

**77th Euroconstruct Conference:
European Construction Market
Outlook until 2016 – New Housing
Construction Performs Weak in 2013
Country Report Austria**

Dieter Pennerstorfer, Michael Weingärtler



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Austrian Institute of Economic Research

Abstract

Austria's overall economic outlook continues to be stable with economic growth above the Euro area average. Residential construction is currently the key driver within the Austrian construction markets. Especially urban areas, all above the capital Vienna, record a strong housing construction activity. The outlook for non-residential construction is less favourable. The economic upswing is not strong enough to substantially boost this market segment even if it will improve in course of the economic recovery. The current economic framework for civil engineering is least favourable, showing a decline of 0.6 percent in 2013. Considering the public budget constraints and high debt levels the outlook will be modest within the next years. – The Euroconstruct Country Report for Austria gives in-depth information on the Austrian construction market until 2016. It covers in detail the housing market, the non-residential sector and civil engineering (new and renovation, respectively). Additionally, essential background information and an overview of the macroeconomic situation are provided until 2016.

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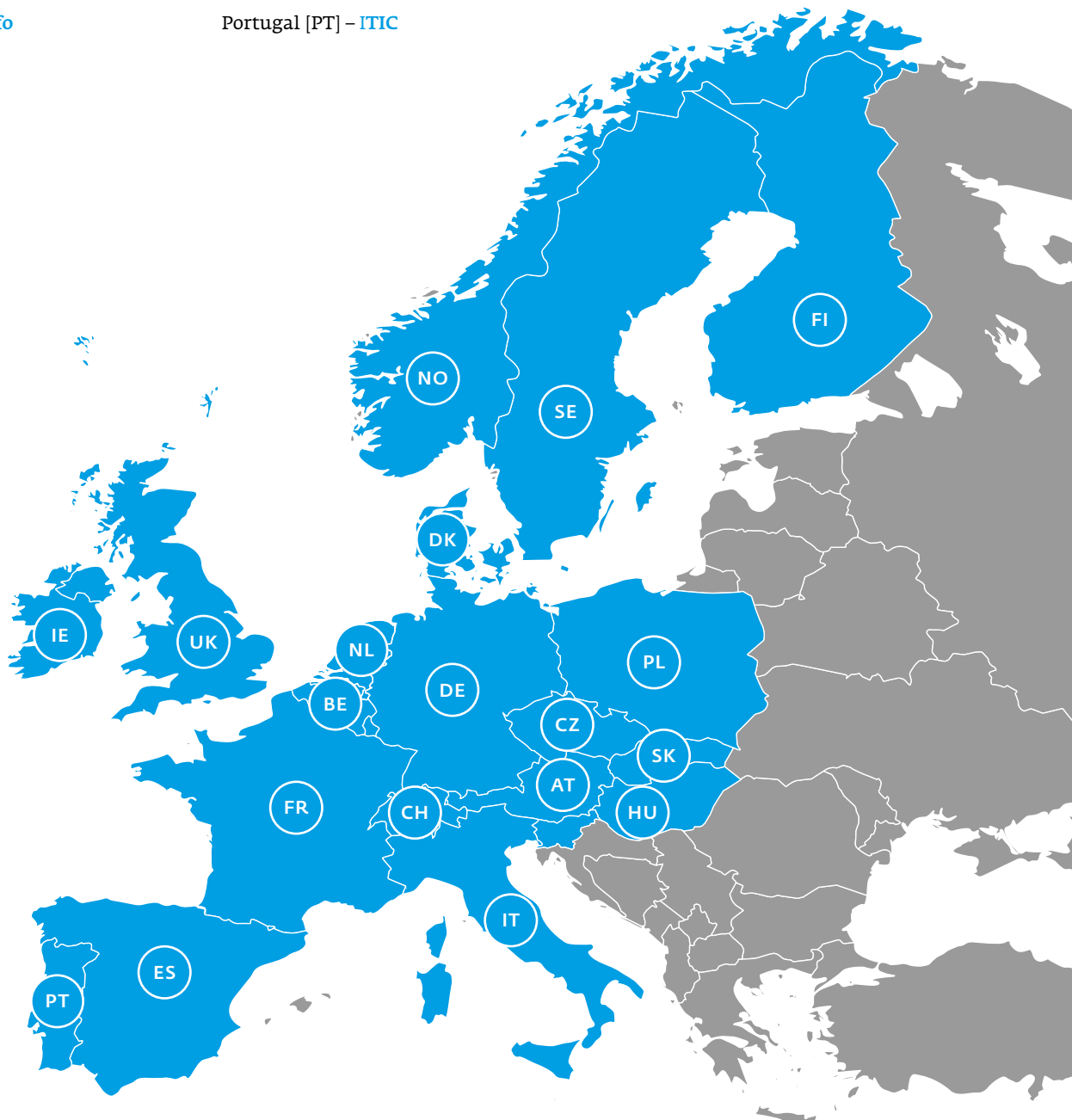
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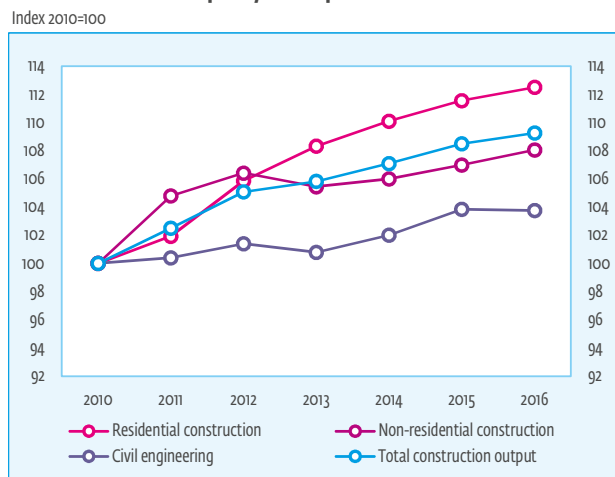
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1. Summary and Conclusions

Austria's overall economic outlook continues to be quite stable with economic growth above the Euro Area. However, the weak international and European economic environment puts also pressure on the Austrian economic outlook. The performance of the export sector is expected to be weaker as usually in periods of economic recovery. Capital formation suffers from a lack in public demand and WIFO business sentiment indicators do not show a significant cyclical improvement. In addition private consumption will stay subdued as private household tend to ramp up their savings. Taken together, these trends indicate a rather retarded economic upswing.

Total Construction Output by Sector from 2010 to 2016



Source: Euroconstruct (77th Conference)

Residential construction is currently the key driver of the Austrian construction market. Especially urban areas, all above the capitol Vienna, record a strong housing construction activity. A comparatively positive economic development in combination with low interest rates, growth in the number of household and significantly increasing house prices are supporting this trend. Housing will be a bearer of the construction industry also within the next years. A high number of housing permits in 2013 supports this expectation. Nevertheless the dynamics in housing might slow down because of several downside risks. Weak private expenditure, declining housing transactions in several regions, the expectation of increasing interest rates and a more moderate household growth could be dampening factors within the upcoming years.

Non-residential construction suffered from the weak overall performance in the recent past. The economic recovery from 2014 onwards is expected to stimulate non-residential construction. But export growth is expected to be less dynamic compared to the past recovery processes. Replacement

investments are rather likely than new investments in this economic framework. This will mainly dampen the outlook in industrial construction. Office construction is expected to grow also only at a very minor rate because of the ongoing uncertainties on the job market and the current supply. Additionally no significant impulses from investment market are expected even if yields are stable and the vacancy rate of around 7% is comparatively low. Commercial construction suffers from hard competition within the sector and low private consumption which will not increase because of declining net real wages. This all together will lead to growth rates in total non-residential construction under 1% annually until 2016.

Civil engineering declined by 0.6% in 2013 as result of the public budget constraints. In 2014 Austria's public debt will be for the first time slightly over 80%. This puts additional pressure on the market. Public consumption will increase slightly 0.8% and investments in railway construction are expected to stimulate civil engineering in 2015. At the end of the forecasting period in 2016 civil engineering is likely to stagnate, because the public target of a balanced household bears the threat of reduced and postponed projects as it happened already right after the EU public debt crisis.

All in all construction has been a stabilizing economic factor in recent years. Construction output is already increasing since the second half of 2013 and also economic sentiment indicators in construction are improving. Total construction is therefore expected to increase by 1.2% in 2014 and by 1.3% in 2015. Growth in 2016 will be only 0.7% because of public constraints, which will mainly hit civil engineering.

2. Macro-economic Outlook¹

Steady but weak economic recovery in Austria

In 2013, Austria's economy grew by just 0.4 percent, the slowest growth rate since the recession of 2008-09 when overall production had shrunk by 3.8 percent. Both the investment volume and private household consumption declined in real terms. Unemployment rose sharply to a new height of 7.6 percent. Although the rate inflation weakened – it was still considerably higher compared to other Euro area countries.

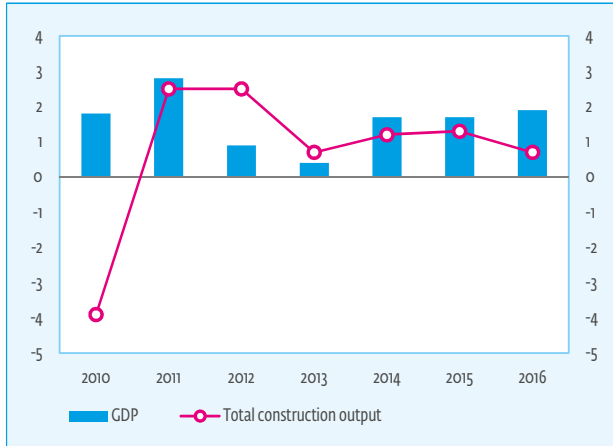
Towards the end of 2013, economic activity rebounded in Austria as well as in Europe overall.

¹ Based on Scheiblecker M. et al. "Österreichs Wirtschaft im Jahr 2013: Nachwirkungen der Rezession 2008/09", WIFO Monatsberichte 2014 87(4), pp. 261-326 and Scheiblecker M., „Konjunktur gewinnt nur langsam an Schwung, Prognose für 2014 und 2015“, WIFO Monatsberichte 2014 87(4), pp. 227-239.

However, the momentum promises to remain subdued: many countries are still struggling with the repercussions of the financial market crisis, and the need for consolidation of government households is restraining the growth of demand.

GDP and Total Construction Output from 2010 to 2016

year to year change in %



Source: Euroconstruct (77th Conference)

The Austrian economy is projected to grow by 1.7 percent in 2014 – a pace too slow to rein back unemployment. Inflation is receding though still remaining higher as compared to other EU member countries.

Until 2016 private consumption will slowly gain some momentum but it will remain at a low level because of stagnating purchasing power. After a decline in 2013 (-0.2%) private consumption is expected to increase by 0.8% in 2014. In 2013 the savings rate declined to 6.5% (its lowest level since 1995). For the coming years it is expected to increase slightly up to 6.8% and to 7.1% in 2015 and 2016, respectively.

Capital formation in equipment (+3.0%) is expected to grow stronger than in construction mainly because of a lack of public demand due to consolidation measures to reduce fiscal deficits. The increase in capital equipment formation is mainly the result of replacement investment after a lack in investment in previous years and not caused by the recovery. Hence, production capacities are hardly extended.

Inflation is expected to increase by 1.9% in 2014. There is no threat of deflation in Austria. Increasing excise duties will have a price effect on tobacco, alcohol, sparkling wine, car-related insurance and car purchase ("Normverbrauchsabgabe"). In addition the inflation dampening effect of lower petrol prices are expected to decline over the course of the year. Price increases in regulated rents from spring 2014 will take effect on the CPI due to the usual lags in data processing mainly in 2015. Excise duties on tobacco will be raised again in 2015 and 2016. All in

all, an annual rate of inflation of 1.9% is forecast for 2015 and 2016, respectively.

Economic growth is not strong enough to relieve tensions on the labour market. Employment is expected to increase in the course of the economic recovery. But labour supply is expected to increase as well because of further restrictions of early retirement and an unrestricted labour market access of the workers from Rumanian and Bulgaria since January 1st, 2014. Hence unemployment is forecasted to increase within the next two years and in 2014 about 306,000 persons will be unemployed, with a further growth up to 314,000 persons in 2015.

The main risks of the outlook are associated with further capital outflows from transition countries, leading to severe currency turbulences. The increasing tensions between Russia and Ukraine could result in further sanctions from the EU and USA followed by counter-actions by Russia with major drawbacks on energy prices, especially in Europe.

In summary, Austria's overall economy is recovering slowly, dampened by a weak international economic environment. For the years 2015 and 2016 GDP (in volume terms) is expected to grow by 1.7% and 1.9%, respectively.

Macroeconomic Key Indicators in Austria 2010 to 2016

annual percentage change

	2010	2011	2012	2013	2014	2015	2016
GDP	1.8	2.8	0.9	0.4	1.7	1.7	1.9
Private consumption	2.0	0.8	0.5	-0.2	0.8	1.0	1.2
Gross fixed capital formation	-1.4	8.5	1.6	-0.9	3.0	2.1	2.1
Unemployment Rate	4.4	4.2	4.3	4.9	5.2	5.3	5.2
Inflation	1.9	3.3	2.4	2.0	1.9	1.9	1.9

Source: EUROCONSTRUCT (77th Conference)

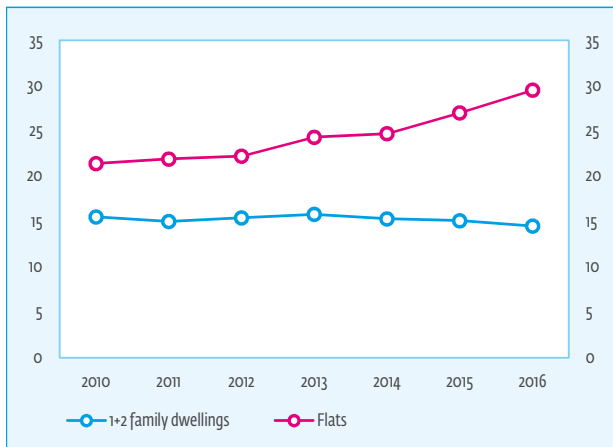
Statistics Austria, EUROSTAT Labor Force Survey, WIFO-forecasts.

3. Housing Market

The housing market has been the driving force in Austria's construction industry in the recent past and a further increase in housing output is expected until the end of the forecasting period 2016. Housing investments in new construction were particularly strong in 2012 (+4.5%). From then on growth rates in new housing construction are likely to slow down continuously and are expected to reach an annual growth of around 1% in monetary terms in 2016.

The recent forecasts in housing show only small changes compared to the 76th EUROCONSTRUCT conference held in Prague in November 2013. At that time the strong increase in building permits was

Housing Completions from 2010 to 2016
in thousands



Source: Euroconstruct (77th Conference)

to a large extent already taken into account. This growth was mainly driven by an improving macro-economic environment and the announcement of a stimulus program for housing in combination with rising house prices, declining financing costs and an increasing number of households. The exceptionally high level of housing permits in 2013 and the revised past data also suggest an improvement in data collection behaviour (see methodological note at the end of this chapter).

While the number of housing permits temporarily dropped in 2012, permits soared in 2013 especially within the first three quarters. The recent increase might be driven by higher public funds. Official data on national housing subsidisation for 2013 are currently not available but there are several indications that the sharp increase in permits in 2013 is partly stimulated by an increase in public investment. The budget-based estimates by the offices of the state governments show a rise in housing subsidisation of around 4% in 2013. Especially in the capital Vienna stronger public expenditures for housing were scheduled in the budget plans. This view is also supported by the economic production survey of the national statistical office (Statistics Austria) which showed a double digit growth rate of publicly assigned housing production in Vienna.

In general, the state governments' budget estimates show a further increase in public housing support in 2014 – with the highest growth rates again in Vienna. It has to be kept in mind that these plans bare some risks because the national public housing support is not longer exclusively dedicated to residential construction². Therefore, as many federal states are under fiscal pressure, only small room

is left for additional expenses. This shows the current discussion on the economic stimulus package from June 2013 which partly targets housing. It was planned that the federal states can profit from additional 276 million Euro in 2014 for housing if they achieve to permit more new dwellings in the period 2013 and 2014 compared to the average number of permits between 2006 and 2011. But this would lead to significant additional expenses for the states so it is currently unclear if only the modalities of this housing support or even the entire subsidy scheme have to be renegotiated.

Additionally to public incentives, housing supply is stimulated by increasing house prices, especially in urban areas. Strong population and household growth and relatively low building activities in the last decade partly explain the strong annual price increases (of e.g. more than 8% in Vienna in 2013). Excluding Vienna, house prices in Austria increased by only 2.7% on average in 2013, according the house price index of the Austrian National Bank. In general, the multi-family construction output shows a more dynamic outlook throughout the whole the forecasting period.

Nevertheless there are several indicators that housing construction might slow down within the forecasting period: One reason is that no significant impulses are expected from private consumption due to low expected growth rates between 2014 (of 0.8%) and 2016. This will not be enough to considerably trigger housing construction. The decline in interest rates, which was another driving force in the past, is expected to stop. Interest rates for private housing loans with a duration of 5 to 10 years declined from 5.3% in 2008 to 3.4% in 2013, according to the Austrian National Bank. Interest rates for commercial loans showed a similar development. Interest rates will remain relatively low, but they are expected to increase at a slow pace from 2014 onwards. The current demographic situation is similar: Demography will remain as one of the drivers in housing throughout the forecasting period, but the upcoming household growth will be slightly less compared to previous years.

Due to these factors growth rates of housing output are expected to reach 2.1% in 2014, but are likely to go down to 1.7% in 2015 and to 1.1% in 2016.

The Austrian renovation market is supported by several public measures. Like in new construction, renovation in housing is promoted by the various housing support schemes of the federal states. Additionally a national fund with a total volume of 100 million Euro supports thermal and energy efficient renovation works. Around 70% of this amount is dedicated for private households. In 2014 this fund (named "Renovation Cheque")

² The so called "Zweckzuschussgesetz", a law regulating that a certain amount of the national budget must be transferred to the federal states and has to be used for granting housing support (covering mainly new housing, housing renovation and rent allowances).

can be combined with an additional promotion, the so called climate:active bonus. If the renovation reduces the whole heating demand down to 50kwh/m² and per year 30% of the qualified costs can be refunded (up to a maximum of 6000 Euro). If additionally an environmentally friendly heating system is implemented a bonus of additional 2000 Euro is granted.

Despite considering the new subsidy scheme growth in housing renovation is expected to slow down, but from a high level due to the dynamic developments in 2011 and 2012. Housing renovation is forecasted to increase by 0.6% in 2014, but growth is expected to go down to 0.3% in 2016.

All in all in 2014 total housing construction is likely to increase by 1.6%. In 2015 and 2016 growth rates are expected to go down to 1.3% and 0.8%, respectively.

Methodological Note on Housing Permits, Starts and Completions

Statistics Austria – Austria's official statistical institute – significantly changed the methodology of gathering housing information on permits and completions in 2005. Previously, residential building statistics (before 2002) provided information collected directly from the constructor in collaboration with the building authorities. Since 2005 the Address, Buildings and Dwellings Register replaced the old system. In the years 2003 and 2004 no legal basis existed for collecting and processing these statistics. The new system is still affected by delays in registration and non-response. Please also note that so far Statistics Austria publishes only permits

for new dwellings in new residential buildings for Austria (since the data for Vienna is still missing) – in contrast to the past, rebuilding, extensions or reconstruction are not included. Until now the official figures for housing permits are not final and are continuously revised.

Statistics about housing completion face additional problems: Next to delays and non-response data, declarations for Vienna are not available. In this report the housing completions for Vienna were estimated based upon the distributions of building time (permit to completion), the composition of building types and the construction entity (private, co-operate, non-profit).

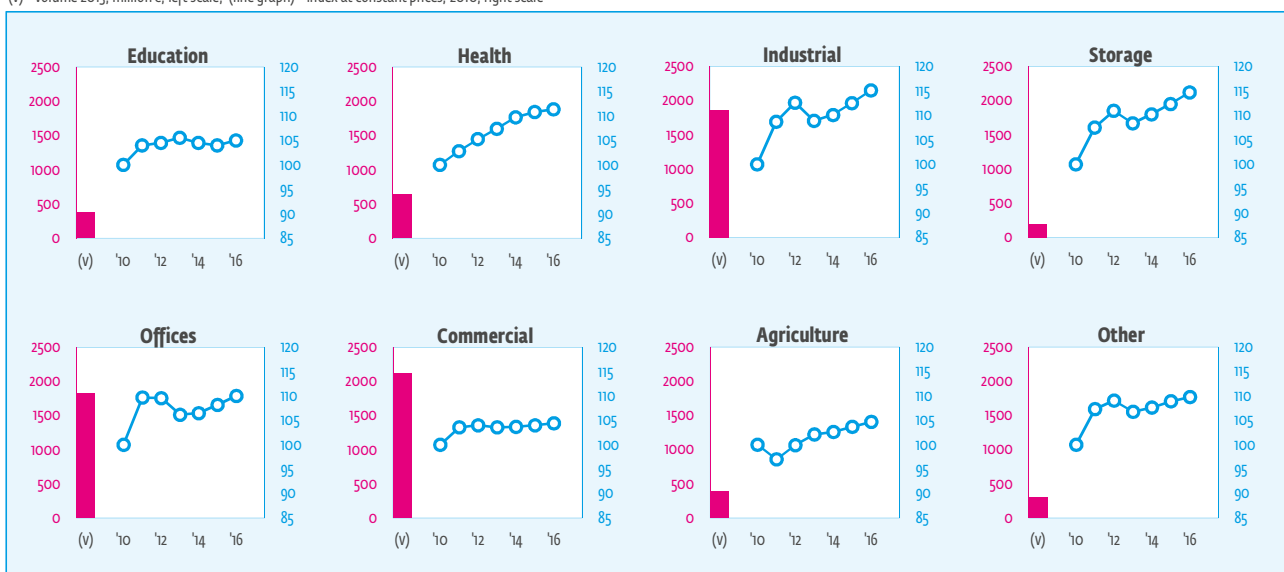
4. Non-residential Market

The Austrian non-residential market is way more exposed to the business cycle than the housing market. This is positive in times of economic recovery like in 2011, when non-residential construction could participate from the overall upswing very quickly and also to a larger extent than the other areas of the construction industry. At that time the non-residential sector grew by 4.8% per year, stimulated by a strong export market which led to considerable investments in industrial and office buildings.

On the other hand the impact of the EU-public debt crises lead to a slowdown in growth in 2012, causing non-residential construction output to decline by 0.9% in 2013. At that time GDP grew only by 0.4%, which was not enough to maintain

Non-residential: breakdown by subsectors

(v) = volume 2013, million €, left scale; (line graph) = index at constant prices, 2010, right scale



Source: Euroconstruct (77th Conference)

non-residential construction at the previous level. Output is expected to grow again throughout the forecasting period because of an improving overall economic environment, but annual growth rates are not expected to be above 1% for non-residential construction.

The higher volatility of non-residential construction can also partly be explained by the larger exposure to the investment market. The share of non-residential construction on the total real estate investment market was about 80% in 2013, while the share of housing amounted to only about 10% – another 10% are investments in properties of the mixed usage according to CB Richard Ellis. Within non-residential construction investments are mainly led into office projects, followed by commercial buildings. The effect of international investments on the Austrian market is currently very small. In 2013 far more than three quarters of the investment volume are traded by domestic buyers, followed by German investors (according to the information of CB Richard Ellis). International investors (excluding Germany) account for far less than 5% of the market volume in 2013. The market share of foreign investors was significantly smaller in 2013 compared to pre-crises levels, when more than 50% of the volume was invested from abroad. At the moment the momentum from this source is missing entirely, but in the course of the economic recovery impulses from international investors can be expected.

Construction of health buildings. In Austria about 34 billion Euros were spent on health care in 2012. Expenses grew significantly over the last years. While health expenses increased by only by 2.9% and 2.5% in 2010 and 2011, expenditure growth picked up speed in 2012 (+4.7%), but remained below the long term average annual growth rate of 5.1% (between 1990 and 2012). The investment volume (construction and infrastructure) accounted for 2.1 billion Euros in 2012 (Statistics Austria). Around 280 hospitals are in operation, half of them are non-profit organizations. One of the currently biggest construction projects in this area is the Vienna Hospital North, with a project volume of 825 million Euros, which will be completed in 2015/16. Demographic changes (particularly population growth and ageing) will be the main driver for health investments within the next years. Construction output in this sector is therefore expected to grow by around 2.2% in 2014. The economic stimulus package agreed on in 2013 also set aside a budget for care facilities (approximately 100 million Euros) for municipalities and targets mainly the expansion of child care. This measure could stimulate construction activities in the short-term by preponing new construction projects.

Nevertheless, growth in health investments might have reached its temporary peak. The share of public investments already declined slightly from 59% in 2011 to 56% in 2012 according to the latest available figures from Statistics Austria. Also the tight public budgets will remain a constraint in the next years. Annual growth rates in the area of health buildings are therefore expected to slow down to around 0.5% per annum until 2016.

Industrial construction. New industrial construction declined by 3.3% in 2013 due to the poor general economic performance. In the course of the recovery usually investments in capital goods (like machinery) will pick up first, followed by long term investments. This will be also the case in 2014, when investments in capital good are expected to increase by remarkably 5% because of improving export markets, which hardly affects the construction industry. Additionally, the low economic growth will mainly push replacement investments instead of capital-widening investment. Therefore new industrial construction output is only expected to increase by 1.1% in 2014. Together with a general economy recovery growth rates for new industrial construction will increase up to 2.3% in 2016.

Office construction. New office constructions declined by 3.1% in 2013 because of the weak overall economic growth in combination with comparatively high unemployment rates. Additionally, large office projects were finished in the recent past, like the Vienna DC-Tower that was completed in autumn 2013. With an elevation of 250m it belongs to the 10 highest buildings in Europe and provides around 25% of the new office space built in the capital Vienna in 2013.

The decline in office construction is also visible in the investment sector. While at its recent peak in 2009 around 50% of total investment was led into office facilities, the share declined to 30% in 2012, but increased slightly in 2013 (according to the figures of CB Richard Ellis). In general, the performance of the Austrian office market is comparatively stable and the outlook for new office construction in 2014 is slightly positive (+0.3). This trend is supported by stable yields and relatively low vacation rates of around 7%. New office construction is therefore expected to grow by 1.7% per year until the end of 2016.

Commercial construction. New commercial construction faced two major challenges in the last years: Private consumption was very weak and even declined by 0.2% in 2013. The trading volume in the whole sale area shrank even more (-3.4%, excluding car dealership business). The development of salaries, which declined in real terms

in the recent past, had also a negative effect on the commercial market. Within the forecasting period no additional impulses from this area can be expected. Salaries per inhabitant are expected to decrease in 2014 again, but the decline of -0.1% is lower (in absolute terms) than in the previous years. Additionally, there is tight competition within the commercial sector leading to high quality properties. One of the most exclusive projects is the “Golden Quarter” in the first district in Vienna, which is expected to be completed by the end of 2014, with a project volume of 500 million Euros. Once finished, Vienna will belong to the top 10 most expensive shopping destinations worldwide. Despite this luxury segment competition in the retail area is tough and only those projects with a good infrastructure and well balanced product mix are expected to succeed. This environment leads to a moderate forecast for new commercial construction, with expected growth rates of only 0.1% in 2014 that might slightly increase up to 0.4% in 2016, once purchasing power and business confidence increases.

Non-residential renovation performed poor in the recent past. In 2014 moderate growth of 0.3% will be supported by the funds for thermal renovation with a volume of about 30 million Euros. It is not entirely sure that public entities will continue promoting non-residential construction. So growth expectations are therefore only about 0.2% in 2015 and 0.1% in 2016 which is in line with the declining importance of renovation in the course of an economic recovery.

5. Civil Engineering Market

The performance of the Austrian civil engineering market is mainly determined by the transport infrastructure sector. Around 60% of the total civil engineering output, which accounts for 6.8bn Euros, is generated in the area of road, railway and other transport infrastructure.

The performance of the Austrian infrastructure market was exceptionally good: within the period between 1998 and 2008 civil engineering recorded continuous growth stimulated by large public infrastructure projects. In 2009 and 2010 civil engineering dropped considerably because of the crisis and the completion of major infrastructure projects. Civil engineering recovered quickly due to public stimulus measures, which were channelled mainly in the area of railway construction.

In 2013 civil engineering declined by 0.6%. The Austrian Stability Pact and the unfavourable economic framework caused an evaluation of

infrastructure framework plan, leading to a shift in investments which were already taken into account in the past forecasts.

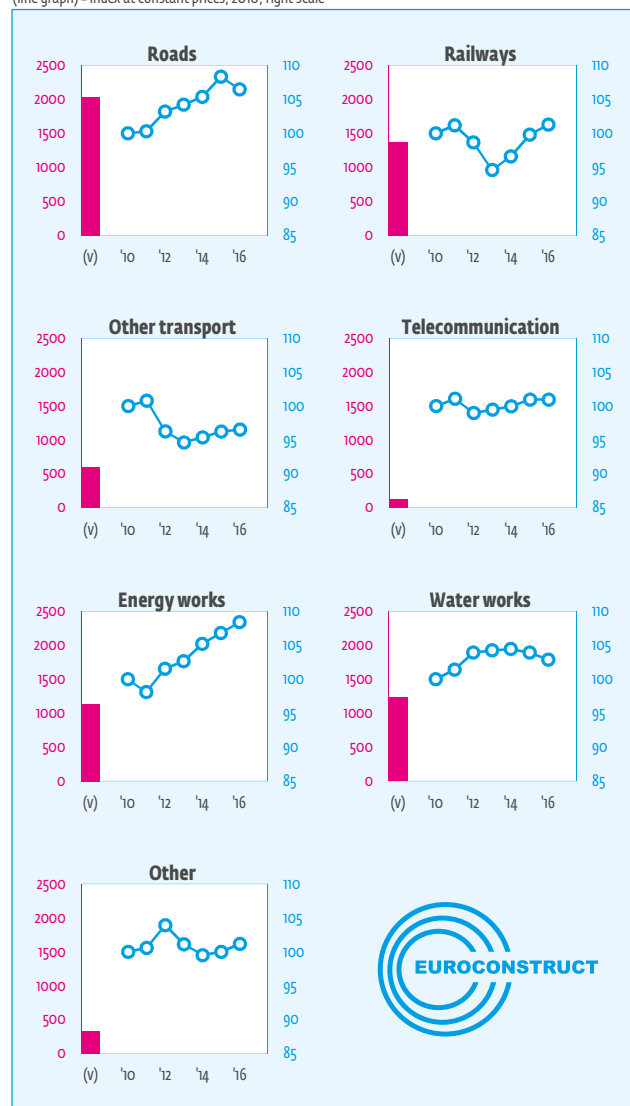
The outlook until 2016 is a bit more favourable and an average annual growth of slightly above 1% can be expected. Nevertheless the currently high public debt level, which is expected to increase to slightly over 80% in 2014, and the planned balanced budget do not leave much space for further investments. Therefore, stagnation in total civil engineering can be expected until the end of the forecasting period.

Road construction. Economic surveys from Statistics Austria showed that road infrastructure was heavily under pressure, mainly due to a lack of public tendering in 2013. Construction output in the road sector declined by nearly 13% in 2013. In the course of the economic recovery the situation is expected to ease. Asfinag, the authority which is responsible for investments in the first level

Civil engineering: breakdown by subsectors

(v) = volume 2013, million €, left scale;

(line graph) = index at constant prices, 2010, right scale



Source: Euroconstruct (77th Conference)

road network, plans to invest around 880 million Euros in 2014. About 460 million Euros are scheduled for the extension of the network and a little less (420 million Euros) for renovation works. One main goal of Asfinag is to increase road safety in tunnels. About 1.5bn Euros are reserved for investments in this area. The regional focus is currently the Pyhrnaxis, where 81 tunnel facilities will be modernized.

All in all road construction is expected to increase by 1.1% in 2014 and by 2.8% in 2015. The goal of the federal government to achieve a balanced public budget is likely to cause projects to be postponed. Therefore, a decline of 1.7% is anticipated in 2016.

Railway construction.

According to the recent infrastructure framework plan for the period between 2014 and 2019 published by the Austrian Ministry for Transport, Innovation and Technology, a total volume of about 13.4 billion Euros is budgeted for the railway sector, including the costs for planning infrastructure projects. As expanding the public transport network is a core policy target, growth rates will be slightly higher compared to road construction. In the area of railways repairs and maintenance will account for a volume of around 500 million Euros in 2014. This volume will be held constant in 2015, while an increase of about 2.6% in this area is budgeted in 2016.

The current plans in combination with the economic framework should cause investments in the railway sector to increase by 2.1% in 2014 and by 3.3% in 2015.

Telecommunication. The telecommunication market is currently undergoing significant changes. In 2013 the mobile communication providers Hutchison and “Orange” merged. The communication market therefore consolidated and is now dominated by only three big players.

Additionally the auction of LTE frequencies took place in autumn 2013. This auction was very successful with respect to generating earnings for the government: Instead of the budgeted 527 million Euros the LTE frequencies were sold for slightly over 2bn Euro. On the other hand the high prices for the frequencies will limit the financial means of the telecommunication providers needed for extending the LTE and broadband network. It was originally planned that half of the proceeds from the auction will be used as a so called “Digital Offensive for Austria”. Because of the budget constraints these financial means will not be used for the expansion of the broadband network in 2014 and are kept as a reserve in the Austrian Ministry for Transport, Innovation and Technology. Therefore, investments

in the telecommunication network are expected to grow by only 0.5% in 2014 and by 1.0% in 2015.

Energy. Austria belongs to the top three nations with the lowest CO₂ pollution in the energy producing process within the European Union. While the production of electricity declined by 6.0% in 2013 (according to the Energy-Control Austria), the production output in the area of wind power rose considerably by 9.6%. The increasing share of renewable energy generation raises the requirements for the electricity networks, which will lead to further investments in this area. Constructions within the energy sector are expected to grow by 2.5% in 2014, but annual growth rates are expected to go down to 1.5% in 2015 and 2016.

Water works. Forecasts in the area of water works remain unchanged compared to the last analysis in November 2013. Investments remain high in the area of water management. Repair and maintenance will gain importance in the long run, while the share of new construction will decline from 56% on total water works in 2013 to 30% in 2021 according to calculations of Kommunalkredit (2013). The core target for renovation is within the area of waste water infrastructure. Over 60% of the investments are led into this sector.

A severe flooding in summer 2013 increased the public willingness to further increase investments in water works. Flood control measures were built mainly along the Danube. These measures were also supported by public means with a volume of over 10 million Euros.

The impact on the total volume is only small, and since new construction is losing in importance the water works sector will only increase by 0.2% in 2014 and is expected to decline by 0.5% in 2015 and by 1.0% in 2016.

To sum up, civil engineering is forecasted to grow by 1.2% in 2014, mainly due to high growth rates in railway investments. In 2015 this sector is expected to grow by 1.8% due to more dynamic investments in the whole transport infrastructure sector. The public consolidation pressure and the goal of the government of a balanced budget, which is planned to be achieved in 2016, suggest a stagnation of civil engineering.

APPENDIX – DEFINITIONS

Table 1

- **Population:** Statistics Austria, main scenario, on 1st January.
- **Households:** Statistics Austria, on 1st January.
- **Unemployed:** Austrian Public Employment Service.
- **Unemployment rate:** Labor Force Survey, EUROSTAT definition.
- Volumes of each GDP component are at market prices, VAT included.
- Economic forecasts are based on the short-term WIFO forecasts (until 2015) and reflect estimates for 2016.

Table 2

- **Construction output** includes do it yourself, black economy and exports. New calculations are based on the revision of the national accounts, the quarterly nation accounts and the latest ÖPRODCOM production figures and the short term statistics in industries and construction by Statistics Austria.

Table 3

- Permits, starts and completions refer to new dwellings in new residential buildings.
- Permitted dwellings are based on the recent official figures of Statistics Austria.
- **1+2 family houses:** Buildings with one dwelling only.
- Definition for flats: Buildings with two and more dwellings.
- Building starts: No official statistics are available. A delay and drop out between permits and housing starts were assumed.
- Building completions: Based on housing permits and completion rates.
- **Housing stock:** Annual average. The housing stock is a forward projection of the 2001 census and it does not take the 2011 census into account. There were significantly methodological changes in the 2011 census and the recently published number housing stock is likely to be overestimated and therefore revised.
- **Second homes, Vacancies:** Statistics Austria.
- **Home ownership rate:** 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 of these systems (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.

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Country/Pays/Land: Austria					Table 1		
	MAIN DEMOGRAPHIC AND ECONOMIC INDICATORS PRINCIPAUX INDICATEURS DÉMOGRAPHIQUES ET ÉCONOMIQUES WICHTIGE DEMOGRAPHISCHE UND ÖKONOMISCHE INDIKATOREN						
					Forecast		Outlook
	2010	2011	2012	2013	2014	2015	2016
Population ('000s) Population Bevölkerung	8 352	8 375	8 408	8 452	8 485	8 521	8 556
Households ('000s) Ménages Haushalte	3 598	3 621	3 648	3 675	3 698	3 722	3 745
Unemployed ('000s) Chômeurs Arbeitslose	251	247	261	287	306	314	313
Unemployment rate (%) Taux de chômage Arbeitslosenquote	4.4	4.2	4.3	4.9	5.2	5.3	5.2
Change of GDP Variation du PIB Veränderung des BIP (% change in real terms)	1.8	2.8	0.9	0.4	1.7	1.7	1.9
Consumer prices (% change) Prix à la consommation Verbraucherpreise	1.9	3.3	2.4	2.0	1.9	1.9	1.9
Construction prices (% change) ¹⁾ Prix de la construction Baupreise	3.9	3.2	2.6	1.3	1.4	1.5	1.6
Short term interest rate ²⁾ Taux d' intérêt à court terme Kurzfristiger Zinssatz	0.8	1.4	0.6	0.2	0.3	0.3	0.3
Long term interest rate ³⁾ Taux d' intérêt à long terme Langfristiger Zinssatz	3.2	3.3	2.4	2.0	1.8	1.9	2.0

1) Refers to new construction only.

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


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

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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	2010	2011	2012	2013	2014	2015	2016
Residential construction Logement Wohnungsbau	New	11 199	0.1	1.9	4.5	2.9	2.1	1.7	1.1
	Renovation	5 137	0.8	2.0	2.5	1.1	0.6	0.5	0.3
	Total	16 336	0.3	1.9	3.9	2.3	1.6	1.3	0.8
Non-residential construction Bâtiments non résidentiels übriger Hochbau	New	7 720	-7.2	6.1	1.4	-1.5	0.6	1.2	1.3
	Renovation	2 700	-1.8	1.1	2.0	0.8	0.3	0.2	0.1
	Total	10 420	-5.9	4.8	1.6	-0.9	0.5	0.9	1.0
Building Bâtiment Hochbau	New	18 919	-3.1	3.6	3.2	1.1	1.5	1.5	1.2
	Renovation	7 837	-0.1	1.7	2.3	1.0	0.5	0.4	0.2
	Total	26 756	-2.2	3.0	2.9	1.0	1.2	1.2	0.9
Civil engineering Génie civil Tiefbau	New	5 440	-9.8	0.3	0.9	-0.8	1.4	2.0	-0.2
	Renovation	1 377	-8.8	0.8	1.4	0.2	0.4	1.0	0.4
	Total	6 814	-9.6	0.4	1.0	-0.6	1.2	1.8	0.0
TOTAL CONSTRUCTION OUTPUT		33 570	-3.9	2.5	2.5	0.7	1.2	1.3	0.7
		2013					Forecasts		Outlook
		Volume mill. tons	2010	2011	2012	2013	2014	2015	2016
Domestic cement consumption Consommation intérieure de ciment Inländischer Zementverbrauch		4.30	-7.6	-2.0	-4.4	0.0	1.1	1.1	2.2

Renovation covers repair and maintenance, refurbishment and reconstruction.


1) At 2013 prices, excluding taxes.

Country/Pays/Land: Austria								Table 3
		RESIDENTIAL CONSTRUCTION CONSTRUCTION DE LOGEMENTS WOHNUNGSBAU						
		Thousands dwellings						
						Forecast		Outlook
		2010	2011	2012	2013	2014	2015	2016
Building permits Logements autorisés Baugenehmigungen	1+2 family dwellings Individuels 1+2-Familienhäuser	15.6	16.3	14.8	14.7	13.6	13.6	12.5
	Flats Collectifs Mehrfamilienhäuser	22.3	29.3	25.0	31.3	32.3	29.7	30.7
	Total	37.9	45.7	39.8	46.0	45.9	43.3	43.2
Housing starts Logements commencés Baubeginne	1+2 family dwellings Individuels 1+2-Familienhäuser	14.0	15.1	14.8	14.0	13.5	12.9	12.4
	Flats Collectifs Mehrfamilienhäuser	21.7	24.6	25.8	26.7	30.2	29.4	28.7
	Total	35.7	39.7	40.6	40.8	43.7	42.4	41.1
Housing completions Logements terminés Baufertigstellungen	1+2 family dwellings Individuels 1+2-Familienhäuser	14.7	15.1	15.6	15.2	15.0	14.5	14.2
	Flats Collectifs Mehrfamilienhäuser	22.6	22.6	25.1	25.6	27.5	29.7	29.9
	Total	37.3	37.6	40.7	40.8	42.5	44.2	44.1
Housing stock Logements existants Wohnungsbestand		4 067	4 088	4 113	4 138	4 165	4 193	4 221
thereof second homes dont résid. secondaires davon Zweitwohnungen		233	234	236	237	239	240	242
thereof vacancies dont inoccupés davon leerstehend		203	204	206	207	208	209	211
share of family dwellings (%) part des maisons individuelles Anteil 1+2-Familienhäuser		48.1	48.5	48.5	48.5	48.5	48.4	48.3
Home ownership rate ¹⁾ Taux de propriétaires occupants Wohneigentumsquote		55.7	55.4	56.4	56.4	56.4	56.3	56.3

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⁾	m2 x 1000	% change in real terms (volume)						
							Forecast		Outlook
			2010	2011	2012	2013	2014	2015	2016
Buildings for education Bâtiments de l'éducation et de la recherche Gebäude des Bildungswesens	375		6.0	4.0	0.5	1.0	-1.0	-0.5	1.0
Buildings for health Bâtiments de santé Gebäude des Gesundheitswesens	638		-0.9	2.8	2.4	2.0	2.2	1.0	0.5
Industrial buildings Bâtiments industriels Industriegebäude	1 866		-8.2	8.7	3.6	-3.3	1.1	2.2	2.3
Storage buildings Bâtiments de stockage Lagergebäude	200		-11.4	7.5	3.2	-2.3	1.7	1.9	2.1
Office buildings Bureaux Bürogebäude	1 828		-9.3	9.7	-0.1	-3.1	0.3	1.6	1.7
Commercial buildings Commerces Geschäftsgebäude	2 121		-8.4	3.6	0.4	-0.4	0.1	0.3	0.4
Agricultural buildings Bâtiments agricoles Landwirtschaftsgebäude	385		-5.0	-3.0	3.0	2.2	0.5	1.0	1.0
Miscellaneous Autres Sonstiges	307		-7.1	7.3	1.6	-2.1	0.8	1.2	0.8
TOTAL	7 720		-7.2	6.1	1.4	-1.5	0.6	1.2	1.3

1) At 2013 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	
			2013	2010	2011	2012	2013	2014	2015	2016
Transport infrastructure Infrastructures de transport Verkehrsinfrastruktur	Roads Réseau routier Straßen	2 038	-15.4	0.3	2.9	1.0	1.1	2.8	-1.7	
	Railways Voies ferrées Bahnanlagen	1 370	-1.7	1.2	-2.5	-4.1	2.1	3.3	1.5	
	Other transport Autres réseaux Übrige Verkehrsinfrastruktur	592	-15.2	0.8	-4.5	-1.7	0.8	0.9	0.3	
	Total	4 000	-10.9	0.7	-0.2	-1.2	1.4	2.7	-0.3	
Telecommunications Télécommunications Telekommunikation		121	2.2	1.1	-2.1	0.5	0.5	1.0	0.0	
Energy works Réseaux d'énergie Energieversorgung		1 135	-5.8	-1.9	3.5	1.1	2.5	1.5	1.5	
Water works Réseaux d'eau Wasserversorgung		1 226	-9.9	1.4	2.5	0.3	0.2	-0.5	-1.0	
Other Autres Sonstiges		332	-8.5	0.6	3.3	-2.7	-1.6	0.5	1.2	
TOTAL		6 814	-9.6	0.4	1.0	-0.6	1.2	1.8	0.0	

1) At 2013 prices, excluding taxes.

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Country/Pays/Land: Austria									Table 5
	GROSS DOMESTIC PRODUCT PRODUIT INTÉRIEUR BRUT BRUTTOINLANDSPRODUKT								
	Volume bill. euro ¹⁾	% change in real terms (volume)							
						Forecast		Outlook	
		2013	2010	2011	2012	2013	2014	2015	2016
Private consumption ²⁾ Consommation privée Privater Verbrauch	172.3	2.0	0.8	0.5	-0.2	0.8	1.0	1.2	
Public consumption Consommation publique Staatsverbrauch	59.0	0.2	0.3	0.2	0.1	0.5	0.3	0.8	
Gross fixed capital formation Formation brute de capital fixe Bruttoanlageinvestitionen									
Total	66.2	-1.4	8.5	1.6	-0.9	3.0	2.1	2.1	
of which construction	35.6	-3.9	2.5	2.5	0.7	1.2	1.3	0.7	
Stocks (contribution as % of GDP) ³⁾ Variations de stocks Vorratsveränderungen	1.2								
Exports Exportations Exporte	179.9	9.4	6.6	1.2	2.8	4.7	5.7	5.9	
Imports Importations Importe	165.4	9.1	7.6	-0.3	0.6	4.8	5.5	5.6	
GDP PIB BIP	313.2	1.8	2.8	0.9	0.4	1.7	1.7	1.9	

Standard National Accounts, gross figures.

1) At 2013 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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