the other hand Austria this will lead to increasing prices in Austria by around 10% according to first estimations if this plan is turned into reality.

Water.

Austria's fiscal equalization scheme from 2017 to 2021 between the federal government and federal states, decided in November 2016, brought a 300 mill. Euro per year higher budget for the federal states. Municipalities additionally receive 80 mill. Euro for water works over the whole period to 2021.

This has only a marginal impact on the forecasts which remain still cautious.

On 1 January 2016 new public subsidization guidelines for urban water management came into force. Subsidies on the federal level amount to a volume of 100 mn Euro in 2016 and are expected to generate investments of 400 mn Euro. Drinking water supply will be subsidized between 10% and 25%, waste water projects between 10% and 40% of the eligible costs. The funding rate depends on the level of existing investments and the income situation of the municipality. It is expected that the new guidelines will only have a minor impact on the future development which is mainly characterized by a shrinking demand for water works. After stagnation in 2016 a further decline is expected in 2017 by around 2.0%. The previously mentioned decline of new waste water projects could be compensated, at least partly, by slightly increasing investments in new fresh water network investments. A market stagnation is likely in 2018 and a slight decrease in investments are expected in 2019.

Total civil engineering.

To summarize, total civil engineering is expected to grow by 0.8% in 2017. Growth is mainly driven by transport infrastructure and slightly dampened by the weak performance of the energy and water sector. The outlook for 2018 and 2019 is a bit more favourable also because of higher investments in transport infrastructure, all above in the railway sector. Total civil engineering is therefore projected to grow by 1.0% p.a. in both year 2018 and 2019.

APPENDIX – DEFINITIONS

Data from the national accounts represents an integral part of the reported construction forecasts. Not only the forecasts are updated in each report, but also the previously published data from the national accounts are revised regularly. The revisions affected almost without exception all economic areas according to official publications by the national statistics agency Statistics Austria. The revision calendar is as follows: The first data for year t are available in year autumn $t+1$, e.g. the first official data from the national accounts on growth or the construction industry for 2015 is available in autumn 2016. The main data sources for these figures are WIFO's economic forecasts as well as the monthly business surveys and other auxiliary data. In year $t+2$, information from structural business statistics is incorporated and the data revised if necessary. In year $t+3$, the compilation of input-output tables through the supply-use tables can lead to an additional revision of the official data.

Table 1

- **Population:** Statistics Austria, main scenario, on 1st January.
- **Households:** Statistics Austria, on 1st January.
- **Unemployed:** Austrian Public Employment Service (AMS), WIFO forecasts.
- **Unemployment rate:** Labor Force Survey, EUROSTAT, WIFO forecasts.
- Economic forecasts are based on the March 2017 WIFO forecasts (2017 to 2018) and on the April 2017 WIFO mid-term forecasts (2019). All national account data (historic and forecasts) are based on ESA 2010 system.

Table 2

- **Construction output** includes own production (do-it-yourself), black economy and exports. Non-intensive private repair and maintenance measures were estimated by WIFO. The forecasts of growth rates reflect the WIFO March 2017 forecasts based on ESA 2010 (correspondently also Tables 4a and 4b).
- Data for cement consumption is derived from the information of the cement industry which level is remarkably stable over time.

Table 3

- Permits, starts and completions refer to new dwellings in new residential buildings.
- Permitted dwellings until 2016 are based on the official figures (April 2017) from Statistics Austria.
- **1+2 family houses:** Buildings with one or two dwellings (in previous reports buildings with one dwelling only).

- **Flats:** Buildings with three and more dwellings (in previous reports they referred to buildings with two and more dwellings).
- **Building starts:** No official statistics are available for Austria. The provided number is based on estimates considering a delay and drop out between permits and housing starts.
- **Building completions:** The results reported in this publication differ from official statistics from Statistics Austria. The reason for this deviation lies in the incomplete and delayed reporting to and from municipalities, which severely affects data quality. Data included in this report are based on housing permits and historical rates of completions.
- **Housing stock:** Annual average. The housing stock is a forward projection of the register based census 2011. Significant methodological changes in the 2011 census resulted in a higher housing stock.
- **Second homes. Vacancies:** WIFO forecasts based on Statistics Austria.
- **Home ownership rate:** WIFO forecasts based on Statistics Austria; share of dwellings owned by the occupier/relatives of the occupier.

Table 4a

- **Offices:** They include also other buildings for administration.
- **Miscellaneous:** e.g. buildings for sports and leisure time.

Table 4b

- **Other transport** includes mostly airport infrastructure as well as public transport (mainly underground transportation).
- **Energy works** includes construction of distribution lines for electricity as well as integral parts (e.g. related buildings such as power plants).
- **Water works** includes the construction of distribution lines for transportation of fluids (e.g. water utility lines, sewage) and related buildings (pumping stations), water well drilling and also the construction of river works, dams, etc.

Table 5

- Information is based on the March 2017 WIFO forecasts (2017 to 2018) and the April 2017 WIFO mid-term forecasts (2019). Data stems from the national accounts based on ESA 2010 system.
- Volumes of each GDP component are at market prices. VAT included.
- The sum of the individual GDP components is not exactly equivalent to total GDP because of the so-called statistical difference. It represents a residual component which can be attributed to current account imbalances due to international trade and capital flows.

Country/Pays/Land: Austria								Table 1
	MAIN DEMOGRAPHIC AND ECONOMIC INDICATORS PRINCIPAUX INDICATEURS DÉMOGRAPHIQUES ET ÉCONOMIQUES WICHTIGE DEMOGRAPHISCHE UND ÖKONOMISCHE INDIKATOREN							
					Forecast		Outlook	
	2013	2014	2015	2016	2017	2018	2019	
Population ('000s) Population Bevölkerung	8 477	8 544	8 630	8 739	8 814	8 884	8 950	
Households ('000s) Ménages Haushalte	3 709	3 754	3 800	3 851	3 894	3 933	3 971	
Unemployed ('000s) Chômeurs Arbeitslose	287	319	354	357	354	358	363	
Unemployment rate (%) Taux de chômage Arbeitslosenquote	5.4	5.6	5.7	6.0	5.9	5.9	5.9	
Change of GDP Variation du PIB Veränderung des BIP (% change in real terms)	0.1	0.6	1.0	1.5	2.0	1.8	1.7	
Consumer prices (% change) Prix à la consommation Verbraucherpreise	2.0	1.7	0.9	0.9	1.7	1.7	1.7	
Construction prices (% change) ¹⁾ Prix de la construction Baupreise	1.3	1.5	0.6	1.3	1.5	1.6	1.7	
Short term interest rate ²⁾ Taux d'intérêt à court terme Kurzfristiger Zinssatz	0.2	0.2	0.0	-0.3	-0.3	-0.1	0.1	
Long term interest rate ³⁾ Taux d'intérêt à long terme Langfristiger Zinssatz	2.0	1.5	0.7	0.4	0.6	0.9	1.6	

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1) Refers to new construction only.

2) 3-month interbank rate (or equivalent).

3) 10-year government bonds (or equivalent).

Country/Pays/Land: Austria			Table 2						
			CONSTRUCTION BY TYPE PAR TYPE D'OUVRAGE BAUPRODUKTION NACH BAUARTEN						
		Volume mill. euro ¹⁾	% change in real terms (volume)						
							Forecast		Outlook
			2013	2014	2015	2016	2017	2018	2019
		2016	2013	2014	2015	2016	2017	2018	2019
Residential construction Logement Wohnungsbau	New	11 195	0.1	-0.8	0.0	1.0	1.8	1.4	1.0
	Renovation	5 004	-0.4	-0.2	0.3	0.1	1.0	1.8	1.3
	Total	16 199	-0.1	-0.6	0.1	0.7	1.6	1.5	1.1
Non-residential construction Bâtiments non résidentiels übriger Hochbau	New	9 046	-1.0	-1.2	-0.8	2.4	2.0	1.7	1.4
	Renovation	2 942	-1.5	-0.1	-2.4	1.5	2.5	1.2	0.4
	Total	11 988	-1.1	-0.9	-1.2	2.2	2.1	1.6	1.2
Building Bâtiment Hochbau	New	20 242	-0.4	-1.0	-0.4	1.6	1.9	1.5	1.2
	Renovation	7 945	-0.8	-0.2	-0.7	0.6	1.6	1.6	1.0
	Total	28 187	-0.5	-0.7	-0.5	1.3	1.8	1.5	1.1
Civil engineering Génie civil Tiefbau	New	5 414	-2.8	2.4	-0.9	1.3	0.9	1.1	1.0
	Renovation	1 347	-0.8	3.4	-2.4	0.8	0.4	0.6	1.0
	Total	6 761	-2.4	2.6	-1.2	1.2	0.8	1.0	1.0
TOTAL CONSTRUCTION OUTPUT		34 948	-0.9	-0.1	-0.6	1.3	1.6	1.4	1.1
		2016					Forecasts		Outlook
		Volume mill. tons	2013	2014	2015	2016	2017	2018	2019
Domestic cement consumption Consommation intérieure de ciment Inländischer Zementverbrauch		4.66	0.9	1.1	3.8	1.0	0.5	0.5	0.4

Renovation covers repair and maintenance, refurbishment and reconstruction.

1) At 2016 prices, excluding taxes.

Country/Pays/Land: Austria		Table 3						
		RESIDENTIAL CONSTRUCTION CONSTRUCTION DE LOGEMENTS WOHNUNGSBAU						
		Thousands dwellings						
						Forecast		Outlook
		2013	2014	2015	2016	2017	2018	2019
Building permits Logements autorisés Baugenehmigungen	1+2 family dwellings Individuels 1+2-Familienhäuser	15.6	16.5	16.8	18.1	18.4	18.3	18.4
	Flats Collectifs Mehrfamilienhäuser	30.8	33.5	34.0	35.7	37.2	36.7	35.6
	Total	46.4	50.0	50.8	53.8	55.6	55.0	54.0
Housing starts Logements commencés Baubeginne	1+2 family dwellings Individuels 1+2-Familienhäuser	14.8	15.2	15.8	16.6	17.3	17.4	17.4
	Flats Collectifs Mehrfamilienhäuser	26.5	30.5	32.1	33.1	34.6	35.1	34.3
	Total	41.4	45.8	47.9	49.7	52.0	52.5	51.7
Housing completions Logements terminés Baufertigstellungen	1+2 family dwellings Individuels 1+2-Familienhäuser	16.6	16.2	16.4	16.6	17.2	17.7	17.9
	Flats Collectifs Mehrfamilienhäuser	24.8	26.9	29.8	31.7	33.3	34.9	35.6
	Total	41.5	43.2	46.2	48.3	50.4	52.5	53.5
Housing stock Logements existants Wohnungsbestand	Total	4 520	4 562	4 606	4 653	4 701	4 752	4 804
	thereof second homes dont résid. secondaires davon Zweitwohnungen	259	262	264	267	270	273	276
	thereof vacancies dont inoccupés davon leerstehend	226	228	230	233	235	238	240
	share of family dwellings (%) part des maisons individuelles Anteil 1+2-Familienhäuser	47.7	47.5	47.3	47.1	46.8	46.6	46.4
Home ownership rate ¹⁾ Taux de propriétaires occupants Wohneigentumsquote		55.4	55.4	54.8	54.5	54.3	54.2	54.1

1) Cf. Appendix to the individual country report.

Country/Pays/Land: Austria		Table 4a							
		NEW NON-RESIDENTIAL CONSTRUCTION (PUBLIC AND PRIVATE) CONSTRUCTION NEUVE NON RÉSIDENTIELLE (PUBLIQUE ET PRIVÉE) NEUER NICHTWOHNHOCHBAU (ÖFFENTLICH UND PRIVAT)							
	Volume mill. euro ¹⁾	m ² x 1000	% change in real terms (volume)						
							Forecast		Outlook
			2013	2014	2015	2016	2017	2018	2019
Buildings for education Bâtiments de l'éducation et de la recherche Gebäude des Bildungswesens	457		4.7	-2.3	-3.5	1.2	2.0	1.7	1.5
Buildings for health Bâtiments de santé Gebäude des Gesundheitswesens	1 344		1.9	0.3	-1.4	1.8	1.7	1.0	1.2
Industrial buildings Bâtiments industriels Industriegebäude	2 133		-2.3	-2.1	-0.6	2.9	2.6	2.2	1.9
Storage buildings Bâtiments de stockage Lagergebäude	224		-3.1	-1.4	-0.9	1.3	1.5	1.5	2.3
Office buildings Bureaux Bürogebäude	1 703		-2.3	-1.1	0.0	2.4	1.2	1.4	1.0
Commercial buildings Commerces Geschäftsgebäude	2 429		-0.9	-0.5	-1.3	3.2	2.5	2.0	1.3
Agricultural buildings Bâtiments agricoles Landwirtschaftsgebäude	387		-4.7	-2.3	1.0	0.3	1.5	1.2	1.0
Miscellaneous Autres Sonstiges	369		-0.1	-2.5	1.4	0.7	0.9	1.2	1.1
TOTAL	9 046		-1.0	-1.2	-0.8	2.4	2.0	1.7	1.4

1) At 2016 prices, excluding taxes.

Country/Pays/Land: Austria		Table 4b							
		TOTAL CIVIL ENGINEERING ENSEMBLE DU GÉNIE CIVIL TIEFBAU INSGESAMT							
		Volume mill. euro ¹⁾	% change in real terms (volume)						
							Forecast		Outlook
			2016	2013	2014	2015	2016	2017	2018
Transport infrastructure Infrastructures de transport Verkehrsinfrastruktur	Roads Réseau routier Straßen	2 069	1.4	3.9	1.0	0.3	2.7	1.0	0.8
	Railways Voies ferrées Bahnanlagen	1 332	-7.0	1.4	-0.4	3.8	1.5	1.7	1.6
	Other transport Autres réseaux Übrige Verkehrsinfrastruktur	572	-5.2	2.4	-1.3	1.4	0.6	-0.6	1.7
	Total	3 972	-2.5	2.8	0.2	1.6	2.0	1.0	1.2
Telecommunications Télécommunications Telekommunikation		129	-1.7	1.3	0.8	12.0	8.0	6.5	4.0
Energy works Réseaux d'énergie Energieversorgung		1 050	-2.2	2.1	-2.8	-0.5	0.2	1.4	1.0
Water works Réseaux d'eau Wasserversorgung		1 125	-3.8	1.9	-3.7	0.0	-2.0	0.0	-0.9
Other Autres Sonstiges		486	1.8	3.7	-3.3	1.9	-3.1	0.8	2.8
TOTAL		6 761	-2.4	2.6	-1.2	1.2	0.8	1.0	1.0

1) At 2016 prices, excluding taxes.

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Country/Pays/Land: Austria								Table 5
		GROSS DOMESTIC PRODUCT PRODUIT INTÉRIEUR BRUT BRUTTOINLANDSPRODUKT						
		Volume bill. euro¹⁾	% change in real terms (volume)					
2016					Forecast		Outlook	
		2013	2014	2015	2016	2017	2018	2019
Private consumption²⁾ Consommation privée Privater Verbrauch	184.2	-0.1	-0.3	0.0	1.5	1.3	1.2	1.2
Public consumption Consommation publique Staatsverbrauch	69.7	0.7	0.8	2.1	1.3	1.1	1.0	1.0
Gross fixed capital formation Formation brute de capital fixe Bruttoanlageinvestitionen								
<div style="text-align: right;">Total</div>	79.9	2.2	-0.9	0.7	2.9	2.6	2.4	2.2
<div style="text-align: right;">of which construction</div>	36.7	-0.9	-0.1	-1.2	1.3	1.6	1.4	1.4
Stocks (contribution as % of GDP)³⁾ Variations de stocks Vorratsveränderungen	2.9	0.7	0.9	0.9	0.8	0.9	0.9	0.9
Exports Exportations Exporte	180.3	0.5	2.3	3.6	1.7	3.6	3.4	3.4
Imports Importations Importe	166.7	0.7	1.3	3.4	2.8	3.3	3.0	3.1
GDP PIB BIP	349.5	0.1	0.6	1.0	1.5	2.0	1.8	1.7

Standard National Accounts, gross figures.

1) At 2016 prices.

2) Including final consumption expenditure of NPISH's, ISBLM inclus, einschließlich POoE.

3) Including net acquisitions of valuables, net acquisitions d'objets de valeur inclus, inkl. Nettozugang an Wertsachen.

Notes



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