WIFO
1030 WIEN, ARSENAL, OBJEKT 20
TEL. 798 26 01 • FAX 798 93 86

ÖSTERREICHISCHES INSTITUT FÜR WIRTSCHAFTSFORSCHUNG

80th Euroconstruct Conference: European Construction Market Outlook Until 2018 – Austrian Construction Dampened by Slow-down in Housing and Minor Civil Engineering

Country Report Austria

Michael Klien, Michael Weingärtler

December 2015

WIFO
ÖSTERREICHISCHES INSTITUT FÜR WIRTSCHAFTSFORSCHUNG
AUSTRIAN INSTITUTE OF ECONOMIC RESEARCH

80th Euroconstruct Conference: European Construction Market Outlook Until 2018 – Austrian Construction Dampened by Slowdown in Housing and Minor Civil Engineering

Country Report Austria

Michael Klien, Michael Weingärtler

December 2015

Austrian Institute of Economic Research

Abstract

Overall economic performance of the Austrian industry is expected to be below average. Particularly foreign trade, which used to be a pillar of Austria's economic growth, is not fully participating in the recovery of world and European trade. This had a negative impact on the whole construction industry and hit non-residential construction most. Also the housing market could not avoid stagnation. In the upcoming years a minor growth is expected which will mainly stem from new construction of flats and multi-storey buildings. In 2017 and 2018 the market will be additionally pushed by the recently announced stimulus package for housing which should fulfill the future housing needs especially in urban areas, all above in Vienna. – The Euroconstruct Country Report for Austria gives in-depth information on the Austrian construction market until 2018. It covers in detail the housing market, the non-residential sector and civil engineering (new and renovation, respectively).

Please refer to: Michael.Klien@wifo.ac.at, Michael.Weingaertler@wifo.ac.at

2015/415/S/WIFO project no: 3809

Medieninhaber (Verleger), Herausgeber und Hersteller: Österreichisches Institut für Wirtschaftsforschung,
1030 Wien, Arsenal, Objekt 20 • Tel. (+43 1) 798 26 01-0 • Fax (+43 1) 798 93 86 • http://www.wifo.ac.at/ • Verlags- und Herstellungsort: Wien

Verkaufspreis: 240,00 € • Download 240,00 €: http://www.wifo.ac.at/wwa/pubid/58559

80th

80th EUROCONSTRUCT Country Report

EUROCONSTRUCT

European Construction: Market Trends until 2018

80th EUROCONSTRUCT Conference ○ 3-4 December 2015, Budapest, Hungary

80th EUROCONSTRUCT Country Report

EUROCONSTRUCT

European Construction: Market Trends until 2018

Table Of Contents

The EUROCONSTRUCT Network

Austria [AT] – **WIFO**

Belgium [BE] – **Aquiec-Vkebi**

Czech Republic [CZ] – **ÚRS PRAHA**

Denmark [DK] – **CIFS**

Finland [FI] – **Forecon**

France [FR] – **BIPE**

Germany [GE] – **Ifo**

Hungary [HU] – **BUILDECON**

Ireland [IE] – **DKM**

Italy [IT] – **CRESME**

Netherlands [NL] – **EIB**

Norway [NO] – **Prognosesenteret AS**

Poland [PL] – **PAB**

Portugal [PT] – **ITIC**

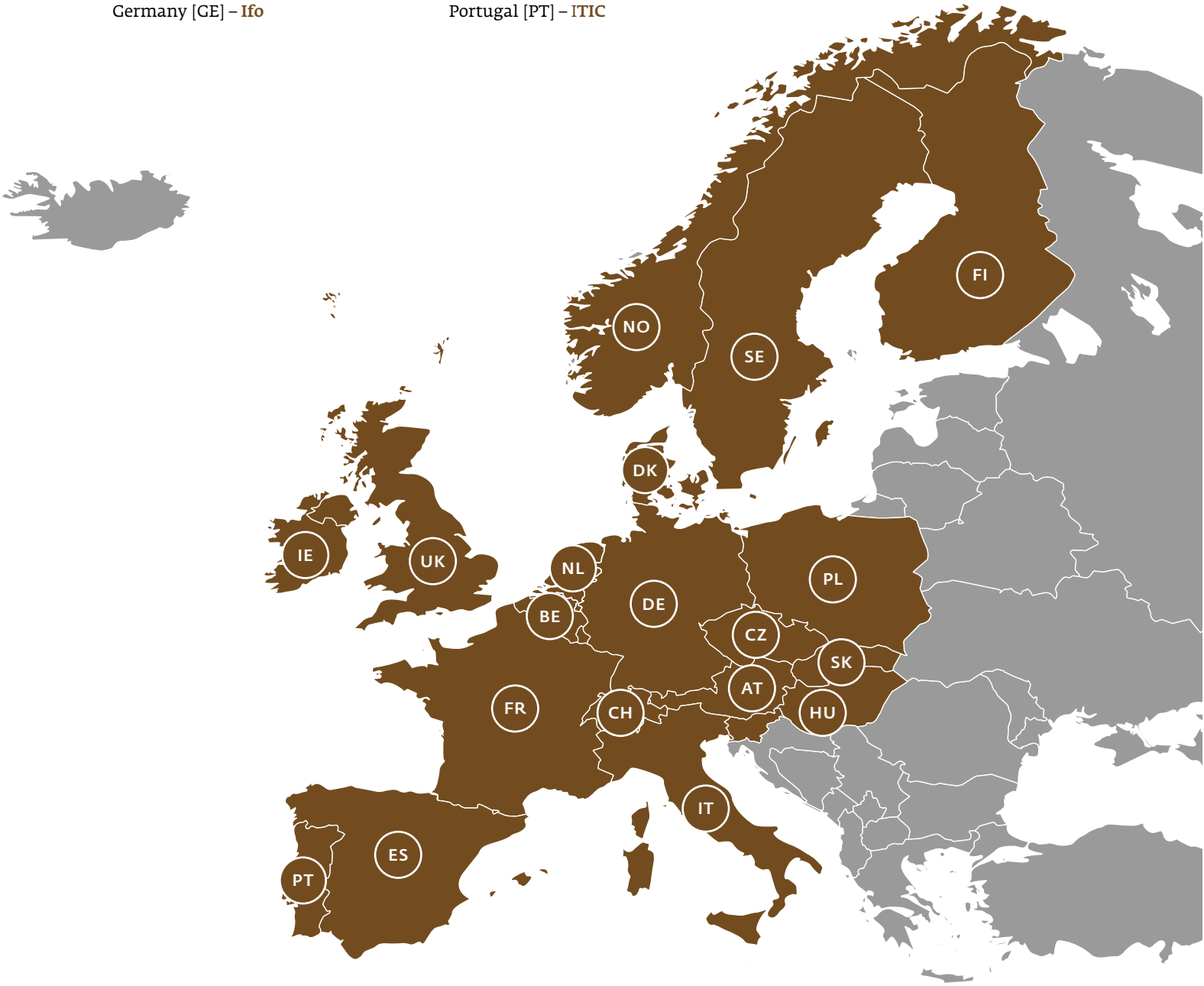
Slovakia [SK] – **ÚEOS**

Spain [ES]– **ITeC**

Sweden [SE] – **Prognoscentret AB**

Switzerland [CH] – **KOF ETH**

United Kingdom [UK] – **EXPERIAN**



European Construction Business Research And Forecasting Group

www.euroconstruct.org

EUROCONSTRUCT ® is a registered trademark.

EUROCONSTRUCT was set up in 1974 by specialised research organisations from Belgium, France, Germany, Italy, the Netherlands and United Kingdom as a study group for construction analysis and forecasting. It has since expanded from the core group to include almost all Western European countries, as well as 4 Central Eastern European countries. At present, EUROCONSTRUCT has member institutes in 19 European countries.

EUROCONSTRUCT's objective is to provide decision makers in the construction sector and other to the construction industry related markets with information, analyses and forecasts to enable them to plan their business better and more effectively. Furthermore, the activities of the EUROCONSTRUCT network addresses to official institutions like ministries or agencies and to national and international associations.

Construction markets are regional or even local. It is, therefore, a great advantage that the analyses and forecasts for these markets are prepared within the EUROCONSTRUCT network by competent national institutes for their respective home markets.

EUROCONSTRUCT's research and advice focuses on:

- Short and medium-term macro-economic forecasts and construction trends in Europe;
- Analyses of structural changes, business strategies and competition in the construction industry;
- Market studies for industrial goods and services used by the building and infrastructure sectors.
- EUROCONSTRUCT's research and forecasts are designed to meet the needs of many types of business including:
- Construction contractors and developers; housing associations;
- Manufacturers and traders supplying construction materials, products, equipment and machines; architects and other construction professionals;
- Insurances, banks, financial and credit institutions; fund managers and other investors; government departments and national agencies; industry associations;
- The Commission of the European Community and other European organisations.

Each country member of EUROCONSTRUCT has the project management resources to offer their customers turnkey studies of pan-European scope.

They can guarantee:

- Specific know-how and experience in database research and consulting;
- A consistent multinational approach;
- Expertise in project co-ordination and quality control;
- Reports in the languages of the customer's choice.
- Twice a year, EUROCONSTRUCT organises an international conference on:
- Forecasts for the main market segments (housing, non-residential construction, infrastructure and civil engineering, all sub-sectors with a breakdown in new work and renovation/ modernisation activities) in the EUROCONSTRUCT member countries;
- A special issue selected for its impact on the construction industry (e.g. demographics, privatisation, lifestyles, technological change, internationalisation of strategies, changes in the demand and supply structure).

Recent and forthcoming conference venues:

- Summer 2014 Oslo (Norway)
- Winter 2014 Milan (Italy)
- Summer 2015 Warsaw (Poland)
- **Winter 2015 Budapest (Hungary)**
- Summer 2016 Dublin (Ireland)
- Winter 2016 Barcelona (Spain)

In addition, EUROCONSTRUCT offers special studies for selected national and international clients based on well-founded knowledge of databases, methods, correlations and measures.

For details, please contact the EUROCONSTRUCT partner institute in your country.


EUROCONSTRUCT

Austria

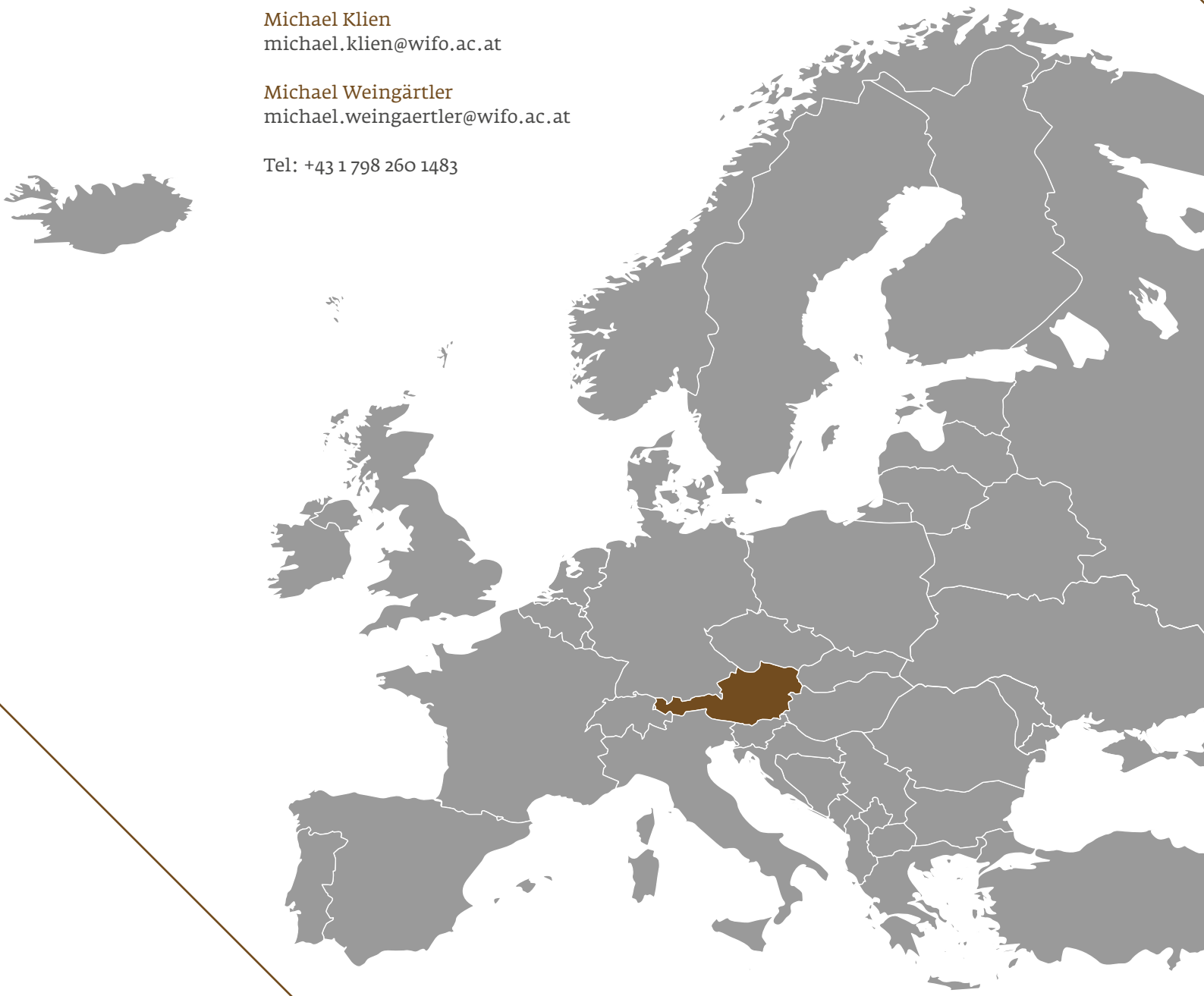
AT

WIFO – Austrian Institute of Economic Research
www.wifo.ac.at

Michael Klien
michael.klien@wifo.ac.at

Michael Weingärtler
michael.weingaertler@wifo.ac.at

Tel: +43 1 798 260 1483



1. Summary and Conclusions

The latest WIFO economic short term forecast from September 2015 shows a minor upward revision of GDP in 2015 and 2016. It is expected that overall economic growth in real terms will increase from 0.7% in 2015 towards 1.6% in 2018. The export sector will be the main driver which will be additionally supported by the favourable exchange rates against major currencies. Nevertheless Austria cannot participate from the overall economic upswing in the EU 28 to the full extent as it used to in previous periods. National programs and incentives should strengthen the economy in the upcoming years – all above a major tax reform which will be introduced on 1 January, 2016 with the goal to stimulate private consumption. But the net effects are expected to be only minor because of rising taxes and budget cuts in other areas to achieve a balanced budget. Additionally public consumption is forecasted to grow only marginally around 1% within the forecasting period and therefore no major impulses can be expected from the public sector. Considering these aspects, the overall economic outlook is positive but on a weak basis.

The **residential construction** market is improving marginally from year to year, nevertheless 2015 will be the third year in a row with a decline in housing output, even if it is close to stagnation. In the upcoming years a minor growth is expected which will mainly stem from new construction of flats and multi-storey buildings. In 2017 and 2018 the market will be additionally pushed by the recently announced stimulus package for housing which should fulfil the future housing needs especially in urban areas, all above in Vienna. Total housing construction is therefore expected to grow slightly above 1% by from 2016 onwards.

New **non-residential construction** performed less than expected in 2014. Starting from a lower volume in combination with an improving economic framework non-residential construction is expected to recover again in 2015. Major office projects which will be completed in 2015 additionally pushing this market segment. From the public side projects in the area of health care are also contributing to the growth in 2015 while in the upcoming years growth will mainly result from further investments in the area of industrial buildings.

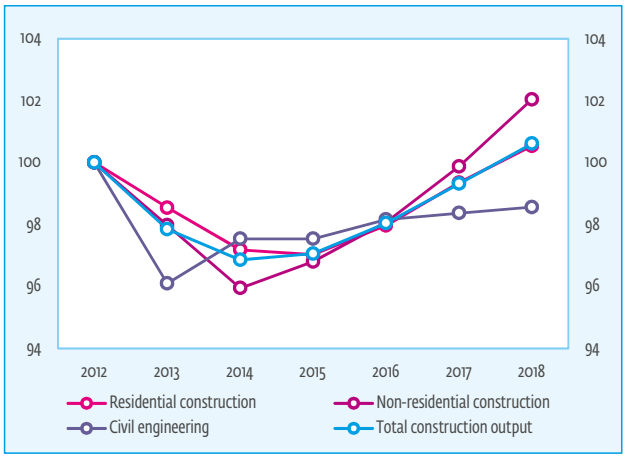
Total non-residential construction is expected to grow by close to 1% in 2015 with an increasing trend to 2.2% towards 2018.

The **civil engineering** outlook is divided in two different areas. The market for traffic infrastructure is very favourable. Investments take mainly place in the highway and rail infrastructure where they will increase until 2017. Also the telecommunication market shows a positive development towards 2018. On the other hand the energy and water works markets are under pressure. Investments in power plants, above all in thermal faculties are economically not viable because of the low energy prices. Water works are declining due to the high connection rate to the public drinking water supply and sewage systems. The current activity is focused on renovation and modernisation works mainly in the waste water sector. But this subsector cannot outbalance the low levels and declining needs in new construction. Total civil engineering is therefore expected to grow slightly in 2016 by 0.6% and a growth close to stagnation in 2017 and 2018.

Total construction will be close to stagnation in 2015. In the forecasting period an average growth of slightly above 1% is expected which rather stems from building construction than from civil engineering.

Total Construction Output by Sector from 2012 to 2018

Index 2012=100



Source: EUROCONSTRUCT (80th Conference)

2. Macro-economic Outlook

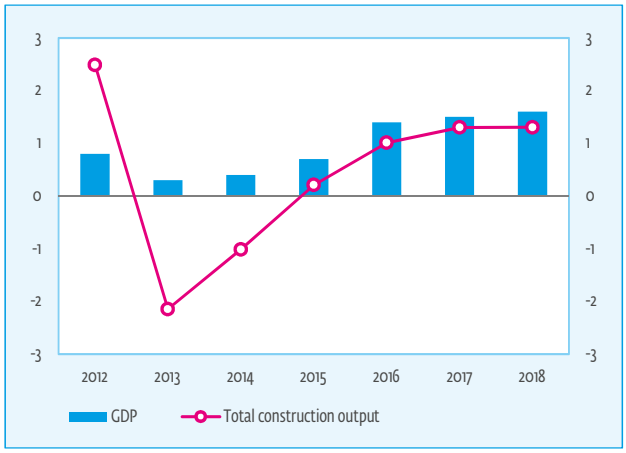
The Austrian economy is picking up pace, but only very slowly. Since the 79th EUROCONSTRUCT report, growth forecasts for the years 2015 to 2018 have remained very stable, with a slight upward revision for 2015 and 2016 by 0.2 and 0.1 percentage points. According to the September forecast of the Austrian Institute of Economic Research (WIFO), the Austrian GDP (real) will grow by 0.7% in 2015 and 1.4% in 2016. Particularly foreign trade remains weaker than expected and is unable to serve as a catalyst for the recovery of the Austrian economy. The reasons are manifold, but it appears that Austria cannot participate as strongly from international trade and a revival of the European economy as in the past. The de-coupling of international trade and national growth has

been documented as a global trend, but is particularly troublesome for a small open economy like Austria. In addition, increased global and regional competition, e.g. in the automotive sector from Eastern European manufacturers, further weakens the case of an export-led recovery. Some economic observers attribute this development to decreased competitiveness of the Austrian economy due to a lack of structural reforms and/or economic stimulus.
To tackle the growth slump, the Austrian government has reacted by initiating an income tax reform, and more recently a labor and growth package. However, due to balanced budget requirements, the envisaged reforms are financed by cutting other expenditure or more typically by increasing revenues from other tax sources. For instance, the income tax reform, which comes into force in January 2016, is expected to yield very little net stimulus. The reduced income tax rates, which should amount to a relief of roughly € 5 bn per year, are to a large extent financed by more stringent tax collection, a broadening of the tax base, higher capital gains taxes or lower administrative spending. This balancing neutralized a large part of the potential stimulus.

Given the low growth situation coupled with rising unemployment rates, the Austrian government has recently announced an additional investment package to foster job and economic growth. At the heart of the proposal is residential construction plan (so-called 'Wohnbauoffensive'), which aims at creating 30,000 additional affordable housing units over the next 6 years. Importantly, the plan seeks to involve private financing from capital markets and grants from the European Investment Bank in order to avoid a violation of the stability and growth pact. Details of the residential construction plan are deferred to section 3, but it is noteworthy that the effects of the 'Wohnbauoffensive' cannot be expected to materialize before 2017. Against this background, the Austrian construction sector remains under the impression of a slow growth environment without noticeable momentum.

Foreign Trade. The growth contribution from foreign trade remains modest. Although the situation has slightly improved since the 79th Euroconstruct report, serious challenges remain. The growth drivers of the past, particularly the BRICS countries (Brasil, Russia, India, China, South-Africa) are lagging behind their past performance, diminishing demand for Austrian machinery and equipment supplies. Supported by the favorable exchange rate against other major currencies, Austrian exports are expected to grow by 2.5% in real terms in 2015, and 4.0% in 2016. However, with imports growing at a comparable pace, the current account balance is forecasted at 1.4% of GDP in 2015 and 2016.

GDP and Total Construction Output from 2012 to 2018
year to year change in %



Source: EUROCONSTRUCT (80th Conference)

AT

Investment. Related to the weak export dynamics and awaiting a clear recovery, firms are still deferring significant investments. Even if equipment investment is expected to grow slightly stronger than stated in the previous 79th EUROCONSTRUCT report, worsening figures for investment in construction leave the overall investment prospects unchanged. With 0.5% in 2015, investment growth remains below the 1% threshold for the fourth consecutive year. The forecasted increase of 1.5% in 2016 is somewhat stronger, but well below the rates of a strong recovery. This matches surveys of investment and business climate, which have been improving in the second half of 2015 but remain below the long run average.

Labour, wages and private demand. The consequences of the weak recovery are most visible on the labour market. Despite a steadily increasing employment rate, it has been growing for five consecutive years, the unemployment rates increase as well. According to the WIFO forecast from September 2015, the national unemployment rate will amount to 9.2% in 2015 (Eurostat definition: 5.8%) and reach 9.7% in 2016 (Eurostat definition: 6.0%). The continued increase since 2011 is one of the reasons why the Austrian government has recently launched a labour and growth package with explicit measures to reduce unemployment. On the one hand, the government plans to reduce labour costs by € 1 bn Euro until 2018, specifically by cutting payroll taxes, to increase hiring rates. Such measures have been long demanded by industry and business representatives to increase competitiveness of the Austrian economy in general and labour intensive production in particular. Taxes on labour in Austria are high compared to most other European countries, even more so relative to some of its eastern neighbours. In addition to the payroll tax cuts, also active labour market policies to increase the take-up rate by unemployed persons from disadvantaged groups, e.g. persons 50+, long-term

unemployed, or refugees, are strengthened with additional budget allocations. Despite these steps to support the labour market unemployment rates are not expected to decrease before 2018.

As a result of the weak labour market, wages in real terms will not increase in 2015 (-0.1%) and the envisaged increase in 2016 (+2.4%) will depend very strongly on the strength of the economic recovery. In the same vein, after its stagnation in 2013 and 2014, private consumption will increase only modestly in 2015, by 0.4%. The forecasted increase of 1.3% in 2016, which is partly due to the income tax reform as well as the economic recovery, is plagued by the same uncertainty as the wage evolution.

Public demand. Given the lack of economic dynamics coupled with the increased need for social transfers such as unemployment benefits, the public budget is still under pressure. Moreover, as additional economic stimulus is constrained by the debt and deficit targets of the stability and growth pact, also public demand is unlikely to serve as the initial impulse for the economic recovery. Deficit projections amount to 1.9% in 2015 and 2.0% in 2016. However, there is a high uncertainty with respect to these figures: the European Commission has recently required additional effort to meet the budgetary targets. As a response to this, additional stimulus from the public sector, such as the 'Wohnbauoffensive', is typically tailored to be 'neutral' from a Maastricht perspective. In most cases, this either involves investments from public units outside the official budget or the collaboration with private sector entities combined with government liabilities.

Downside risks. There are a number of factors which pose a risk to the recovery path of the Austrian economy. The overall high uncertainty environment may be a reason in itself, why the recovery is weak. Firstly, the budgetary position of the Austrian federal and state governments is highly dependent on the further developments in the scandal of the bank Hypo-Alpe Adria/Bad Bank HETA. A part of the losses have already been incurred and are therefore contained in the current budget, but additional outstanding law-suits could both increase or decrease government liabilities and debt. Secondly, Austria has a high exposure in the current refugee crisis. With current forecasts of 85,000 persons in 2015, Austria has a similar per capita figure of asylum claims as Germany. With the limited information available, the economic, social and political consequences are hard to evaluate ex-ante. Although the refugees could generate some impulse on the economy through private consumption, the initial costs for government through direct social transfers, education and job training outlays will burden the public budget. The government expects additional spending of € 1 bn for 2015. In contrast, the medium and long term consequences for housing and residential construction might be positive through increased demand, but these developments remain highly uncertain. Thirdly, Austria is still very vulnerable with respect to worsening trade conditions and international conflicts. The Ukraine Crisis, the EU sanctions against Russia, and the counter-sanctions are a point in case: according to WIFO estimates, the Russian sanctions are not very large in size but are nevertheless associated with 11,000 jobs. Any escalation of this conflict could have a devastating impact on Austrian exports to the region.

Fourth, the success of the stimulus packages and the 'Wohnbauoffensive' in particular is not assured. The details of the implementation will be crucial for their effectiveness. The package is already slightly delayed because of differences between stakeholders on how to organize and implement the financing scheme. As a consequence, most of the residential housing package will not visible before 2017.

Macroeconomic Key Indicators in Austria 2011 to 2017
annual%age change, real terms

	2012	2013	2014	2015	2016	2017	2018
GDP	0,8	0,3	0,4	0,7	1,4	1,5	1,6
Private consumption	0,6	0,1	0,0	0,4	1,3	1,4	1,3
Investment (GFCF)	1,3	-0,3	-0,2	0,4	1,5	1,8	2,0
Unemployment Rate	4,9	5,4	5,6	5,8	6,0	6,1	6,1
Inflation	2,4	2,0	1,7	1,1	1,7	1,7	1,8

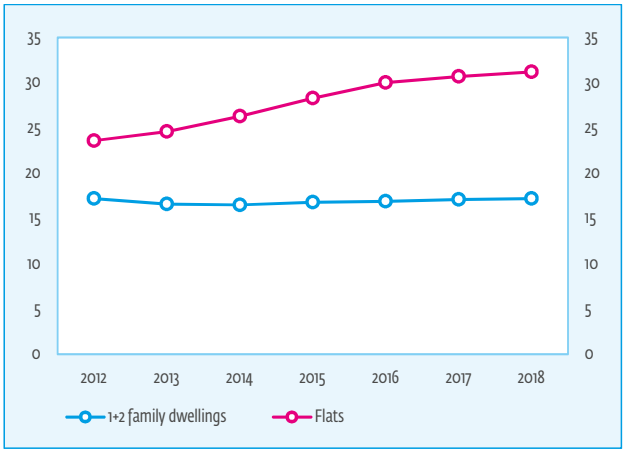
Source: EUROCONSTRUCT (80th Conference)
Statistics Austria, EUROSTAT Labor Force Survey, WIFO-forecasts.

3. Housing Market

While the Austrian economy is at least modestly growing, 2015 will be the third year of decline for the residential construction sector. After -1.5% in 2013 and -1.4% in 2014, the forecast of -0,2% in 2015 shows an improving trend, but the sector is stagnating nonetheless. What is striking compared to the 79th EUROCONSTRUCT report is the strong downward revision for 2014 (see the data appendix for details about the publication and revision calendar). This is partly due to the upward revision of 2013 but also a result of the weaker than forecasted second half of 2014. While the first half of 2014 exhibits clear growth contributions due to favourable weather conditions, residential construction activity soured dramatically during the third and fourth quarter. It is likely that the mild weather caused one-off effects with projects being pre-poned to spring and a resulting lack of activity later on during the year.

Given the substantial growth in 2011 and 2012 as well as the still high level of building permits, the current slump in the residential construction sector should be seen as a normalization to pre-crisis levels. The years 2015 and 2016 will be characterized by stagnation or low growth, whereas the already mentioned 'Wohnbauoffensive' (a residential construction stimulus package) should raise growth in the sector more clearly in 2017. More details on the package follow below.

Housing Completions from 2012 to 2018
in thousands



Source: EUROCONSTRUCT (80th Conference)

3.1 New Housing

Interest rates and financing conditions. As far as interest rates and the financing conditions are concerned, the current decline in the residential housing segment is surprising. The situation is largely unchanged since the 79th EUROCONSTRUCT conference in Warsaw: Banks can refinance through the ECB at rates as low as 0.05% per annum, depositing funds with the ECB even pays negative interest rates of 0.2%. Interest rates for mortgage loans have slightly increased during 2015, with loans of a duration between 5 to 10 years available at rates of 2.7% per annum. Despite this small increase, the rates still remain at very low levels by historical accounts and financing does not represent a relevant restriction to residential construction at the moment.

Housing permits. Residential construction activity measured by the number of housing permits would suggest a very vibrant environment. After the record years of 2013 and 2014, with more than 45,000 housing permits for new units annually, the available statistics for 2015 suggest a similar picture. Although there is some uncertainty when it comes to housing permit data in Austria – due to reporting issues by municipalities – projections based on the first two quarters of 2015 predict a figure only slightly below 50,000 units. Similar to the general trend since the late 2000s, housing permits for multi-storey-housing grow at a significantly faster pace than one-and-two family homes. Since 2005, housing units in multi-storey buildings have almost steadily increased from roughly 20,000 to more than 30,000 in 2014. This is related to the fact that housing demand is concentrated in urban and densely populated areas. Moreover, non-profit and social housing if focused almost exclusively on multi-storey units. The effects of the 'Wohnbauoffensive' will also affect housing permits, but again with more weight in the multi-storey sector, which is already at a historically high level. Put differently, the program will keep the number of permits at the level above 45,000 units rather than further increase its number.

Wohnbauoffensive. A major political project launched by the Austrian government in 2015 is the residential construction plan called 'Wohnbauoffensive'. The stimulus package officially starts January 2016 and has as its main goal the construction of 30,000 additional housing units until 2020. The total investment should amount to 5.75 billion Euro and the government expects an economic impulse of 0,4% additional growth per year. The financing design is chosen with particular attention to avoid additional government outlays that count for the calculation of Maastricht deficit and debt: a newly founded residential construction bank (WBIB), which is owned by private banks already active in housing finance, will be backed by a € 500 mn Euro liability of the Austrian government and receive grants from the European Investment Bank. This design not only ensures Maastricht 'neutrality' but the WBIB will also receive the highest credit ratings and therefore lowest refinancing cost. Although the financed projects are mainly residential construction it is also possible for applicants to seek financing for infrastructure related to the housing projects. As such, not only the residential construction sector but also traffic infrastructure or schooling and health facilities could eventually benefit. The final decisions on the scope of projects that could receive funding from the 'Wohnbauoffensive' are still subject to political debates.

Another open issue with respect to the impact of the package is how local and regional governments react to the additional funding available on the central governmental level. The codified package tries to avoid a crowding out of regional residential construction by co-financing requirements as well a regional demand forecasts. It is far from clear how much additional residential construction investment can be generated by the 5,75 billion that will be awarded through the WBIB.

Housing prices. Part of the motivation for the 'Wohnbauoffensive' stems from concerns over the affordability of housing in Austria. As already reported in previous EUROCONSTRUCT publications, housing prices as one indicator of housing

costs, have surged in recent years. More important than the overall increase, which was more pronounced in the years between 2010 and 2015 than in the pre-crisis years, is the divide between urban and rural areas. Considering the housing price index from the Austrian National Bank (OENB) separately for Vienna on the one hand and Austria without Vienna on the other illustrates the magnitude of the difference. Both indices start with a value of 100 in 2005. The index for Vienna grows by 37%-points until 2010 but then experiences almost exponential growth rates with the index reaching a value of 205 in January 2015. Although the trend is similar, the index for Austria without Vienna grows by modest 17%-points until 2010 and only slighty accelerates afterwards to exhibit a value of 144 in 2015. Although housing prices have seen slower growth in 2015, the uncertain economic environment has aided to the popularity of real estate as an interesting investment. Relatedly, some observers such as the OENB consider part of the housing price increase, specifically in Vienna and other urban areas, as overshooting and not backed by the fundamentals such as housing demand.

Demographic trends. Even without the additional population growth due to the current refugee movement, Austria grows considerably both in population as well as the number of households. Austria continues to be a very popular migration destination for people from Central and Eastern Europe, but also from Germany. Until 2025, (pre-refugee movement) population forecasts predict that Austria will cross the threshold of 9 mn by 2025. Somewhat similar to the evolution of housing prices, and possibly related, the demographic trend is largely a movement into urban and densely populated areas. In contrast, some regions with a remote location and a weak economic environment have to expect a decreasing population. With respect to the number of households, each of the nine Austrian provinces expects an increase. Decreasing household size coupled with more square meters per household continues to foster household growth and generate additional housing demand.

The projections of 85,000 refugees in 2015 could generate additional demand in the magnitude of 20,000 to 40,000 units for 2015 only. The final, realized demand will however depend on a number of factors, many of which are determined outside Austria such as the situation in Syria, the European Commissions success with a refugee redistribution scheme, and Germany's as well as other European countries' potential decision to close their borders.

3.2 Housing renovation

The segment of housing renovation is expected to grow by 0.6% in 2015 and therefore not only outperforms new residential construction but most likely also the Austrian economy. A combination of factors is responsible for this more stable performance of housing renovation, which is generally less volatile than new housing construction. Firstly, to achieve climate and energy targets and to improve energy efficiency, the Austrian government still invests and subsidizes according activity. On the federal level the thermal renovation package amounted to € 80 mn in 2015, but additional subsidies on state and even municipal level of similar size are available as well. Moreover, the Climate and Energy fund with a budget of € 120 mn in 2015 finances best-practice projects in related areas. Renovation activity by private households in order to achieve cost savings on energy and heating is, however, somewhat limited due to the low ownership rates in the housing market. Rent regulations do not easily allow for a sharing of investment costs between landlords and renters. Finally, increasing land prices and a lack of developable land for new residential construction in urban areas has generated a steady renovation trend. Particularly for rent-controlled buildings and flats, landlords can increase rents significantly depending on the quality of the unit.

For the coming years, renovation activity will grow, but at a slightly slower pace than new housing construction. Given the need for fiscal consolidation a number of public subsidies in the segment are expected to decrease already in 2016 and the following years.

4. Non-residential Market

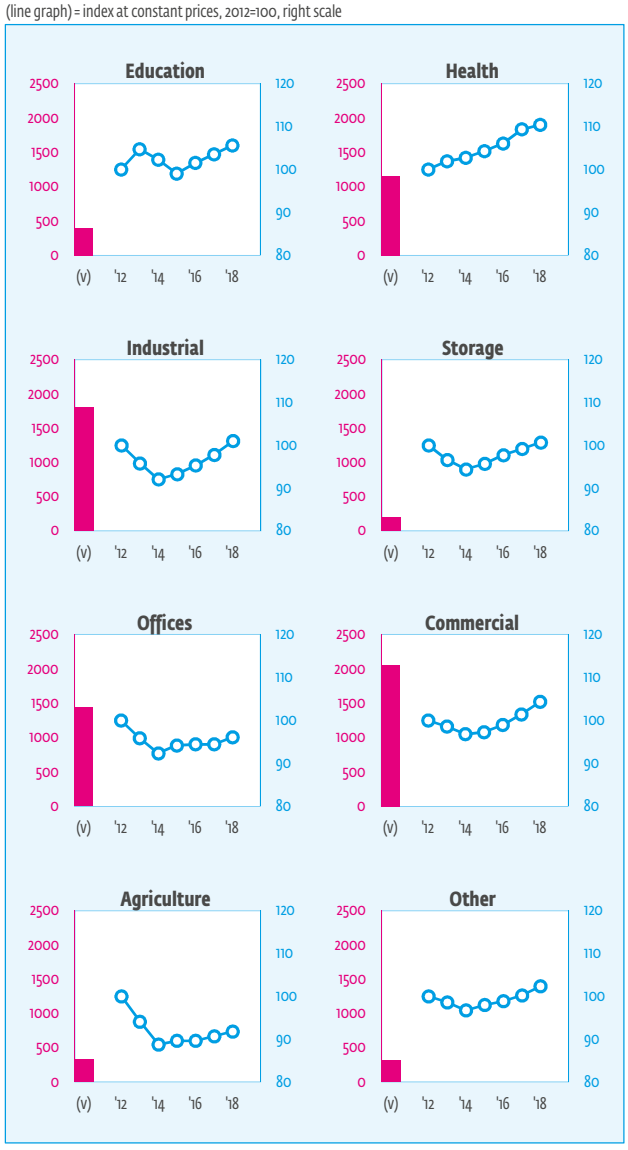
Austria's non-residential construction performed poorly in the recent past and additionally the latest available data led to a significant downward revision of this market. According to this information non-residential construction declined by 2.1% in 2014 (compared to the previous data from the 79th Warsaw Conference which suggested a decline by 0.5% for 2014). As already mentioned in the last report the economic performance worsened substantially in course of the year 2014 and it now turned out be stronger than expected. This significant decline towards the end of 2014 shows once more that non-residential construction is highly pro-cyclical in Austria and additionally much more sensitive to economic changes and sentiments compared to the other construction sectors. Companies are very cautious regarding building investments in uncertain economic periods which imply that a minor decline or even a weakness in growth can significantly reduce the output of non-residential construction to the negative. So, nearly all private sub-sectors in non-residential construction had to face a decline in 2014.

The forecasts for 2015 are slightly better. A minor increase by 0.9% in total output can be expected mainly because in an improvement of the industrial and office markets – the latter is driven by large single projects which shows that this growth does not reflect an overall improvement and it is limited very regionally.

Educational buildings. The forecasts in the area of educational buildings remain unchanged compared to the 79th EC-Warsaw conference. New building investments in the Austrian educational system amounted to about € 400 mn in 2015. The Austrian government initiated a public investment program in schools within the period 2008 to 2018 with a budget volume of € 1.66 bn. By the end of this period every third school site will be expanded, renovated or newly built. The governmental program led to a constant construction volume in the years 2011 and 2012. A temporary peak was recorded in 2013 which was driven by major university projects (mainly the Vienna University for Economics and Business Administration). A public investment program in child care facilities additionally supported the construction activities in that area. After the completion of the single projects construction output in the field of educational buildings the output declined significantly in 2014 by -2.3 and a further slightly stronger downturn is expected in 2015 (-3.2%). Investments plans suggest that from 2016 construction volume might increase by 2.5% and by 2.0% annually in 2017 and 2018. Nevertheless ongoing public constraints will be a limiting factor within the forecasting period.

Buildings for health. Health construction is on a very high level in Austria and similarly to educational construction the market is dominated by only a few projects. This creates a high uncertainty in forecasting because construction delays have major impacts on the outlook. The currently biggest health project is the so called 'Hospital North' in Vienna, with a project volume of about 1 bn. Euro and which is scheduled to be in full operation in at the earliest in 2017 (while it was originally scheduled for 2016). All in all growth in health building is expected to be less than 2% on average in the forecasting period 2015 to 2018 which is mainly pushed by the aging society and so by the increasing demand for nursing care facilities. It has to be considered that growth in health construction is limited in Austria since there is a very high coverage in the area of hospitals. The current OECD Report 'Health at a Glance 2015' 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 l stays in hospitals (70% above OECD average). Even with the currently given quiet optimistic outlook in that sector it shows clearly the limited growth of this sector from 2018 onwards. Nevertheless health care investments are still growing year by year from public and private bodies, but the importance of private investments got stronger over the past decades. While in 1990 the private sector took a share of about 25% it increased up to 40% in 2013 which is also responsible for the relatively positive outlook until 2018.

Non-residential: breakdown by subsectors
(v) = volume 2014, million €, left scale;
(line graph) = index at constant prices, 2012=100, right scale



Source: EUROCONSTRUCT (80th Conference)

Industrial construction. Investments in industrial construction require a sound economic basis which is still missing. Within the ongoing period of weak and uncertain growth replacement investments are rather made instead of investments into the building stock. This could be clearly seen in the recent past. Despite increasing exports (2014: +2.1%) which are essential for a growth in a small open economy building investments

still declined in 2014 and turned out to be much more negative than anticipated. Trade barriers towards Russia put additional pressure on the industry especially in the machinery sector. The economy was growing slightly in 2014 by 0.7% but again less than originally expected which also did not increase the trust in a period of economic upswing. In the end, this resulted into a significant decline in industrial building investments by 3.9% in 2014. The outlook for 2015 is more positive. The sentiment about the future development of entrepreneurs in the industrial business improved constantly in 2015 and also exports and GDP are forecasted to grow stronger compared to previous year. Also considering the current low level in investments a growth in industrial construction by 1.3% is expected for 2015 which is expected to grow further in line with the overall economic development.

Office construction. Office construction performed in 2014 similarly to the industrial sector. The sector declined by -3.7% and therefore also stronger than anticipated. The outlook for 2015 is improving with a growth rate above 1%. Office completions will reach a level of about 200,000 square meters according to Columbus Collier Real Estate by the end of 2015. This would be a rather high level compared with the recent past. The growth in office construction is less based on the more favourable economic performance – it is much more driven by large projects around the new main railway station like the 'Erste Bank Campus' (117,000 square meter) and the new service centre of the company 'Wiener Wohnen' (34,000 square meter) in the East of Vienna. These two projects alone amount to around 150,000 square meters (75% of total yearly production). This puts the high output into perspective in two ways: First, office construction will be driven in 2015 only by single projects. Secondly, from the real estate point of view, hardly no new office space was put on the market since most of the built space was made for the company's internal use. As a result the vacancy rate on the office market remains unchanged at a rate of 6.5% in the second quarter 2015 according to CBRE real estate and within the forecasting period a minor decline in vacancy can be expected. The main real estate companies state independently that prime rents are also stable at around € 26.0 per square meter in Vienna with average rents of € 15.0 per square meter (CBRE, Columbus Collier, EHL).

In the years 2016 to 2018 no major impulses are expected. Several office buildings mainly in the area of the new main railway station are in the pipeline and therefore it is expected that the office construction volume can be held within the next years until 2018.

Commercial construction. New commercial construction is still determined by the strong competition which indicates saturation in some areas. This explains why the market worsened in 2014 even if some relevant macroeconomic indicators like private consumption slightly improved (+0.8%). Nevertheless private consumption remains at a low level and unemployment is steadily increasing. While previous forecasts suggested to reach a peak in unemployment in 2016 current calculations show a further increase until the end of 2018. This is mainly a result of the significant increase in labour supple due to migration. Additionally legal regulations which should hinder the broad construction of green field shopping centres in some federal states are another limiting factor. Collectively, new commercial construction declined by 1.8% in 2014. The lower level in 2014 than previously anticipated will lead to a minor growth in commercial construction in 2015 (+0.5%) which will further increase in course of the improvement of the economic framework 2018 (+2.9%).

But there are several downside risks in commercial construction. On the one hand the positive effects of the 2015 tax reform which will increase the purchasing capability of private households are expected to be marginal. Further pressure stems from online trade. The volume of online traded goods increased by over 10% annually in the past five years and is expected to be around 6 bn. Euro in 2014 (KMU Research Austria). This additionally dampens the outlook in new commercial construction.

All in all non-residential construction will slightly increase by 1.3% in 2016 up to 2.2% in 2018 which will be mainly pushed by industrial construction.

5. Civil Engineering Market

Austria's civil engineering market achieved a growth of 1.5% in 2014 which mainly resulted from investments in the transport sector. In 2015 a further increase in transport infrastructure investments is expected which can also outweigh the decline in energy and waterworks sectors. Total non-residential construction is therefore forecasted to stagnate in 2015.

In general, the civil engineering market is currently positively influenced by the following factors:

- Maastricht relevant deficit improved in two different ways:
  - a) The deficit declined from – 2.7% of GDP in 2014 to – 1.9% in 2015 and it is expected to be kept at this level also in 2016
  - b) The deficit also improved in 2015 compared to the last published WIFO spring forecasts where it was expected at -2.2% of GDP.

- Investments in the highway network will be intensified until 2017 driven by the sound financial basis of ASFINAG (Austria's highway financing company).
- The new framework plan for railway infrastructure 2016 to 2025 is budgeted with a higher volume than in previous years. This emphasizes the prioritization of railway infrastructure.
- Investments in broadband are highly supported by the public and could so generate stronger growth in telecommunication in 2015. This mainly depends on the decision of the EU if the public grants will be allowed. It has to be considered that investment volumes are comparatively small in relation to the traffic infrastructure so they hardly influence total civil engineering.
- The labour and economic stimulus measures meeting in autumn 2015 decided to invest and speed up the extension of the electricity network within the next three years. Additionally an economic upswing along with higher energy prices could push investments in the energy sector more than currently forecasted.

On the other hand growth in civil engineering is limited by several factors:

- Pressure results from the 2015 tax reform which should relieve especially the tax burden of lower income employees to stimulate private consumption. Therefore the government had to cut 1.1 bn Euro in the area of administration and financial supports. At the moment it is not clear how this will affect public investments in infrastructure but the goal to reduce the Maastricht deficit might also lead to a revision of the national infrastructure plan in the near future.
- The financial framework 2016 to 2019 – which was announced mid-April 2015 – is designed to achieve a general government deficit of 0.5% by the end of 2019. This can only be achieved by further cuts in public expenditure and will therefore also limit the expenditures.
- There is still an ongoing uncertainty on the public budget which arises from the insolvent 'Hype Alpe Adria Bank". Debt repayment was stopped until May 2016 (Heta moratorium). This could cause further law suits and above that the total amount of losses is currently not clear. The public financial involvement could therefore be higher in future than currently budgeted.
- Road and rail tunnel projects take a significant share within the Austrian civil engineering sector. Budgetary constraints could cause delays of big traffic infrastructure projects which would significantly reduce or shift the output in civil engineering towards 2020.

Transport Infrastructure. Civil engineering is mainly driven by investments in traffic infrastructure in the forecasting period 2015 to 2018. The previous forecasts from the 79 EC-Warsaw conferences for 2015 meets the current development and therefore they remain unchanged in the area of road and railway investments. The recent forecasts slightly improved for the year 2016 mainly because of higher projected investments in road infrastructure. On the other hand the outlook for total traffic infrastructure was revised slightly downwards for the year 2017. The newly published investment cycle in the area of road and railway suggests a smaller growth in 2017. Another dampening factor (which will already have an impact in 2016) arises in the area of other transport infrastructure which covers mainly investments in airports, inland waterways and metro network. Especially regional airports are under pressure and investments are at a low level and further declining. On the other hand the planned investments in the Vienna metro lines (expansion of U2 and new construction of U5) would stimulate that subsector. These investments are currently not considered in the forecasts since investment plans are missing.

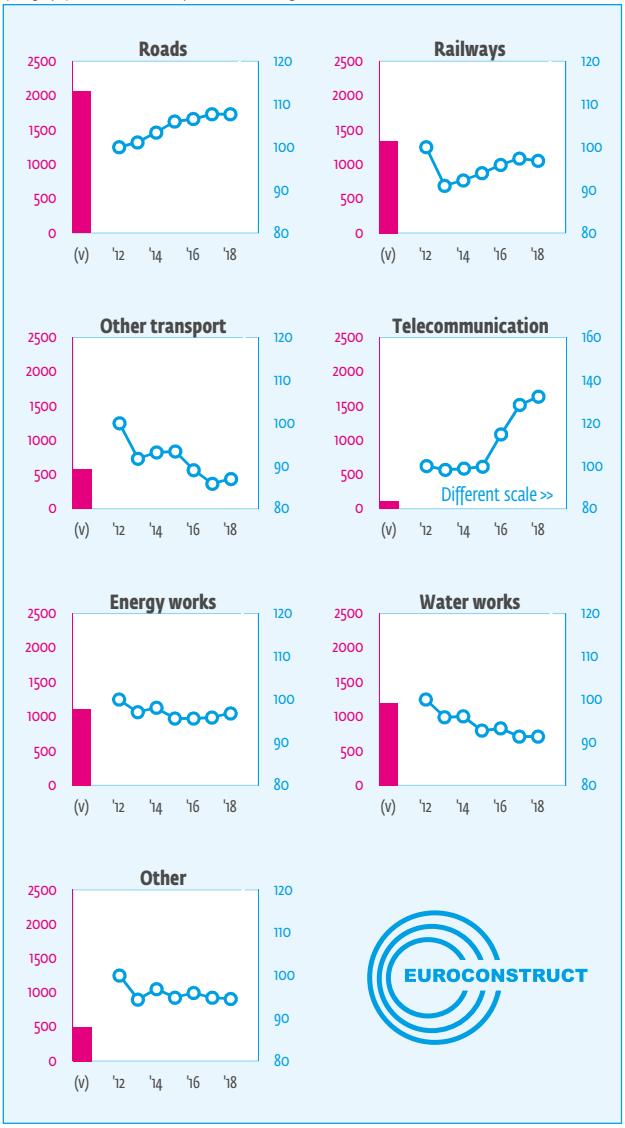
Road. In 2014 about € 2 bn were invested in the expansion and renovation of the Austrian road infrastructure network. The largest share takes ASFINAG (Austria's highway financing company) which spent around € 900 mn in the extension of the high-way network. Road traffic is continuously increasing in Austria. Heavy good vehicle kilometrage on highways rose by 2.8% significantly in 2014. This is remarkable taken the weak economic performance into account. Passenger vehicle kilometrage increased even by 4.7%. This led to a significant increase in toll-revenues which amounted to € 1.8 bn in 2014 which is reflecting an 8.1% growth compared to the previous year. This disproportionately high increase also resulted from the specific settlement system which is based on a two year account period. Both factors together generated an annual surplus of € 519 mn (+24%).
The sound financial basis of ASFINAG enables a further increase in investments to a volume of about € 1 bn in 2015. Major projects finalized are the S 10 'Mühlviertler highway' and the Bosruck tunnel. Important projects in progress are the A 5 'Northern highway' and the A 26 'Linz area highway' and the S 7 Fürstenfeld freeway.

In the period 2015 to 2020 a volume of about € 7 bn for the high-level road network is budgeted. The strongest increases in volume will be in the years 2016 and 2017 according to the current plans while in 2018 investments are expected to stagnate at a relatively high level.

Overall investments are expected to increase slightly in 2016 by 0.5% and by 1.1% in 2017 taking also the federal and municipal road network under

consideration. For 2018 investment plans suggest a stagnation on the relatively high 2017 levels.

Civil engineering: breakdown by subsectors
(v) = volume 2014, million €, left scale;
(line graph) = index at constant prices, 2012=100, right scale



Source: EUROCONSTRUCT (80th Conference)

Railway. Investments in the extension and renovation of the railway infrastructure network are forecasted to increase by 1.8% in 2015. Further growth can be expected in the near future. On 14 October 2015 the council of ministers agreed on the railway infrastructure framework plan 2016-2025. Within that period an investment volume of € 14.6 bn is budgeted which includes also railway station renovations (non-residential construction) and infrastructure investments which are not construction relevant. It turns out that the budget of the recent rail infrastructure plan is 10% higher in nominal terms compared to the previous plan 2014 -2019 with a volume of € 13.2bn. This can be seen as a commitment to the expansion and further modernization of the railway network. The Austrian railway system represents a main component to handle the increasing growth in transport in an efficient and ecological way. This is clearly reflected by the public framework plan.
European passenger and transport statistics confirms the importance of the railway sector. It can be derived by the modal split figures. The share of transported rail passenger was in 2014 highest among the EU Member states in Austria (12.7%).

Freight transport on the other hand performed comparatively weak. Domestic freight transport by rail measured in tonne-kilometres is well below the 2010 levels and only increased marginally in 2014 (+1.8%). Only the strong transit sector which increased by one third in total in the past 4 years could outbalance the losses of the export and domestic rail traffic leading into an overall stagnation since 2010.

Waterways. The European Commission developed the co called Europe 2020 strategy for a smart, sustainable and inclusive growth which also targeted inland navigation since they are safe, relatively eco-friendly and there are free capacities. Nevertheless this has for Austria recently hardly no effects on the construction industry. The economic environment for inland waterways is still very unfavourable and therefore transported volume on the Danube declined by around 1% in 2013 and by 6% in 2016 which limits investments. One of the main reasons is the poor economic development of the Central Eastern European countries. But there is also a structural problem since the cargo volume did not increase over the past 15 years. In 2013 the Austrian ministry developed an update of the action plan for the Danube until 2022. For the first time ecological targets were introduced in line with flood protection.

Nevertheless it is not expected that impulses for civil engineering will arise from this area. Examples from Eastern Germany (Magdeburg, Elbe, Havel-Oder-Kanal) showed that investments in waterways do not necessarily lead to an increase in cargo (and so higher revenues on the waterways). The success of investments mainly depends on the economic development. Therefore a significant recovery of the South-Eastern European countries would be a precondition for further investments in the Danube waterways which cannot be derived since also the black sea area is currently economically under pressure.

All in all traffic infrastructure investments will further increase until 2017 at a minor rate and at a relatively high level leading a stagnation in 2018.

Telecommunication. The economic and political conditions which might influence the telecommunication market did not chance since the last forecasts in spring. As previously mentioned investments in telecommunication were low in the recent past. The market consolidated with the 2012

fusion of Orange Austria and Hutchison 3 Austria which led to lower investments and higher prices. This trend intensified in 2013 due to the auction of the LTE frequencies which surprisingly generated record auction proceeds of 2 bn Euro. This limited investment possibilities of the market players further. A new telecom provider entered the market in 2015 successfully and additional companies will follow during the year which will increase competition again.

The expected investments in telecommunication – mainly into the LTE network and fibre glass network extension – remain unchanged with a minor increase by 0.5% in 2015. A more significant growth is forecasted from 2016 onwards. The infrastructure ministry will contribute € 1 bn to the expansion of the fast broadband internet (100 Mbit/sec) until 2020. A precondition is that the existing infrastructure must be used (and should not be overbuilt), additionally the federal government has the pre-emptive rights which should hinder municipalities to sell the public financed network to private companies. Additional public funding is proved by the EU and it is expected that financial support granted by the second half of 2015 will lead to stronger telecommunication investments mainly in 2016 and 2017 while growth will level in 2018.

Energy. Austrias' electricity companies invest over 1 bn Euro in new and maintenance investments annually. The economic framework and low energy prices are still hindering issues for investments. Since 2011 energy prices (without taxes and levies) declined by 3.3% annually while they rose by 2.3% within the EU 28. Current average costs for electrical energy amount to 0.13 Euro per kilowatt hour (without taxes and levies) in the first semester 2015 according to EUROSTAT and so slightly less compared to the EU 28 average (0.14 Euro). Many projects, mainly in 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.
Nevertheless the expansion of hydro-power plants and further investments in renewable is necessary fulfill the climate targets. Additionally prioritized measures with a volume of € 700 mn over the next three years will be realized in the area of the electricity network extension. This was decided recently at the labor and economic stimulus measures meeting ('Arbeitsmarkt- und Konjunkturgipfel') of the Austrian government on 30 October 2015. Key element is an unbureaucratic streamlining of procedures to simplify the upgrade of the 220kV network to 380kV. These measures are 60% cheaper than new construction and they also speed the progress of new planned investments. These upgrades should be exempted from the environmental impact assessment if no negative impacts for the neighboring residents can be expected. This will be regulated in an amendment of the environmental impact assessment if necessary until mid-2016. All in all it is expected that the investment volume can be kept at the current level in 2016 and 2017. In 2018 a minor increase of 1% is likely mainly because of the public measures.

Water Works. Public subsidization guidelines for urban water management were set on 1 October 2015 and are entered into force with 1 January 2016. The subsidizations on the federal level have a volume of € 100 mn in 2016 and are expected to lead into investments of € 400 mn Euro. Drinking water supply will be subsidized between 10% and 25%, waste water projects between 10% and 40% of the eligible costs. The funding rate depends on the level of existing investments and the income situation of the municipality.

Investments in water works are expected to decline in 2015 by 3.4% which is slightly more than previously forecasted and which reflects mainly the tight budgetary situation of municipalities and the lack (missing necessity of major new investments). In general works investments are limited in Austria since nearly 95% of the households were connected to municipal sewage plants. New freshwater pipeline projects are declining. The length of new water pipelines shrank by around one quarter compared to 2010. This shows clearly that the need for new investments declined in the area of freshwater water works over the past years clearly. The largest volume take projects in waste water management which have a share of 64% on total water works. Additionally there is a significant increase of repair and modernization volume in water works which are expected to continuously rise up to 70% by 2020 from (2015: 52%).

The construction volume in water works is expected to slightly grow in 2016 (+0.5%), with a downward trend in 2017 (-1.2%)

Total civil engineering is expected to perform sideways in the forecasting period. Investments in road and railway in the area of traffic infrastructure and also the telecommunication market is expected to grow until 2017. But they can only outweigh the losses of the other sectors which results in a minor growth around 0.5% on average in the forecasting period until 2018.

APPENDIX – DEFINITIONS

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 2015 WIFO forecasts (forecasts for 2015 to 2018). 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 2015 forecasts based on ESA 2010 (correspondently also Tables 4a and 4b).

In general the main input stems from data on the quarterly nation accounts and the latest ÖPRODCOM production figures as well as short term statistics in industries and construction provided by Statistics Austria.

- The growth figures for 2014 changed significantly due to the publication of the previously preliminary national accounts figures. Statistics Austria publishes updated national accounts data for year t in the third quarter of year t+1. It mainly led to a downward revision of residential and non-residential construction.
- The downward revisions for 2014 also had an effect on the forecasted figures for 2015, which would typically increase due to the lower levels of the previous year. This was the case for non-residential construction, where the revision leads to higher 2015 growth rates. In case of residential construction, the downward revision of 2014 was not enough to outweigh the deterioration of business activity over the course of the year. New data from short term industry and construction statistics are below the initial forecasts.
- Apart from the standard national accounts revisions, the production figures now follow the ESA 2010 standard. Both absolute values and rate of changes are affected by the switch to ESA 2010.
- The ESA revision also had an impact on non-residential construction because railway infrastructure has been reclassified to building construction. Not only the level but also past growth rates are affected.
- Data for cement consumption is provided by the cement industry. While its level is remarkably stable over time, recent revisions for the past years have led to seemingly large rates of change.

Table 3

- Permits, starts and completions refer to new dwellings in new residential buildings.
- Permitted dwellings until 2014 are based on the official figures (October 2015) 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 WIFO September 2015 forecast (forecasts for 2015 to 2018). 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
	2012	2013	2014	2015	2016	2017	2018
Population ('0000s) **Population** **Bevölkerung**	8 408	8 452	8 508	8 566	8 621	8 673	8 721
Households ('0000s) **Ménages** **Haushalte**	3 660	3 690	3 729	3 768	3 804	3 838	3 871
Unemployed ('000s) **Chômeurs** **Arbeitslose**	261	287	319	357	384	395	397
Unemployment rate (%) **Taux de chômage** **Arbeitslosenquote**	4.9	5.4	5.6	5.8	6.0	6.1	6.1
Change of GDP **Variation du PIB** **Veränderung des BIP** **(% change in real terms)**	0.8	0.3	0.4	0.7	1.4	1.5	1.6
Consumer prices (% change) **Prix à la consommation** **Verbraucherpreise**	2.4	2.0	1.7	1.1	1.7	1.7	1.8
Construction prices (% change) [1] **Prix de la construction** **Baupreise**	2.6	1.4	1.5	1.3	1.4	1.4	1.5
Short term interest rate [2] **Taux d' intérêt à court terme** **Kurzfristiger Zinssatz**	0.6	0.2	0.2	0.1	0.1	0.1	0.3
Long term interest rate [3] **Taux d' intérêt à long terme** **Langfristiger Zinssatz**	2.4	2.0	1.5	1.0	1.0	1.5	2.0

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
		2014	2012	2013	2014	2015	2016	2017	2018
Residential construction **Logement** **Wohnungsbau**	New	10 682	4.5	-1.7	-1.5	-0.5	1.0	1.6	1.5
	Renovation	4 747	2.5	-0.9	-1.1	0.6	0.9	1.0	0.5
	Total	**15 429**	**3.9**	**-1.5**	**-1.4**	**-0.2**	**1.0**	**1.4**	**1.2**
Non-residential construction **Bâtiments non résidentiels** **übriger Hochbau**	New	7 694	1.4	-2.1	-2.5	1.0	1.5	2.0	2.3
	Renovation	2 825	1.7	-1.8	-0.9	0.6	0.8	1.4	1.8
	Total	**10 519**	**1.5**	**-2.0**	**-2.1**	**0.9**	**1.3**	**1.8**	**2.2**
Building **Bâtiment** **Hochbau**	New	18 376	3.2	-1.9	-1.9	0.1	1.2	1.8	1.8
	Renovation	7 571	2.2	-1.2	-1.0	0.6	0.9	1.1	1.0
	Total	**25 947**	**2.9**	**-1.7**	**-1.7**	**0.3**	**1.1**	**1.6**	**1.6**
Civil engineering **Génie civil** **Tiefbau**	New	5 518	0.9	-4.2	1.7	0.2	0.9	0.6	0.1
	Renovation	1 380	1.4	-2.7	0.7	-0.8	-0.4	-1.4	0.6
	Total	**6 897**	**1.0**	**-3.9**	**1.5**	**-0.0**	**0.6**	**0.2**	**0.2**
TOTAL CONSTRUCTION OUTPUT		**32 845**	**2.5**	**-2.1**	**-1.0**	**0.2**	**1.0**	**1.3**	**1.3**

	2014				Est.	Forecasts		Outlook
	Volume mill. tons	2012	2013	2014	2015	2016	2017	2018
Domestic cement consumption **Consommation intérieure de ciment** **Inländischer Zementverbrauch**	4.40	0.7	-0.5	-2.0	0.0	0.5	0.7	1.6

Renovation covers repair and maintenance, refurbishment and reconstruction.
1) At 2014 prices, excluding taxes.

Country/Pays/Land: Austria — Table 3

RESIDENTIAL CONSTRUCTION
CONSTRUCTION DE LOGEMENTS
WOHNUNGSBAU

Thousands dwellings

				Est.	Forecast		Outlook
	2012	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Building permits **Logements autorisés** **Baugenehmigungen** — 1+2 family dwellings Individuels 1+2-Familienhäuser	15.8	16.4	17.1	17.1	17.4	17.3	17.1
Flats Collectifs Mehrfamilienhäuser	24.9	29.5	30.8	32.3	31.6	32.0	32.0
Total	**40.7**	**45.9**	**47.9**	**49.4**	**49.0**	**49.3**	**49.1**
Housing starts **Logements commencés** **Baubeginne** — 1+2 family dwellings Individuels 1+2-Familienhäuser	15.9	15.3	15.9	16.2	16.4	16.5	16.4
Flats Collectifs Mehrfamilienhäuser	25.0	25.8	28.6	29.9	30.4	30.2	30.4
Total	**40.9**	**41.1**	**44.5**	**46.1**	**46.8**	**46.7**	**46.8**
Housing completions **Logements terminés** **Baufertigstellungen** — 1+2 family dwellings Individuels 1+2-Familienhäuser	17.2	16.6	16.5	16.8	16.9	17.1	17.2
Flats Collectifs Mehrfamilienhäuser	23.6	24.6	26.3	28.3	30.0	30.7	31.2
Total	**40.8**	**41.2**	**42.8**	**45.1**	**46.9**	**47.8**	**48.4**
Housing stock **Logements existants** **Wohnungsbestand** — **Total**	**4 480**	**4 520**	**4 561**	**4 604**	**4 649**	**4 695**	**4 742**
thereof second homes dont résid. secondaires davon Zweitwohnungen	257	259	262	264	267	269	272
thereof vacancies dont inoccupés davon leerstehend	224	226	228	230	232	235	237
share of family dwellings (%) part des maisons individuelles Anteil 1+2-Familienhäuser	48.5	47.7	47.5	47.3	47.1	46.9	46.7
Home ownership rate [1] **Taux de propriétaires occupants** **Wohneigentumsquote**	55.8	56.3	56.5	56.3	56.1	55.9	55.9

1) Cf. Appendix to the individual country report.

AT

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)						
						Est.	Forecast		Outlook
	2014	2014	2012	2013	2014	2015	2016	2017	2018
Buildings for education **Bâtiments de l'éducation et de la recherche** **Gebäude des Bildungswesens**	404		0.5	4.7	-2.3	-3.2	2.5	2.0	2.0
Buildings for health **Bâtiments de santé** **Gebäude des Gesundheitswesens**	1 157		2.4	1.9	0.8	1.5	1.7	3.1	1.0
Industrial buildings **Bâtiments industriels** **Industriegebäude**	1 801		3.4	-4.2	-3.9	1.3	2.2	2.6	3.3
Storage buildings **Bâtiments de stockage** **Lagergebäude**	192		3.2	-3.4	-2.3	1.4	2.1	1.5	1.5
Office buildings **Bureaux** **Bürogebäude**	1 437		-0.1	-4.1	-3.7	2.0	0.3	0.0	1.7
Commercial buildings **Commerces** **Geschäftsgebäude**	2 061		0.4	-1.4	-1.8	0.5	1.7	2.5	2.9
Agricultural buildings **Bâtiments agricoles** **Landwirtschaftsgebäude**	331		3.0	-5.9	-5.7	1.0	0.0	1.2	1.2
Miscellaneous **Autres** **Sonstiges**	312		-0.4	-1.4	-1.9	1.3	0.9	1.4	2.1
TOTAL	**7 694**		**1.4**	**-2.1**	**-2.5**	**1.0**	**1.5**	**2.0**	**2.3**

1) At 2014 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
		2014	2012	2013	2014	2015	2016	2017	2018
Transport infrastructure **Infrastructures de transport** **Verkehrsinfrastruktur**	Roads Réseau routier Straßen	2 065	6.5	1.1	2.3	2.5	0.5	1.1	0.0
	Railways Voies ferrées Bahnanlagen	1 341	-2.5	-9.0	1.4	1.8	2.1	1.5	-0.5
	Other transport Autres réseaux Übrige Verkehrsinfrastruktur	578	3.7	-8.3	1.6	0.3	-4.7	-3.6	1.3
	Total	**3 984**	**2.7**	**-3.9**	**1.9**	**1.9**	**0.3**	**0.6**	**-0.0**
Telecommunications **Télécommunications** **Telekommunikation**		116	-2.1	-1.7	0.5	1.0	15.0	12.0	3.0
Energy works **Réseaux d'énergie** **Energieversorgung**		1 108	-2.4	-2.9	1.0	-2.5	0.0	0.2	1.0
Water works **Réseaux d'eau** **Wasserversorgung**		1 191	0.0	-4.1	0.2	-3.4	0.5	-2.0	0.0
Other **Autres** **Sonstiges**		499	-1.3	-5.6	2.6	-2.1	1.2	-1.2	-0.3
TOTAL		**6 897**	**1.0**	**-3.9**	**1.5**	**-0.0**	**0.6**	**0.2**	**0.2**

1) At 2014 prices, excluding taxes.

AT

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
	2014	2012	2013	2014	2015	2016	2017	2018
Private consumption[2] **Consommation privée** **Privater Verbrauch**	177.3	0.6	0.1	0.0	0.4	1.3	1.4	1.3
Public consumption **Consommation publique** **Staatsverbrauch**	65.6	0.2	0.6	0.8	0.8	0.5	1.1	0.8
Gross fixed capital formation **Formation brute de capital fixe** **Bruttoanlageinvestitionen**								
Total	73.6	1.3	-0.3	-0.2	0.4	1.5	1.8	2.0
of which construction	34.6	2.2	-2.2	-1.0	0.2	1.0	1.3	1.3
Stocks (contribution as % of GDP)[3] **Variations de stocks** **Vorratsveränderungen**	1.3	1.3	0.8	0.4	0.2	0.2	0.2	0.2
Exports **Exportations** **Exporte**	175.3	1.7	0.8	2.1	2.5	3.6	3.5	3.7
Imports **Importations** **Importe**	163.0	1.1	0.0	1.3	2.3	3.4	3.5	3.6
GDP **PIB** **BIP**	**329.3**	**0.8**	**0.3**	**0.4**	**0.7**	**1.4**	**1.5**	**1.6**

Standard National Accounts, gross figures.

1) At 2014 prices.

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

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

Notes


EUROCONSTRUCT