

**82nd Euroconstruct Conference:
European Construction Market
Outlook until 2019 – Austria's
Construction Performance is Well
Below Euroconstruct Average
Country Report Austria**

Michael Klien, Michael Weingärtler

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Austrian Institute of Economic Research

Abstract

The 82nd Euroconstruct conference showed weaker economic growth in the forecast period to 2019 within the 19 participating European countries (EC 19). This coupled with Austria's stable economic expansion by 1.7 percent in 2016 helps to reduce the growth gap to 0.1 percentage point compared to the European average. With a sector growth of 1.6 percent in 2016 the Austrian construction sector will perform slightly worse (0.4 percentage points below the European level). Although economic uncertainty continues to negatively affect non-residential building which is still the sector driving the industry in the upcoming years, but with significantly lower dynamics. Housing on the other hand showed a sound performance in the first half of 2016 and the forecasted stable expansion will be supported by public measures in the upcoming years. Only few impulses are expected from civil engineering. This area will profit from a slightly higher investment in transport infrastructure, especially in the area of railway construction. But this will be nearly outbalanced by the weaker performance of energy and water works resulting in overall low growth in civil engineering.

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82nd EUROCONSTRUCT Country Report



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82nd EUROCONSTRUCT Country Report





**The Catalonia
Institute of Construction
Technology**

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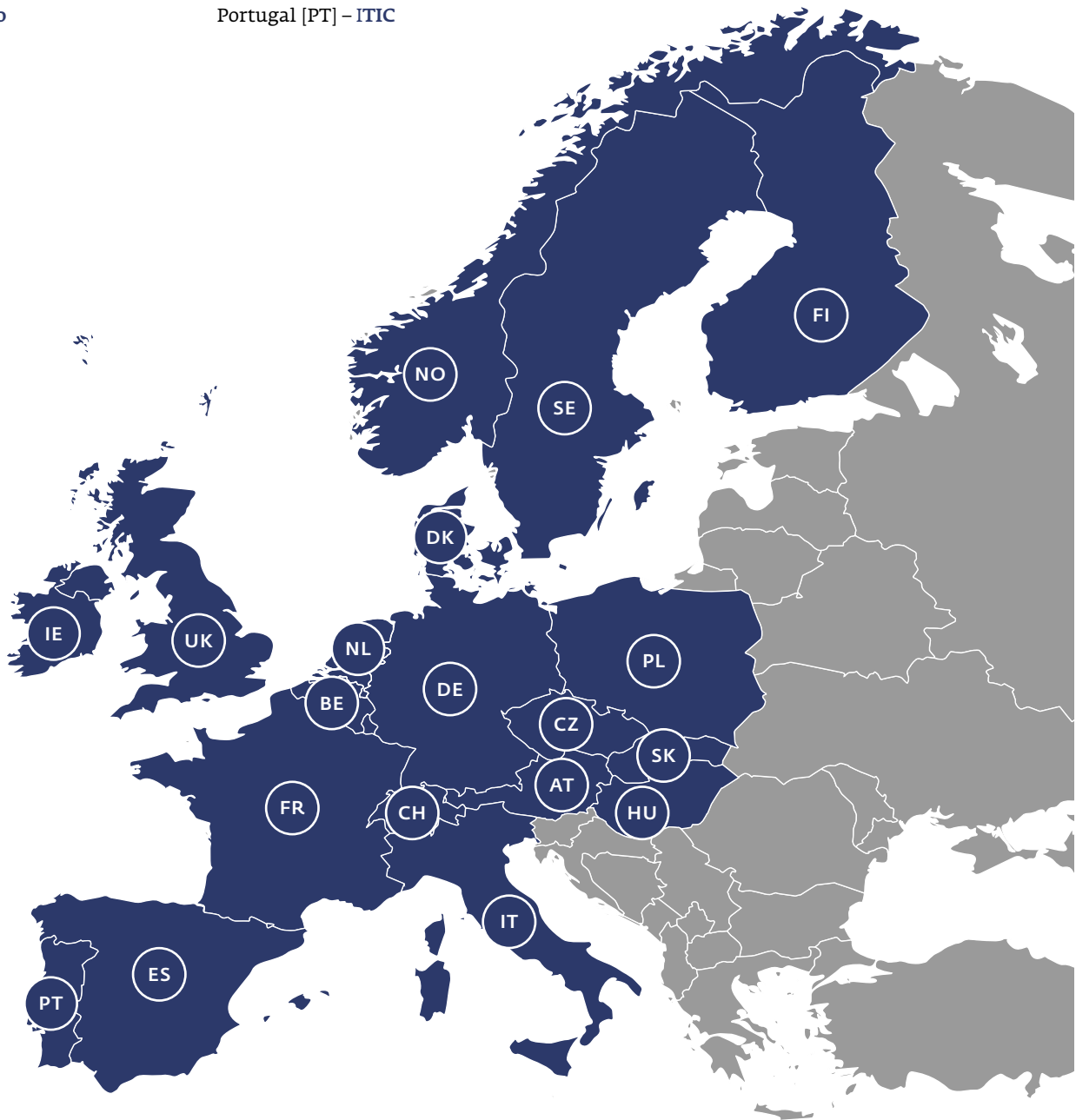
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Austria

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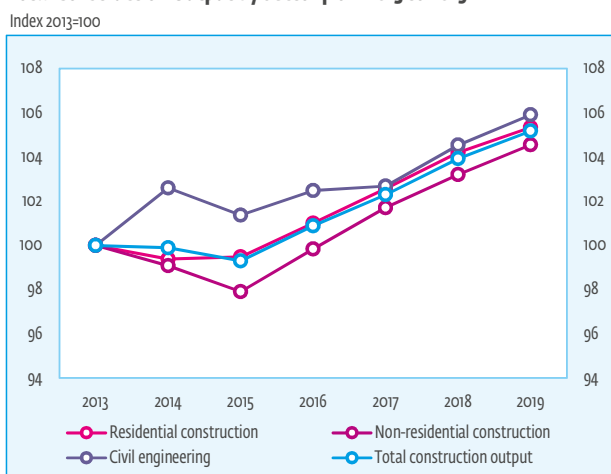


1. Summary and Conclusions

The most recent forecasts for the Austrian economy remain nearly unchanged. Gross domestic product increased at a real annual growth rate of 1.0% in 2015 and it is expected to increase further by 1.7% in 2016 (+0.1 percentage point compared to the previous 81st report). Private consumption will be the main growth driver, which is expected to pick up significantly in 2016. A significant driver of the improved consumption climate is a tax reform, which came into force on 1 January 2016. The resulting tax breaks raise net real wages by an estimated 2.9% in 2016 which in consequence should be the main channel for private consumption growth (+1.5%). Investment in capital goods and construction are also showing signs of a recovery. Conversely, foreign trade is possibly a dampening factor in 2016 since the trade balance is negative because of sharply increasing imports. For the period 2017 to 2019, the overall economic outlook is positive even if growth will be at a rate of only 1.5% on average, and thus not exceed 2%. Private consumption and the export sector will stabilise the overall meagre economic performance whereas public consumption is expected to decline considerably from 2.1% in 2015 towards 0.7% in 2019. One of the reasons for this spending decrease is the debt cap (“Schuldenbremse”) which will come into force in 2017. But also investments are expected to decline since the market volume is not likely to expand significantly. Also the weak performance of the BRICS countries like Russia, China and Brasil will add to the slump. Moreover, the slowdown of Germany, Austria’s most important trade partner will have a negative impact on the future development.

Total construction. A major revision of the National Accounts from Statistics Austria led to a significant adjustment of the historical performance. The decline in construction output in 2013 and 2014

Total Construction Output by Sector from 2013 to 2019



Source: EUROCONSTRUCT (82nd Conference)

was less severe than stated in the previous report according to the recently published data. The upward revision in these years is based on new available data from input-output statistics as well as from the structural business surveys. This affected the construction volumes which were significantly higher by the end of 2014 than previously expected. Related to this, total construction output declined in 2015 at a rate of -0.6%, instead of the minor forecasted growth. With a one year delay; the construction growth is likely to turn into reality at a rate of 1.6% in 2016. The main drivers will be non-residential and housing construction. Total construction is expected to develop rather stable in the upcoming years 2017 to 2019 with an annual average real growth rate of about 1.5% per annum.

Residential. Residential construction in 2015 performed better than forecasted with a growth rate of about 0.1%, despite the downward revision of total construction sector. In 2016 a more substantial growth is expected for a number of reasons. The demand for flats remains at very high levels in urban areas. This is fuelled by the demographic development and their future projections, stimulating the housing market in dense areas. On top of that, increasing house prices in combination with low interest rates are pushing private investment in residential housing, which was rather modest compared to other European countries in the past. Additional dynamics are expected from new public initiatives – the major parts stem from the so called “housing offensive (Wohnbauoffensive)” which targets to stop the rise in real estate prices by expanding the housing supply. This is expected to stimulate the residential construction market particularly in 2017 and 2018 with projected overall growth rates of 1.6% annually. The market is expected to grow at a somewhat more modest pace from 2018 onwards.

Non-residential. The above mentioned revision of National Accounts had a major impact on the 2015 non-residential performance which turned out to be negative (-1.2%). Due to their high exposure to the business cycle, nearly all private sectors segments within non-residential were affected. Similar to the overall economy, the recovery in non-residential construction is therefore expected with a delay and should commence in 2016, with a significant increase of about 2.0% (which also results from the low 2015 volume). Growth will mainly stem from the industry sector which was very cautious in previous years, but also office and commercial construction are expected to expand in 2016. Only public investments will lag behind in 2016. The overall outlook of total non-residential construction will be stable until 2019 with an annual average growth of about 1.5% with the best perspectives in industrial and commercial construction.

Civil Engineering. The performance of civil engineering was also adjusted to revised data from the national agency Statistics Austria. Accordingly, total civil engineering shrank slightly stronger than previously anticipated in 2015 (-1.2%). An output expansion by +1.1% is expected in 2016 which stems from stronger investments in transport infrastructure. The recently published public roadmap for the road and rail network suggests a stable growth path until 2019, indicating a stronger growth in 2018. In the presence of tight public budgets the allocated funds are quite considerable. In general, railway investments are still prioritized relative to road construction. Also construction in telecommunications will expand significantly. This sector benefits from strong public subsidies. On the other hand, water works are expected to perform weak until 2019. The current performance of the energy sector is unfavourable but opposite to water works it is likely to pick up slightly in course of the expected increase of energy prices, which make investments more profitable.

2. Macro-economic Outlook

The overall Austrian economy performed in line with the expectations published in the last report. Growth rates for 2015 and 2016 were only slightly adjusted upwards by 0.1 percentage point compared to previous forecasts from June (81st report). As a consequence, real economic growth amounted to 1% in 2015 and an even stronger increase by 1.7% is expected in 2016, both in comparison to the previous year. This minor upward revision in 2015 was mainly based on a higher growth of exports in combination with a less severe decline in construction investments. The better performance in 2016 stems from an expected improvement of machinery and construction investments. The slight improvement in combination with the slow recovery of the whole EU reduces the growth gap between Austria and the EU (GDP: +1.8%) which only amounts to 0.1 percentage point in 2016.

Foreign trade. The European Union is the most important export market for Austrian companies. Exports increased by 1.9% in the first half-year of 2016 in that region while trade statistics indicate a decline by 0.4% outside of the EU area. Current forecasts of WIFO suggest a total increase of exports by 2.8% in real terms in 2016. This is overshadowed by the development of imports which are likely to grow even more dynamically by 3.8%; mainly because of increasing purchases of consumer durables and equipment investments. Therefore Austria's net export is expecting to be negative in 2016, which dampens the prospects for a stronger GDP growth. The future development is positive, even if

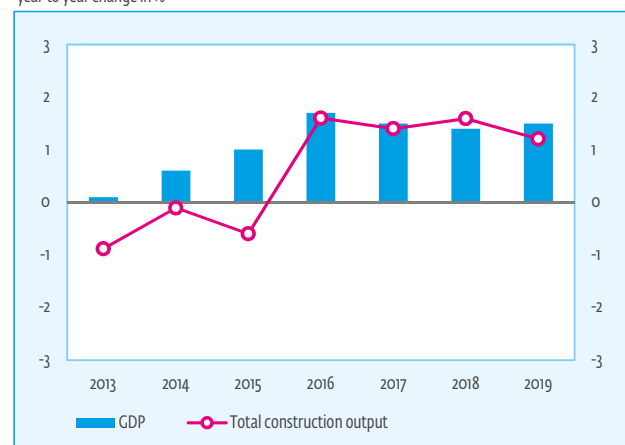
the weakening of Austria's most important trading partner Germany, which appears to grow at slower rates, puts some pressure on the export market. Nevertheless, exports are expected to grow again in 2017, but at a minor pace of 2.8%. Import growth is also expected to slow down (+3.0%) which will reduce the trade deficit 2017. The forecasts for 2018 and 2019 indicate a rather stable export growth by 2.9% annually and a slightly positive trade balance.

Industrial production. The weakness of foreign trade also dampens industrial production which shows a stable but only minor growth path from 2016 onwards. The (working day adjusted) production index increased by 2.3% in the first half of 2016, but growth slowed down temporarily in summer (July: -0.4%). Annual industrial production is expected to increase by 2.5% in 2016. This is supported by WIFO's business surveys showing a positive feedback from entrepreneurs regarding the current and future development of the business climate. Nevertheless, the demand for corporate loans is stagnating despite declining interest rates and looser regulations. The average interest rate for loans with a volume up to 1 mn € taken out by companies goes in the direction of 2% but this did not affect the financing volume of Austria's banks which granted 133 bn € to non-financial companies in the second quarter 2016. This indicator of industrial production therefore remains almost unchanged compared to the end of 2015. All in all, a significant increase is not likely, but growth is expected to continue at stable rates in the years to come. Real value added in the material goods industry is expected to grow by 2.5% in 2016 which will be the highest growth in the past five years but it is expected to decline again towards 2.3% in the short term.

Consumption. Private consumption was weak in the recent past because of the poor development of real wages in combination with increasing uncertainties on the labour market and relatively high inflation

GDP and Total Construction Output from 2013 to 2019

year to year change in %



Source: EUROCONSTRUCT (82nd Conference)

compared to the EU average. This negative trend should be overcome in 2016 when private consumption will increase for the first time after three years. The reason for this reversal is due to several special factors. The tax reform which came into force on 1 January 2016 had a positive impact on income. Real wages increased notably for the first time since 2009 with an increase by 2.9% per capita (after a decline in 2013 and 2014 and nearly stagnation in 2015). This had a positive impact on expenditures especially for durable consumer goods like vehicles and home interior. Additionally higher migration caused a rise in population which led to higher overall consumption. A statistical effect because of the leap year led to an increase of calendar days (0.27%) which had also a positive impact on consumption. The impact of the tax reform will be significantly lower in the upcoming years leading to a minor growth in consumption of 1.2% per year until 2019.

Labour market. The situation on the labour market improves steadily – at least regarding the employment situation. In the past years dependent employment increased even within an unfavourable economic environment. Jobs were mainly created in the service sector and also part-time employment increased considerably. From the beginning of 2016 a sound improvement in employment could be observed which is expected to continue and the number of employed persons is forecasted to grow by +1.4% by the end of the year. Also more full time employment was created, the growth of which exceeding the expectations from the previous June forecasts. On the downside, labour supply is increasing even faster than job creation. The mismatch should narrow growth in the upcoming years. For 2016 WIFO estimates an increase by 60.000 persons and in 2017 further 58.000 persons are expected. The increase in labour demand and the slower growth of labour supply do not, however, lead to a decline in unemployment – only the speed of unemployment growth will slow down. The unemployment rate according to Eurostat definition is expected to reach 6.0% in 2016 and will gradually increase to 6.2% until 2019.

Prices and inflation. Inflation is historically relatively low with a value of 1.0% in 2016, nonetheless it is much stronger than in most EU countries. One reason is the significant increase of house prices, which did not cease after the financial crisis but rather accelerate. A further stronger rise by 1.7% annually is expected in the upcoming years because of an anticipated oil price increase. WIFO projects price dynamics of the Brent oil which speed up from 45 \$ per barrel in 2016 to 57 \$ per barrel in the short run (2017).

Public budgets. The financing gap in 2016 will be higher than compared to the year before. The two main reasons are the tax reform and higher expenditure related to refugees. The costs of the tax

reform can be partly offset by other tax increases, cuts in expenditure as well as measures against tax fraud. However the increased expenditures of approximately 2.5 bn € due to the high inflow of refugees will lead to a Maastricht relevant higher deficit of about -1.6%. There are signs, however, that the European Commission will consider these expenditures as justified in light of the extraordinary circumstances. Nevertheless, the currently estimated figure, however, already assumes an ongoing restrictive budgetary implementation in 2016. Moreover, the savings pressure will increase in the upcoming years because of the implementation of a debt cap which will come into force on 1 January 2017 putting additional pressure on the level of regional and municipal governments. This is poised to have substantial consequences for publicly funded housing construction as it is under the jurisdiction of regional governments.

Forecast uncertainty. The available data for the current years leave little doubt regarding an upswing in the Austrian construction sector. Leading indicators show a favourable development that even unforeseeable events can hardly impact the current year in a significant manner. The risks for 2017 are on the other hand manifold, with the most notable being:

- The uncertainty regarding timing and duration of the positive effects of the tax reform on private consumption. Past experience showed that tax-reforms have a delayed positive impact which phased out very slowly. The most recent data showing a positive initial increase in consumption does not contradict such a development. Nevertheless, this must not be the case this time because the Austrian economy is in a completely new setting of low economic growth and expansive monetary policy.
- EZB monetary policy with the current historically low interest rates and yields is therefore another factor of uncertainty. There is no empirical economic evidence that the policy with even negative yields for bonds taken out by some governments and companies will have the intended positive. More importantly, there are indications that EZB will abandon the purchase of corporate bonds in the coming years which would turn into increasing interest rates (affecting also housing investments negatively).
- The vote of UK to leave the European Union is additional potential, even if minor, factor of insecurity. Expected are mainly effects on the exchange rate, on the financial markets and a potential slowdown of the UK economy, which should hardly have an impact on Austria's economy.
- Higher risks result from the unstable performance of the emerging countries and the US economy. The sustainability of the latest economic recovery in China is unclear, as well as the timing and

scope of recovery of Russia's and Brazil's economy. Furthermore the impact of the US elections in November 2016 can be hardly evaluated and may also depend on the election outcome.

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

	2015	2016	2017	2017	2019
Gross domestic product	1.0	1.7	1.5	1.4	1.5
Private consumption	0.0	1.5	1.2	1.2	1.2
Public consumption	2.1	1.6	0.9	0.7	0.7
Investment (GFCF)	0.7	3.4	2.3	1.6	1.7
Inflation	0.6	1.0	1.2	1.4	1.5
Unemployment	5.7	6.0	6.2	6.2	6.2

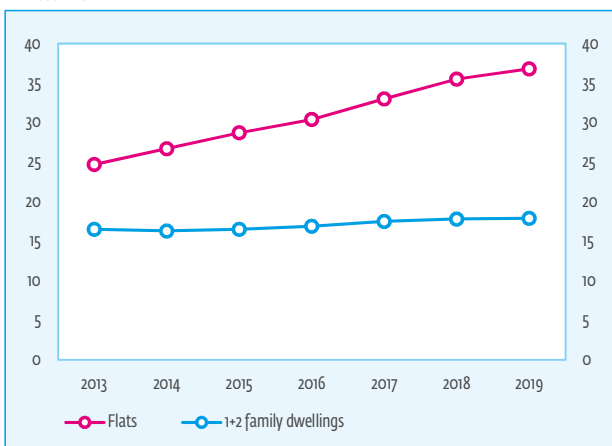
Source: Statistics Austria. WIFO-forecasts.

3. Housing Market

In 2015, total residential construction increased at a minor rate of 0.1%, and therefore performed better than stated in the previous forecasts (81st report) where a slight decline by 0.5% was projected. The change in data stems from a regular revision of Statistics Austria, which affected all years back to 2013. The latest data also show that the downturn in the years 2013 and 2014 were less severe than originally indicated. This revision from Statistics Austria is based on more detailed and follow up information like the input-out tables for 2013 and structural business data.

Forecasts. The revision of the recent past and the positive development in the first half of 2016 led also to an upward revision of total residential construction growth by 1.5% in 2016 and it is expected

Housing Completions from 2013 to 2019
in thousands



Source: EUROCONSTRUCT (82nd Conference)

that the trend is going to continue in 2017 and 2018. Above other reasons, high demand as reflected by record highs in the number of building permits but also strong and on-going migration in-flows, as well as increased public support are underpinning this forecast. Towards 2019 growth is expected to slow down again because of the phasing out of public measures.

3.1 New residential construction

Interest rates and financing conditions. The financing conditions in Austria remain favourable at least until 2017. The main refinancing rate of 0% set by ECB in March 2016 still remains valid. This led to a further national decline of the interest rate for housing loans from 2.0% on average in 2015 towards 1.9% in August 2016 according to the data of OeNB (Austria's National Bank). Also interest rates for housing loans with a fixed duration from 5 to 10 years diminished from 2.5% to 2.2%. As the latest ECB bank lending survey shows, loans and credit lines to companies are also still favourable and they hardly changed compared to the previous June forecasts. In addition, bank's loan margins eased slightly and the costs of funds and balance sheet constraints are additionally slightly tighter. On the other hand also the pressure from competition declined. It has to be considered that all these findings are based on only marginal changes in the first three quarters of 2016 of around 0.1 to 0.2 percentage points. They are more likely to indicate a future development instead of having a major impact on the recent performance. More severe is the phasing out of ECB's purchase of corporate bonds which is expected to increase the interest rate from 2018 onwards.

Building permits. Permits for housing units in new residential buildings indicate a vivid development.¹ They rose from 40.000 units towards 50.000 units between 2012 and 2015. An average growth in building permits of 5% was recorded in 2015. And the trend seems to continue, as initial data for 2016 indicates, even at a higher pace. Nearly 25.600 new units were permitted within the first half of 2016. This is nearly 25% more than compared to the same period in 2015. But growth is unevenly distributed between building types and regions. While one and two family houses increased in the first half of the year 2016 by only 7.5% on average, the number of permitted flats rose by 36% compared to the previous half-year. Above average increases could be seen in the capital Vienna, but also in Upper Austria, Styria and Vorarlberg while building permits declined in more rural areas like Burgenland, Carinthia, Tirol, Salzburg and Lower Austria. In general a clear very dynamic trend in the area of flats mainly in urban areas can be observed.

¹ While not available for all regions, permits for additional units in existing buildings indicate a similarly strong growth pattern.



Note: The statistics on building permits have still to be treated carefully since the current register based system has reporting issues on the municipal level.

Regional Building Permits in New Residential Buildings

number, '000

	2011	2012	2013	2014	2015	H1 2016
Burgenland	2.139	1.113	1.605	1.813	2.072	650
Carinthia	2.785	2.677	2.381	2.550	2.619	1.341
Lower Austria	6.966	7.136	7.992	8.204	8.886	4.218
Upper Austria	7.834	7.246	7.293	8.359	7.269	4.718
Salzburg	3.528	2.825	3.720	2.578	2.908	1.318
Styria	6.602	5.790	7.299	7.481	7.298	5.503
Tyrol	5.006	3.957	3.949	4.330	4.690	2.111
Vorarlberg	2.063	2.685	2.182	2.324	2.430	1.480
Vienna	8.807	6.868	9.955	10.104	12.059	8.217
Austria	45.730	40.297	46.376	47.744	50.231	29.557

Source: Statistics Austria. – 2016: first and second quarter

House prices. Apart from housing supply itself, affordable housing is currently one of the big topics in the Austrian housing policy. Current data suggests that there is no sign of a substantial slowdown and the strong upward pressure seems unbroken. Austrian's real estate prices increased by over 60% in the past 10 years. The price dynamics in rural areas were minor while prices doubled in the capital Vienna where they reached its peak in 2012. Since then the real estate price increase slowed down gradually to 2.2% until 2015. This relief was only short-lived, however. House prices regained momentum in the first half of 2016 with an overall growth of 8.8%. On top of that, for the first time in the last years prices outside of Vienna increased at a faster pace than in the capital.

House Prices

year-on-year change, %

	2011	2012	2013	2014	2015	H1 2016
Austria Total	4.2	12.4	4.7	3.5	4.1	8.8
Total	8.5	15.7	8.7	4.2	2.2	4.8
1+2 Family Houses	1.4	3.5	2.9	-3.3	2.6	-3.6
Vienna Flats	9.1	16.7	9.1	4.7	2.2	5.3
New flats	9.8	7.0	3.7	1.0	4.7	11.5
Used flats	9.0	18.2	9.8	5.2	1.9	4.5
Austria without Vienna Total	2.3	10.8	2.7	3.1	5.1	10.9
1+2 Family Houses	-3.4	8.7	1.1	6.4	6.8	11.9
Flats	4.6	11.6	3.3	1.9	4.5	10.6
New flats	-3.5	2.2	2.2	-11.2	0.4	9.1
Used flats	5.9	12.9	3.4	3.5	5.0	10.7

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

As the indicators from the Austrian National Bank state, the observed movements of house prices in urban areas, above all in Vienna, are not completely backed by market fundamentals such as housing shortage. It also reflects the fact that real estate is a crucial part of investment strategies, particularly in the presence of low interest rates and high economic uncertainty. As such, housing prices might be somewhat overvalued in urban areas such as Vienna. But concerns of a housing bubble are not shared by most analysts.

Public initiatives. The Austrian government set several measures which target to slow down the price development:

- A 10 year speculation period was introduced on the purchase of flats from non-profit housing companies. Within that period flats are not allowed to be sold with revenue.
- A new housing initiative called “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 €.
- A new special bank “WBIB” was founded, which should help to reach that goal. The bank operates since September 2016. A permission of the European commission, regarding state-aid classification of the public guarantees and their Maastricht deficit and debt relevance, is expected until the end of the year. Once the EU state aid investigation procedure is finished long-term EZB loans can be taken out and the liability of the federal government (up to 500 mn €) will be into force.

Housing financing via the bank “WBIB” offers an additional financing source especially for non-profit housing companies additionally to the classic public housing support scheme. 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. A positive impact of this new housing initiative is expected especially in the first two years – which is reflected by a slightly stronger growth of new residential construction in the current forecasts.

BIG investments. BIG, a limited liability company owned by the Republic of Austria and responsible for the management of Austria's publicly owned real estate, started a separate housing initiative in 2015. Its scope is to build 10.000 units with a total volume of 2 bn € 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. Half of the investment volume (1 bn €) is planned for freely financed apartments, the second

half for 6,000 rental apartments which is a new business area for ARE. In summer 2016 (1.5 years after the project start) 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.

Public constraints. The new housing initiative “Wohnbauoffensive” tries to prevent crowding-out effects of public housing subsidies by co-financing requirements as well as by regional demand forecasts. But it remains questionable if the whole WBIB financing volume will be turned into new additional housing. This is aggravated by the fact that so called public debt break “Schuldenbremse”, which was decided in 2011, will come into force in 1 January 2017. The general structural government deficit should only amount to 0.45% of GDP from that time onwards. The deficit criterion on the national level is 0.35% of GDP, and for federal states and municipalities it is 0.1% of GDP, which is even stricter. This will put additional savings pressure on the federal states which could lead to declining expenditures for housing subsidies. It also has to be considered that the new deficit rules will have lasting effects because higher deficits have to be booked on a separate control account and have to be repaid depending on overall economic performance. It also should be noted that the target is unlikely to hold already in 2017. The current budgetary plans for 2017 exceed the limit by 2 bn € which increases the savings pressure in the upcoming years. The deficit targets for 2018 and 2019 are therefore much stricter.

The savings pressure on the level of the federal states can also be observed by the development of **public housing support** which is constantly declining since 2010 from 2.9 bn € to 2.5 bn € with a significant decline by over 10% in 2015. A further decline cannot be ruled out, and is indicative of the restricted funds for housing on the sub national level.

Real estate market. The number of real estate transaction increased in the first half 2016 by 10% and its value by 2.2% – this is the result of the bi-annual RE/MAX real estate survey, which is carried out by ImmoUnited. The real estate type with the highest transaction volume are 1+2 family houses and flats which recorded a growth by 8.4% (23.319 units) and by 10.9% in volume (4.6 bn €). The largest growth in the first half year 2016 was in the area of properties (green land and building plots), which increased by 10.6% in number and by 28.8% (1.7bn €) in volume. It should be borne in mind that the real estate market cannot be put into relation with the construction activity in a one to one relationship because it is driven by a large range of different factors. The strong increase of housing and property transactions in 2015 and partly also in the first quarters of 2016 stem to a large degree

from changes in tax law and do not necessarily reflect a change in demand. It can be rather seen as an anticipatory effect of the announced increase of the assessment basis of the property transfer tax. The change in the tax code most strongly affected transactions within families, and should have led to a number of within family transfers of property. Since 1st January 2016 the new system with a three stage stepped tax tariff scheme is in force: 0.5% for the first € 250,000; 2.0% for the next € 150,000 and 3.5% for the amount above. Importantly, the tax base is now the actual value from selling the property instead of the historical values used in the previous tax system. Especially larger, more valuable properties will be more heavily taxed by the new system which could also explain the stronger increase in value of the property transaction in 2015 before the law was into force.

Real estate transactions

number in '000, volume in bn €

		2013	2014	2015	H1 2016
Austria	number	81.447	96.197	112.124	59.452
Vienna		12.484	15.189	18.052	9.593
Austria	volume	16.0	19.5	23.5	13.1
Vienna		4.9	6.0	7.2	4.1

Annual average percentage change (2016: half-year)

		2013	2014	2015	H1 2016
Austria	number	-12.5	+18.1	+16.6	+10
Vienna		-11.2	+18.1	+18.8	+9.6
Austria	volume	-8.3	+21.9	+20.4	+2.2
Vienna		-5.5	+23.4	+19.7	+33.6

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).

3.2 Housing renovation

Austria’s housing policy has two main pillars for stimulating renovation and modernisation works. First of all, renovation is supported within the housing subsidy schemes of the nine federal states. In total, their combined budget amounted to a volume of about 700 mn € for renovation support in the previous. Secondly, on the federal level, energy efficient renovation works are supported by a so called “renovation cheque (Sanierungsscheck)” which had a total volume of 43 mn € in 2016. The amount was almost halved compared to the previous year (2015: 80 mn €). Despite the significant cut in budgetary allocations, no significant demand for these support measures materialized. In summer 2016 nearly half of 2016 support was still available, whereas in the previous year already the full amount was used within the first 6 months. Nevertheless around 10.400 applications were put forward within the “renovation cheque” 2016 initiative with an expected

investment volume of 370 mn € according the Federal Ministry of Science Research and Economy. 9,000 applications were granted until mid October with a major focus on sample remediation (best practise energy efficient renovation projects) and innovative energy efficient in-house technology. This is significantly less than compared to 2015 where 17.000 applications were put forward with an estimated investment volume of 570 mn € but it reflects the cut on budget very well. 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.

While the housing support scheme and especially the “renovation cheque” targets mainly investments which improve energy efficiency, the so called “crafts-men bonus” 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 € and 65,000 applications and it will be continued in 2016 and 2017 with double volume (20 mn € annually). It targets private persons only, which will receive 20% of the craftsmen’s bill up to 600 € per housing unit.

The main pillar of renovation subsidies , which is part of the general housing support scheme of the federal states, reduced by nearly 10% in 2015 and now amounts to a total volume of 650 mn €. This reduction will publicly induced demand in the renovation market in 2015 and will likely offset the

above mentioned public measures. It is also the main reason for the low growth in 2015 of 0.3%. The performance in the upcoming years is expected to be slightly better because of improving labour market and increasing disposable income. Increasing prices should stimulate the market additionally. The price for flats increased already in the first half of 2016 by 4.5% which make renovation and modernisation more attractive. All in all the market is expected to grow by 1.4% in 2016 with on average a slightly larger increase until 2019.

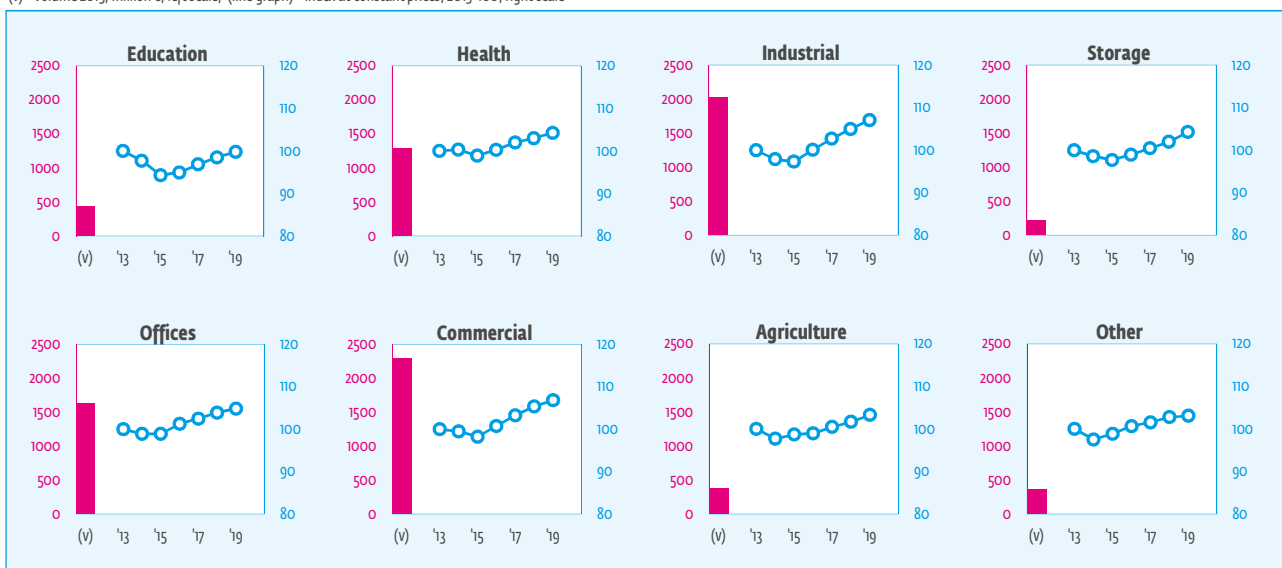
4. Non-residential Market

Austria’s non-residential market was affected most by the latest revision of the National Accounts published by Statistics Austria. The revisions caused a more favourable, but still declining development in 2013 and in 2014. These revisions also led to an improvement by over 1 percentage point each year which entails a considerably higher output in 2014. This was the main reason for a significant downward revision in 2015 from the 0.6% stated in the past forecasts (81st report) towards a decline by 1.2%. The severe downward revision affected all private non-residential construction areas and led to a postponed but slightly stronger recovery in 2016.

New educational buildings. New educational projects reached a temporary high in 2013. Due to the completions of several big projects the volume declined in the following two years by 2.3% and 3.5% in 2014 and 2015. In addition, higher expenditure allocations for renovation works translate into dampened investment in new educational buildings. Currently the biggest project in 2016 is the construction of the Med Campus Graz, which will

Non-residential: breakdown by subsectors

(v) = volume 2015, million €, left scale; (line graph) = index at constant prices, 2013=100, right scale



Source: EUROCONSTRUCT (82nd Conference)

be finished by the end of 2017. In addition to several ongoing smaller school projects the overall segment is expected to experience a modest growth in 2016 of 0.7%. Slightly higher growth rates are expected at the beginning of 2017 with a downward trend towards 1% by the end of the forecasting period 2019. In the long run, given the overall declining number of children in school age, the demand-side growth potential of this segment is limited. Accordingly, renovation activity should further increase their share in expenditure for educational buildings.

New health buildings. The segment buildings for health was weak in the recent past and declined in 2015. Health statistics showed a general decline in investment (including medical equipment). It can also be observed that private investments increased gradually from 25% in 1990 towards around 40% in 2014. This reflects the increasingly important role of private or non-profit health care in general and in health buildings construction in particular. All in all construction in the health sector is expected to grow by 1.3% on average in the upcoming forecast period 2016 to 2019 with slightly stronger rates at beginning. The currently largest health project is the so called 'Hospital North' with an estimated project volume around 1.1 bn € (originally 600 mn €, target completion in 2016) and the earliest start of operation by the end of 2017.

As stated in the previous report there is minor room for new health construction. This is supported by OECD statistics. The recent '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 1000 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. Moreover, as indicated above, in 2017 the debt brake will also apply to federal state governments, which bear the main responsibility for health care (expenditure). As a result of potential budget cuts, there appears little room for very large additional new construction projects in the coming years.

New industrial buildings. The revision of the National Accounts affected also industrial construction which had to be revised downward strongly in 2015 despite the more favourable economic performance in that year. Entrepreneurs seemed to be extremely cautious regarding the future development leading to a decline in industrial construction by

0.6%. The weakness of the BRICS countries together with the trade barrier to Russia may have amplified this. Nevertheless exports increased dynamically by 3.6% in 2015 and further (even if minor) expansion with slightly less than 3% is expected for the upcoming years. It is expected that investments were only postponed and that modernization and new investments cannot be deferred much longer. The investment in new industrial buildings is therefore delayed but should pick up more strongly in 2016 (+2.9%). This is underpinned by the latest economic sentiment indicators of the goods industry. They improved compared to last year; especially production expectations and the business development in the next 6 month are clearly in the positive range. The forecasts for industrial construction between 2017 and 2019 reflect these positive signs but a slightly less favourable economic outlook will lead to continuously decreasing growth momentum, declining from 2.6% in 2017 towards 2.0% in 2019.

New office buildings. The latest available data for office construction output in 2015 confirm a stagnating overall development with respect to output in bn € – even if office completions in the capital Vienna reached a new record level with about 200,000 square meter new built floor space. As mentioned in the last report, this high square meter output was the result of a small number of large scale owner used projects. While the dominance of owner used projects constitutes a recent and ongoing trend in the segment, it does not compensate for the difficult general environment in the segment. The lower overall building activity in 2015 was already reflected in the volume of floor space completed, which is expected to decline significantly in 2016 according to first estimates by the real estate company CB Richard Ellis. This is leading, in combination with a transformation of unprofitable office to residential units, to a lower supply of offices for lease and to a declining vacancy rate which is estimated below 6% in 2016. Prime rents are considered to develop stable at around 26 € per square meter in 2016 in Vienna with average rents of about 15 € per square meter according to the market reports from CBRE, Columbus Collier and EHL.

Despite the declining completed floor space given by the investment cycle, office construction is expected to pick up in 2016, growing by around 2%. In the capital Vienna, several bigger projects are under construction: above all the Quartier Belvedere Central (QBC) which should be finished in 2017 as well as the ICON which are both part of the spatial development project around the new main train station in Vienna. Moreover, major office projects in Vienna's largest city development region, the Aspern area are under construction. The growth of the segment is expected to slow down significantly in 2017 and 2018 with growth rates slightly above and 2019 below 1%.

New commercial buildings. The meagre performance in 2015 was influenced by weak and stagnating private consumption and net real wages in combination with strong competition, which according to the latest information led to a decline of 1.3% in commercial construction. Public regulations in several federal states, whose goal is to dampen green field shopping centres are an additional hindering issue. These regulations are also one of the reasons why most of the bigger commercial construction projects are expansions of existing shopping centres. These expansions already exceeded green field construction works in previous years. Commercial construction is expected to pick up by 2.6% in 2016 – the relatively high growth rate partly also stems from the low level in 2015. According to information by CBRE, the biggest completed projects are the ‘huma eleven’ building and the extensions of Traisenpark (Lower Austria), Plus City (Upper Austria), RP Hatric (Hartberg). An even stronger upswing is expected in the coming years. Real net income is expected to increase significantly in 2016 by 2.9% as a direct effect of this year’s tax reform. Private consumption is stimulating the current economic performance and will set the basis for further investments. Food retail is one driving factor in the commercial market which is against the international trend. This partly reflects the market structure in Austria, which is characterized by a high density net of supermarket stores and Austrians shop for groceries around 3 times a week, which is significantly above the international level. On the other hand sales for clothes and shoes declined and the demand for luxury items have been increased recently (according to Columbus Collier). The competition from online sales seems smaller in niche markets which drive investments in the luxury segment, above all in the inner city locations in the capitol Vienna. Given the improved economy and the recovery of private consumption, a further growth of commercial construction is expected with 2.5 in 2017. In successive years, growth is expected to decline constantly towards 1.4 in 2019.

A rapidly increasing area in Austria is online trade, which constantly exhibits annual growth rates of 10%. The Austrian market is dominated by Amazon and Zalando. However, since Austrian companies play a minor role in on online trade, most of the goods are shipped from out of country. In contrast to Germany, no major storage hubs are currently under construction. The output as well as growth of **storage buildings** is therefore minor. Most of the 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.

To summarize, total non-residential construction is forecasted to pick up in 2016 at a rate of 2.0%. Given

the expectation of a deceleration in new investment as the economy recovers combined with tighter public budgets, growth is expected to decrease from 1.9% in 2017 towards 1.3% in 2019. The sector is therefore still expected to expand but the forecasts are slightly less favourable than published in the previous report from June 2016.

5. Civil Engineering Market

Austrian civil engineering had a volume of about 6.7 bn € in 2015 according to the latest estimations. The revision of the National Accounts of Statistics Austria led to a slightly better performance of civil engineering in 2013 and 2014 which mainly stems from the input-output statistics for 2013 and the latest structural business data. On the other hand, the resulting higher volume led to a minor downward revision to -1.2% in 2015 compared to -0.8% given in the last report from June. For the current year, recent information from the monthly short term statistics on industry and construction showed a more favourable development in civil engineering which led to an upward revision from 0.6% in the previous forecasts to 1.1% in 2016. Transport infrastructure remains the main growth driver in the segment.

Introduced in October 2016, the so called infrastructure framework plan 2017 to 2022 indicates stronger investments also in the upcoming years. The forecasts for total civil engineering for 2017 nevertheless remained unchanged at a growth of 0.2% since the new infrastructure program plans indicates slightly stronger investments from 2018 onwards. The 2017 slump is largely a result of lower investments in road infrastructure. The latter might, however, be offset by a stronger railway construction output. The outlook for traffic infrastructure in 2018 and 2019 is more favourable with an expected total growth of 1.8% in 2018 and of 1.3% in 2019.

Road construction. Road construction has a volume of slightly over 2bn € and is expected to grow slightly stronger by 1.2% in 2016 compared to the previous forecasts. The recently published infrastructure investment programme of ASFINAG (Austria’s highway financing agency) from 2017 to 2022 also led to changes in the forecasts in the upcoming years. The new construction plan has a volume of 7.81 bn € and is now 6.4% higher than compared to the previous programme 2016 to 2021 (7.34 bn €). This does not automatically imply higher investments in the next two years. It can be derived from the investment plans that the renovation volume will be kept constant in 2017, but the volume of new construction will significantly decline leading to total investments of about 1.2 bn € (compared to 1.4

bn € for 2017 in the previous plan). The resulting low level in 2017 also leads to a small growth forecast in road construction for 2018 of 1%. In 2019 no additional investments are budgeted within the high level road network according to the current plans. Facing the tight situation of the budgets on federal state and municipal levels also no impulses are expected from this area resulting in a minor growth for road construction by 0.2%.

Railway infrastructure. Austria ranks third in a worldwide comparison, after Switzerland and Japan, regarding the average railway mileage travelled. In 2015 the Austrian population travelled 1.360 km by train according to the international railway association. This is one of the reasons why investments in railway infrastructure are a key priority of the Austrian government. This is underpinned by the new railway framework plan 2017 to 2022. A volume of 15.2 bn € is budgeted for investments in all nine federal states. The current budget is therefore 4.1% higher compared to the previous investment plan 2016 to 2021. Important projects in the new plan are the expansion of the southern route as well the construction of the Brenner tunnel in Tyrol, but most of the budget will be allocated for the expansion of the current network, which goes in line with the target net plan 2025+. In general around 600 mn € are budgeted annually for re-investments in the current network and the same amount for renovation and modernisation. 1 bn € per year will be spent on improving security. The big infrastructure projects are determining the investment cycle in Austria's railway infrastructure and explain to a large extent the forecasts. The two biggest projects are the Brenner tunnel in Tyrol with a total volume 1.2 bn € and the so called Koralmbahn (southern route connecting Styria and Carinthia) with an

investment volume of 1.3 bn € for both within the period 2016 to 2019.

To conclude, rail infrastructure construction is expected to increase by 1.7% in 2016. Railway investments are likely to increase even beyond this year because of the investments highlighted in the new framework plan, resulting in growth rates of about 3.5% and 3.2% in 2017 and 2018 respectively.

Telecommunication. The positive outlook for 2016 and 2017 is based on the current public support program called 'broadband billion' (Breitbandmilliarde). A major target is to expand the broadband infrastructure, also to more remote regions. One construction relevant program is the support of empty ducts. Municipalities which are currently constructing energy, water and district heating pipelines are encouraged also to build a broadband network by laying additional (empty) pipes for later implementation. In summer 2016 the second phase of this program started with a subsidisation volume of 60 mn €. Funding regulations were adopted since the first phase, when a volume of 16 mn € was not absorbed by eligible municipalities. This led to a downward revision of the forecasts to 8.0% in 2017 and by 3.0% in 2018. Also considering the given the strong competition, stronger growth prospects currently appear unlikely from 2019 onwards.

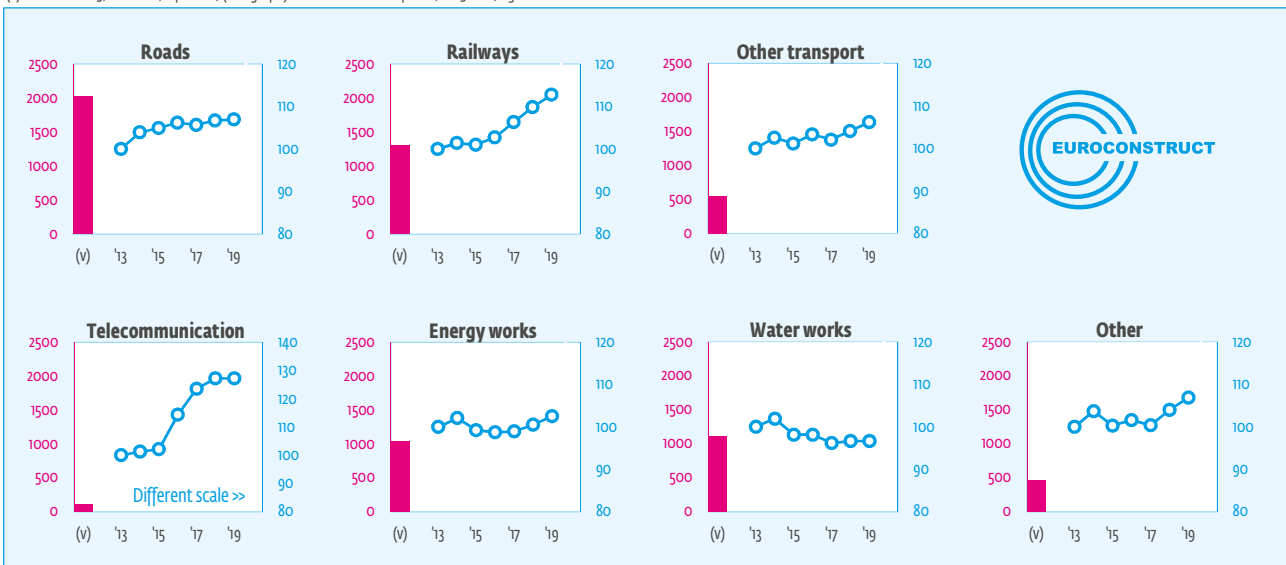
Energy. Construction works in the energy sector in 2015 declined slightly stronger than previously expected, at a rate of 2.8%. Continuously low energy prices are a serious hindering issue for new investments.

Since 2011 energy prices (without taxes and levies) declined by 3.3% annually in Austria while they rose



Civil engineering: breakdown by subsectors

(v) = volume 2015, million €, left scale; (line graph) = index at constant prices, 2013=100, right scale



Source: EUROCONSTRUCT (82nd Conference)

by 2.3% within the EU-28. Average costs for electrical energy amounted to 0.13 € per kilowatt hour (without taxes and levies) in the first semester 2015 and further declined to € 0.12 according to EUROSTAT. Many projects, mainly thermal power plants, are currently not economic profitable because of the low energy price. Additionally Austria's power production is currently sufficient 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. In addition, prioritized measures with a volume of 700 mn € over the next three years will be realized in the area of the electricity network extension.

In such an environment, only a stable construction market with minor growth in 2017 (+0.2%) can be expected. Along with a looming increase in energy prices, particularly higher oil-prices, additional and stronger investments in 2018 by 1.6% and by 2.0% in 2019 are projected. The impact of the recently 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 Works. The growth figures for water works was slightly revised downwards to -3.7% in 2015 and zero growth is likely in 2016. As stated in the previous reports no major impulses for civil engineering are expected from the water works area. The reasons are manifold. Beside the savings pressure of municipalities also the need for new investments is limited. Especially in the area of new wastewater sewage less investment is expected since already 95% of Austria's households are connected to municipal sewage plants. This is underpinned by the annual reports on ecological subsidies. The share of waste water projects (with regard to the cash value of funding) declined significantly from 75% in 2013 to 55% in 2015 which nevertheless take the largest volume in water works. This goes in line with the current stock information. Austria's sewer system has a length of 91,600 km, the water pipeline network is estimated to around 78,000 km.

On 1 January 2016 new public subsidization guidelines for urban water management came into force. Subsidizations on the federal level amount to a volume of 100 mn € in 2016 and are expected to lead

into investments of 400 mn €. 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. Depending of the investment cycle of the municipalities a small growth is likely in 2018 following a further stagnation in 2019.

To summarize, total civil engineering is expected to increase by 1.1% in 2016 and therefore stronger than forecasted in the last report in June (0.6%). The forecast for 2017 remain unchanged in total since the weakness in road construction can be set-off by more dynamic investments in the railway network leading to an overall total civil engineering growth forecast of 1.8%. The new transport framework plan published in October 2016 in combination with a stable economic outlook led to a more optimistic outlook in civil engineering in 2018 and 2019 with growth rates of about 1.8% and 1.3% respectively.

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 2014 is available in autumn 2015. 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 September 2016 WIFO forecasts (2016 to 2017) and on the October 2016 WIFO mid-term forecasts (2018 and 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 September 2016 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 2015 are based on the official figures (October 2016) 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 September 2016 WIFO forecasts (2016 to 2017) and the October 2016 WIFO mid-term forecasts (2018 and 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							
				Est.	Forecast		Outlook	
	2013	2014	2015	2016	2017	2018	2019	
Population ('000s) Population Bevölkerung	8 408	8 452	8 508	8 585	8 657	8 726	8 792	
Households ('000s) Ménages Haushalte	3 660	3 690	3 731	3 776	3 819	3 860	3 899	
Unemployed ('000s) Chômeurs Arbeitslose	287	319	354	361	377	390	401	
Unemployment rate (%) Taux de chômage Arbeitslosenquote	5.4	5.6	5.7	6.0	6.1	6.2	6.2	
Change of GDP Variation du PIB Veränderung des BIP (% change in real terms)	0.1	0.6	1.0	1.7	1.5	1.4	1.5	
Consumer prices (% change) Prix à la consommation Verbraucherpreise	2.0	1.7	0.9	1.0	1.7	1.7	1.8	
Construction prices (% change) ¹⁾ Prix de la construction Baupreise	1.3	1.5	0.6	1.0	1.2	1.4	1.5	
Short term interest rate ²⁾ Taux d'intérêt à court terme Kurzfristiger Zinssatz	0.2	0.2	0.0	-0.3	-0.3	0.0	0.3	
Long term interest rate ³⁾ Taux d'intérêt à long terme Langfristiger Zinssatz	2.0	1.5	0.7	0.3	0.3	1.7	2.1	

1) Refers to new construction only.

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


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

AT

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)						
						Est.	Forecast		Outlook
			2015	2013	2014	2015	2016	2017	2018
Residential construction Logement Wohnungsbau	New	10 834	0.1	-0.8	0.0	1.6	1.8	1.4	1.0
	Renovation	4 901	-0.4	-0.2	0.3	1.4	1.0	2.0	1.3
	Total	15 735	-0.1	-0.6	0.1	1.5	1.6	1.6	1.1
Non-residential construction Bâtiments non résidentiels übriger Hochbau	New	8 616	-1.0	-1.2	-0.8	2.2	2.0	1.7	1.4
	Renovation	2 913	-1.5	-0.1	-2.3	1.3	1.5	0.8	1.0
	Total	11 529	-1.1	-0.9	-1.2	2.0	1.9	1.5	1.3
Building Bâtiment Hochbau	New	19 450	-0.4	-1.0	-0.4	1.9	1.9	1.5	1.2
	Renovation	7 813	-0.8	-0.2	-0.7	1.4	1.2	1.6	1.2
	Total	27 263	-0.5	-0.7	-0.5	1.7	1.7	1.5	1.2
Civil engineering Génie civil Tiefbau	New	5 283	-2.8	2.4	-0.9	1.2	0.6	2.1	1.6
	Renovation	1 321	-0.8	3.4	-2.4	0.7	-1.4	0.6	0.1
	Total	6 604	-2.4	2.6	-1.2	1.1	0.2	1.8	1.3
TOTAL CONSTRUCTION OUTPUT		33 867	-0.9	-0.1	-0.6	1.6	1.4	1.6	1.2
		2015				Est.	Forecasts		Outlook
		Volume	2013	2014	2015	2016	2017	2018	2019
		mill. tons							
Domestic cement consumption Consommation intérieure de ciment Inländischer Zementverbrauch		4.35	0.9	-0.3	-2.3	0.2	0.4	0.6	0.5


Renovation covers repair and maintenance, refurbishment and reconstruction.

1) At 2015 prices, excluding taxes.


Country/Pays/Land: Austria		Table 3						
		RESIDENTIAL CONSTRUCTION CONSTRUCTION DE LOGEMENTS WOHNUNGSBAU						
		Thousands dwellings						
					Est.	Forecast		Outlook
		2013	2014	2015	2016	2017	2018	2019
Building permits Logements autorisés Baugenehmigungen	1+2 family dwellings Individuels 1+2-Familienhäuser	15.8	16.8	17.5	18.3	18.5	18.2	18.3
	Flats Collectifs Mehrfamilienhäuser	30.5	30.9	32.8	37.0	38.5	38.5	36.6
	Total	46.4	47.7	50.2	55.3	57.0	56.7	54.9
Housing starts Logements commencés Baubeginne	1+2 family dwellings Individuels 1+2-Familienhäuser	14.9	15.5	16.3	17.0	17.5	17.4	17.3
	Flats Collectifs Mehrfamilienhäuser	26.3	29.2	30.3	33.2	35.9	36.6	35.7
	Total	41.2	44.7	46.5	50.1	53.3	54.0	53.0
Housing completions Logements terminés Baufertigstellungen	1+2 family dwellings Individuels 1+2-Familienhäuser	16.5	16.3	16.5	16.9	17.5	17.8	17.9
	Flats Collectifs Mehrfamilienhäuser	24.7	26.7	28.7	30.4	33.0	35.5	36.8
	Total	41.2	43.0	45.2	47.3	50.4	53.3	54.7
Housing stock Logements existants Wohnungsbestand	Total	4 520	4 561	4 605	4 650	4 699	4 751	4 803
	thereof second homes dont résid. secondaires davon Zweitwohnungen	259	262	264	267	270	272	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	46.9	46.6	46.4
Home ownership rate ¹⁾ Taux de propriétaires occupants Wohneigentumsquote		56.3	56.5	56.3	56.1	55.9	55.9	55.8

1) Cf. Appendix to the individual country report.

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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)						
						Est.	Forecast		Outlook
			2015	2015	2013	2014	2015	2016	2017
Buildings for education Bâtiments de l'éducation et de la recherche Gebäude des Bildungswesens	440		4.7	-2.3	-3.5	0.7	2.0	1.7	1.3
Buildings for health Bâtiments de santé Gebäude des Gesundheitswesens	1 288		1.9	0.3	-1.4	1.4	1.7	1.0	1.2
Industrial buildings Bâtiments industriels Industriegebäude	2 021		-2.3	-2.1	-0.6	2.9	2.6	2.2	2.0
Storage buildings Bâtiments de stockage Lagergebäude	215		-3.1	-1.4	-0.9	1.3	1.5	1.5	2.3
Office buildings Bureaux Bürogebäude	1 622		-2.3	-1.1	0.0	2.4	1.2	1.4	0.9
Commercial buildings Commerces Geschäftsgebäude	2 296		-0.9	-0.5	-1.3	2.6	2.5	2.0	1.4
Agricultural buildings Bâtiments agricoles Landwirtschaftsgebäude	377		-4.7	-2.3	1.0	0.3	1.5	1.2	1.6
Miscellaneous Autres Sonstiges	357		-0.1	-2.5	1.4	1.8	0.9	1.2	0.3
TOTAL	8 616		-1.0	-1.2	-0.8	2.2	2.0	1.7	1.4

1) At 2015 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)						
						Est.	Forecast		Outlook
			2015	2013	2014	2015	2016	2017	2018
Transport infrastructure Infrastructures de transport Verkehrsinfrastruktur	Roads Réseau routier Straßen	2 021	1.4	3.9	1.0	1.2	-0.5	1.0	0.2
	Railways Voies ferrées Bahnanlagen	1 294	-7.0	1.4	-0.4	1.7	3.5	3.3	2.7
	Other transport Autres réseaux Übrige Verkehrsinfrastruktur	553	-4.9	2.5	-1.3	2.1	-1.2	2.0	2.0
	Total	3 868	-2.5	2.8	0.2	1.5	0.7	1.9	1.3
Telecommunications Télécommunications Telekommunikation		113	-1.7	1.3	0.8	12.0	8.0	3.0	0.0
Energy works Réseaux d'énergie Energieversorgung		1 043	-2.2	2.1	-2.8	-0.5	0.2	1.6	2.0
Water works Réseaux d'eau Wasserversorgung		1 112	-3.8	1.9	-3.7	0.0	-2.0	0.5	0.0
Other Autres Sonstiges		468	1.8	3.7	-3.3	1.3	-1.2	3.6	2.8
TOTAL		6 604	-2.4	2.6	-1.2	1.1	0.2	1.8	1.3

1) At 2015 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)						
					Est.	Forecast		Outlook
		2015	2013	2014	2015	2016	2017	2018
Private consumption ²⁾ Consommation privée Privater Verbrauch	179.1	-0.1	-0.3	0.0	1.5	1.2	1.2	1.2
Public consumption Consommation publique Staatsverbrauch	67.7	0.7	0.8	2.1	1.6	0.9	0.7	0.7
Gross fixed capital formation Formation brute de capital fixe Bruttoanlageinvestitionen								
Total	76.8	2.2	-0.9	0.7	3.4	2.3	1.6	1.7
of which construction	35.7	-0.9	-0.1	-1.2	1.6	1.4	1.3	1.4
Stocks (contribution as % of GDP) ³⁾ Variations de stocks Vorratsveränderungen	3.1	0.7	0.9	0.9	1.0	1.2	1.2	1.2
Exports Exportations Exporte	180.3	0.5	2.3	3.6	2.8	2.8	2.9	2.9
Imports Importations Importe	166.7	0.7	1.3	3.4	3.8	3.0	2.7	2.7
GDP PIB BIP	339.9	0.1	0.6	1.0	1.7	1.5	1.4	1.5

Standard National Accounts, gross figures.

1) At 2015 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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