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

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**76th Euroconstruct Conference:
European Construction Market
Outlook until 2016 – New Housing
Construction Performs Well in 2013
Country Report Austria**

Andrea Kunnert, Michael Weingärtler

December 2013

76th Euroconstruct Conference: European Construction Market Outlook until 2016 – New Housing Construction Performs Well in 2013

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December 2013

Austrian Institute of Economic Research

Abstract

Austria shows more economic stability than the Euro Area. The construction market positively contributed to growth in recent years and will also grow moderately over the next years. Among the three construction sectors, Austria's housing market performed best in 2013. Performance will remain strong, yet decelerate over the next years. After a slump, non-residential construction output will improve in course of the economic upswing. The trend in civil engineering will depend to a large extent on public expenditures, which faces increased uncertainties in light of the new government formation. The Euroconstruct Country Report for Austria gives in-depth information on the Austrian construction market until 2016. It covers in detail the housing market, the non-residential sector and civil engineering (new and renovation, respectively). Additionally, essential background information and an overview of the macroeconomic situation are provided.

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

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The report has been edited and formatted by:

ÚRS Praha, a. s.
Pražská 18, 102 00
Prague, Czech Republic
www.urspraha.cz



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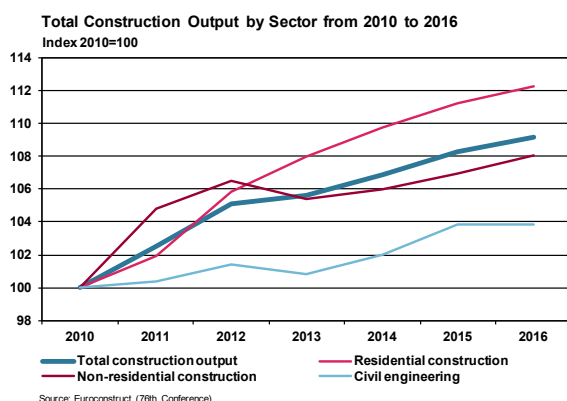
www.wifo.ac.at

Andrea Kunnert
andrea.kunnert@wifo.ac.at

Michael Weingärtler
michael.weingaertler@wifo.ac.at

1. Summary and Conclusions

The Austrian economy currently appears to be on a rather stable growth path compared to the Euro Area, though lacking any significant dynamics. In 2013, growth is expected to reach 0.4%. Because general elections were held in September 2013 and no new government was established yet, the macro-economic outlook and particularly the public sector are highly uncertain. The Austrian economy is expected to benefit (indirectly) from the improvements of the world markets and sentiment surveys suggest rising business confidence. Nevertheless, only a slow recovery for the upcoming years is expected, partially because of the structural problems in the Euro Area. Net exports and also investment activity will positively contribute to growth, while consumption activity will remain disappointing.



Construction has been a stabilizing factor in recent years and the outlook shows moderate growth also for the upcoming years. Again, the course of the future government is a major source of uncertainty for this sector, particularly for civil engineering but also for housing. Due to the current political situation it is yet unclear whether the effects of the stability pact until 2016 or the effects of the stimulus package partially targeted at the construction industry in June 2013 (mostly for 2014) will weigh more heavily. The economic stimulus package comprises measures (new and pre-poned) of up to 1.5 bn. Euro for three years (not all of it is certain at this stage, though), a major share is for the housing sector, flood protection and repair works after the flooding in spring are also relevant for the construction industry. In general, economic sentiment surveys that WIFO conducts among construction firms indicate that they also currently feel the economic slump, but that their order books are adequately filled. Construction prices currently rise only moderately at below 2.5%. While construction employment is slightly rising, unemployment in construction is currently soaring.

Housing policy and new housing construction are currently high on the political agenda. Additionally, the low interest environment, rising house prices and demographic trends favor new housing production. New housing production is therefore expected to be very dynamic throughout the forecast period. Nevertheless, a slow-down is expected as economic stimulus measures will expire and interest rates could rise again with the improving economy. Renovation activity will remain high and grow further, government subsidies will be available at least until 2014. Even though these measures have been in place since 2009 now, Austrian households are still eager to renovate and the 2013 budget has already been used up by the end of September. One particular reason for this could be the extension of these means for households having been affected by the floods in spring 2013. Because housing subsidy and the public sector play a large role for new construction and renovation activities, these forecasts have to be considered with particular care – since the standpoints and course of the newly elected government on housing policy is not clear yet, uncertainty of these forecasts is high.

The slowdown of Austria's economy puts pressure on the non-residential sector in 2013, which leads to a decline by 1.7% in new buildings. Office and industrial construction were affected most by this trend. In 2014 the economy is expected to recover, stimulated by the export-oriented industries. This supports total non-residential construction, which is expected to grow by 0.5%. Based on the expected slow yet steady overall recovery and the expectation of stable yields and low vacancy rates, non-residential construction will increase by around 1% in the years 2015 and 2016. In the second half of 2013 and also in 2014, non-residential renovation benefits from measures in the economic stimulus package for repair works after the floods in spring 2013.

In 2012 the public debt crisis caused a decline in traffic infrastructure investments (-0.2%) This could be fully compensated by the positive development in the area of energy and water works which led to a growth by 0.4% in total civil engineering. In 2013 the situation worsened. Total civil engineering declined by 0.6% mainly because of the unfavorable economic development and lower public involvement as a result of the Stability Pact 2012. Public traffic infrastructure programs were re-evaluation and infrastructure expenses cut. New rail construction was hit most (-4.3%). The Outlook 2014-2016 will mainly depend on the progress of the major infrastructure projects. An average growth of about 1.3% per annum can be derived for the forecast period in total civil engineering. The uncertain new public budget after the 2013 elections which is currently negotiated inherits a reasonable downward risk in the forecasts.

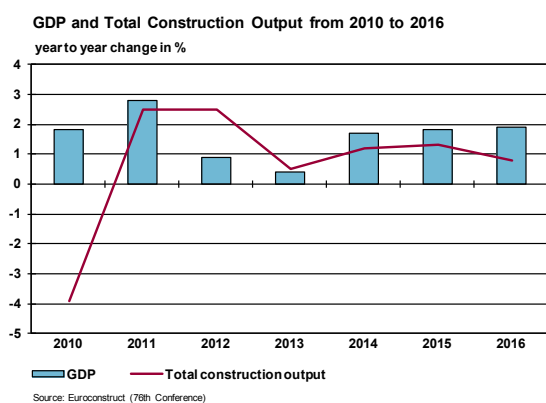
2. Macro-economic Outlook

Austria on the verge of a steady but slow upswing

The weak development of the emerging markets and the recession in the Euro Area significantly weakened economic growth in Austria. Towards yearend 2012 growth rates decelerated noticeably and the Austrian economy

even minimally declined. At the beginning of the year 2013 Austria's economy stabilized without showing any growth. Overall economic growth in 2012 was 0.9%. After a significant slowdown in 2013 to 0.4%, it is expected to accelerate to 1.7% in 2014. Particularly the sentiment surveys conducted by WIFO in August and September 2013

indicate increasing levels of confidence; and the world market picks up momentum again. Nevertheless, due to the structural problems in the Euro Area, which also affect Austria, the recovery will not be as dynamic as usual. Therefore, the medium-term outlook is rather modest, as well: external and domestic demand are assumed to remain rather weak for the years ahead dampening growth prospects. Given the elections in September 2013 and the expectations of a new government in the near future, the role of the public sector for economic growth is especially uncertain.



Particularly consumption growth is and will be disappointing. In the first semester of 2013, consumption shrank by 1.3%. It will rebound in the second half of 2013 leading to zero overall growth. The positive effects of slight population and employment growth are balanced by adverse effects of minimal disposable income growth and of the lack of demand for durable consumption goods, particularly motor vehicles. It is noteworthy that the increase in employment – due to the expansion of labor supply – is accompanied by an increase in unemployment. In August 2013, consumer confidence strengthened and inflation will remain moderate also in 2014 (+2.0 %). This implies that consumption is expected to grow by 0.9% in 2014. Similar growth rates will be achieved in the medium term as well. Because wealth income is expected to rise again by 2014, an increase in the savings rate is simultaneously expected.

3. Housing Market

Housing growth was the driving sector of the construction industry in recent years and this trend will continue over the forecast period. Growth was particularly high in 2012 (+3.9%) reflecting the spike in new housing building permits in 2011. Growth will decelerate over the next years, yet it will remain positive and more dynamic than the total construction sector. By 2016, a moderate 1% growth rate is anticipated. Given various trends and the spark in renovation activities in recent years, new construction will perform more dynamically than renovation.

The anticipated strong development of housing activity is a noticeable revision compared to previous forecasts made for the 75th EUROCONSTRUCT conference in Copenhagen in June 2013. The main reason is the improvement in the development of building permits. While the outlook for building permits had been quite dim in June,

Investment activity declines by 1.4% in 2013, with major differences between investment in machinery and equipment (-3.5%) and construction investment (+0.5 %). The former was affected by a major cutback in investment for machinery and motor vehicles in the first half of 2013. Due to the strong housing investment activity, construction stabilizes total fixed capital formation in 2013. The improving business sentiment indicators and the backlog of replacement investments should spur investment activity from 2014 onwards, when growth rates for gross domestic fixed capital formation of approximately 3% annually are expected. Nevertheless, the acceleration of growth will be somewhat slower than in a typical business cycle, as firms might be more reluctant to engage in larger-scale investments after the intensive up and downs of the economy in recent years.

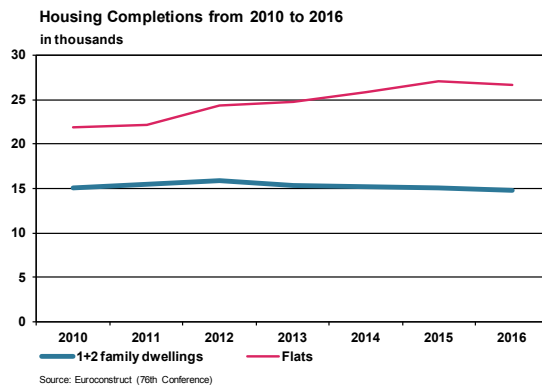
The sluggish consumption and investment activity in 2013 takes a toll on import activity, which merely rises by 0.7%. Export activity, in contrast, remains rather strong with a growth rate of 2.7%. Despite the relatively low growth rates compared to previous years, this is an important driver of overall growth. Additionally, the strong export activity also supports stable growth rates in industrial production. In the upcoming years, as the world market improves and the Euro Area stabilizes, export and import activity will be more dynamic again.

Austria held elections on 29th of September 2013. Because the new government needs yet to be formed the future of public spending is surrounded by a high uncertainty at the moment. The continuation of budget consolidation framed by the stability pact (*Konsolidierungspaket 2012-2016*) appears likely. According to this plan, by 2016, the budget deficit should reach 0%. The pact is a combination of spending cuts and tax increases. Next to uncertainties about tax flows and flows due to the bilateral tax agreements with Switzerland and Liechtenstein, some further risks remain with respect to spending activities for financial market stability (*Hypo Alpe-Adria-Bank AG*). Additionally, a stimulus package was agreed upon in June 2013, which will mostly free funds in 2014. It mainly targets the construction (housing, public buildings) sector, child and elderly care and flood protection. Nevertheless, it is yet very unclear how the new government will conduct its budget and consolidation policy over the next term.

it significantly improved for several reasons: a) economic indicators as driving factors for building activity improved, b) an economic stimulus program was decided by the government in late June, which will drive up permits in 2013 and 2014, c) the level of permits in the first half of 2013 was exceptionally high and d) past data was revised upwards suggesting an improvement in data collection methods also for the future.

After the temporary slump in building permits in 2012, permits soared in the first half of 2013. No information is available so far about the share of subsidized buildings in 2013. In general, given the cutbacks in new housing subsidies in recent years due to abandoning the

Zweckzuschussgesetz^[1] a continuation of this trend could be expected. However, other publicly supported schemes were developed alternatively. One example was the call by the city of Vienna taking advantage of the low interest rates. It was mostly targeted for new housing in the Seestadt Aspern, a new district development – also an area where particularly many building permits were issued in the first half year of 2013. Furthermore, the economic stimulus package from June 2013 also shows that housing policy and new housing construction is high on the political agenda. Yet again, it is unclear if the topic remains as relevant after the elections were held and for the new government – again, this makes these forecasts more uncertain.



Generally speaking, the Austrian housing sector is currently mainly affected by the following components of housing policy, house price developments and demographic trends:

Housing policy is currently high on the political agenda. This includes discussions on building laws (e.g. balconies, fire safety regulations, overregulation, etc.) as well as building land availability and zoning (a special zoning for subsidized housing is considered). Furthermore, dynamic rent increases also sparked the discussion for adaptations of the complex rental and housing laws in Austria.

The importance of housing in the pre-election period is also shown by the large share of the economic stimulus package from June 2013 that is targeted to the housing sector. In 2014, the federal states can take advantage of a one-time grant of up to 276 million Euro for new housing

[1] The Zweckzuschussgesetz was a law that regulated that a certain amount of the budget of the federal states had to be mostly used for housing subsidies (new construction, renovation, rent allowances).

construction. In order to qualify, a federal state needs to exceed the average expenditures on and the average number of subsidized houses between 2006 and 2011. Additionally, 10% of multi-family housing needs to be barrier-free. Additional changes affect the non-profit housing sector and housing renovation activities (the extension of the economic stimulus bonus to September 2013 (instead of June 2013) and the validity to apply for renovation subsidies for renovation works after flood damages).

Concerning renovation activities, the subsidy of 100 million Euro per year (70 of which for housing) for thermal renovation on the federal level still can be expected to be continued until 2014. The target of this year's program is multi-family housing. A bonus for applications before June 30th to stimulate construction activity was extended until year-end (for households affected by flooding). By the end of September all means were applied for and no new applications are accepted (with the exception of households facing damages due to the floods in spring). Also in 2009 and 2011 the entire budget was utilized, for 2012 the results are still not available. The number of households applying for a subsidy for thermal renovation increased from 13.500 in 2009 to 15.800 in 2011, the current count for 2012 is 12.400. 97% of all thermal renovation projects are in the housing sector (the rest are non-residential). Additionally, multiple programs for renovation subsidies exist on the level of federal states and even at the municipal level.

House prices are very dynamic at the moment and suggest a lack of supply in some (urban) regions. Strong population growth and relatively low building activity in recent decades in Vienna partially explain the dynamic price increases (in some quarters, prices increased by up to 20% y-o-y). Most capital cities of federal states show similar trends. Additionally, prices rise because housing is still considered a stable and secure form of investment compared to financial assets. Interestingly, despite the low interest rates – mortgage rates further decreased in 2013 and stood at 2.41 in August – house purchases do not seem to be mostly credit funded as the volume of loans only marginally increased year-on-year.

Demographic trends positively affect new housing construction, particularly the dynamic population and household growth and the growth of urban areas. Migration to cities is external and from within Austria. The age distribution is also favorable as the cohort of 20-30 year olds is relatively large and ready to form their own household.

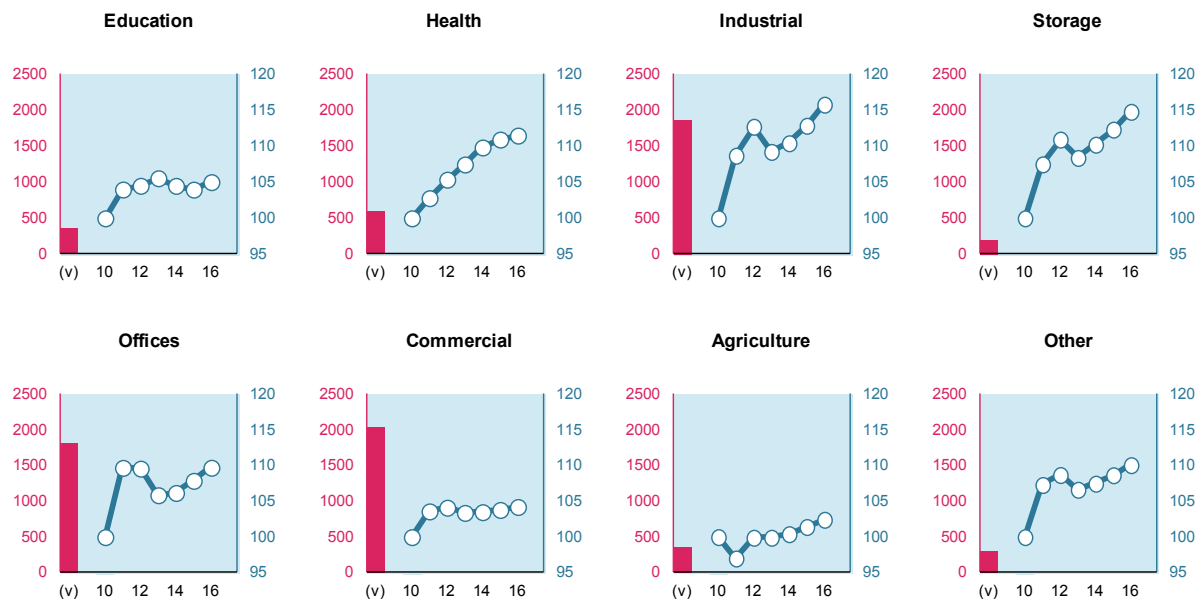
4. Non-residential Market

Overall trends: The Austrian non-residential market is strongly influenced by the overall economy, which recovered after the financial crisis for the first time in 2010. The average utilization of the industry was weak and major investments were postponed as a result of the still insecure economic framework. Therefore non-residential construction could not benefit from the improving economic environment and declined severely (-5.7%). In the following year **2011** the Austrian economy grew stronger (+2.8%) and well above the EU-17 average (+1.5%). A main driver was the export-oriented industry (export growth 2011: +11.3%). Non-residential construction could benefit from

this trend to a high degree which led to an output growth of 4.8%. In **2012** the steep growth dynamics were stopped by the European public debt crisis, which also put pressure on the Austrian development. In contrast to many other European countries Austrian GDP still grew by 0.9%, while the Euro Area recorded a decline of 0.4%. Growth was mainly supported by investment in capital goods (+2.1%) and in construction (non-residential buildings: +1.6%). In **2013** Austria's economic performance slowed down significantly to a growth rate of 0.4%. The structural problems in the Euro Area (public deficits and debts) did not leave the Austrian economy unaffected. In addition,

Non-residential: breakdown by subsectors

(v) = volume 2012, million €, left scale; (line graph) = index at constant prices, 2010, right scale



Source: Euroconstruct (76th Conference)

this was paired with a slight rise in the unemployment rate (2013: 5.1%) and a decline in non-residential construction by 1.1%. New industrial and office construction were affected most by this development. In 2014 Austria's outlook is a bit more favorable. An export growth of 6.6% is expected in course of improving world trade. This will help to stimulate non-residential construction, which is expected to expand by 0.5%. Further minor improvements of this construction sector are expected for 2015 (+0.9%) and 2016 (+1.1%) in course of the stabilization of the economic environment.

Construction of buildings for health and education: In Austria over 30 billion Euro per year are spent on health care. Expenses are growing significantly over the last years (the nominal annual average of between 1990 and 2011 is 5.1%). The investment volume (construction and infrastructure) amounted to 1.7 billion Euro in 2011, of which 70% are spent by the public sector (Statistics Austria). Around 280 hospitals are in operation, half of them are non-profit organizations. One of the current big construction projects is the Vienna Hospital North with a project volume of 825 million Euro which will be completed in 2015/16. Demographics (particularly population growth and ageing) will be main market drivers within the next years. New health constructions will therefore grow by around 2% in 2013, reaching its highest growth rate in 2014 (+2.2%).

The economic stimulus package also set aside a budget for care facilities (approximately 100 million Euro) of the municipalities and targets the expansion of child care, both measures could positively stimulate/pre-pone new construction in the short-term. Additionally, BIG (Federal Real Estate Company) will pre-pone some renovation activities, which also affect buildings for education (but also other buildings utilized by the public).

Industrial construction: Equipment investments drops significantly (-3.5%) in 2013. Besides a sharp decline in investments in machines, also the car industry recorded strong downturns. All this led to a significant cut in industrial construction by 3.1% in 2013. The outlook for 2014

is more favorable in course of the expected economic upswing. The production of goods is expected to grow stronger than the overall economy. This stabilizes new industrial construction, which is expected to increase by 1.1% in 2014 and 2.2% in 2015. Assuming a further improvement in international trade, new industrial construction growth is expected to be about 2.6% in 2016. The current elections and the uncertainty about the future public finances come with a downward risk for the outlook from 2014 to 2016. The effects cannot be evaluated before the new public budget is decided. This is not to be expected before January 2014.

Office construction: The market for new offices is still facing an unstable development because of the sluggish overall economic development. As in previous years only high quality buildings with a high pre-letting rate will be realized. This implies several postponed projects. One of the postponed projects – the Vienna DC-Tower – was finished in fall 2013. With its 250m elevation it belongs currently to the ten highest buildings in Europe and it provides around 25% of the new office space in Austria's capital city Vienna. Additionally, the creation of new office space reached its peak in the city center of Vienna, mainly because of high quality renovations. These factors led to a decline in office construction by 3.4% in 2013. Nevertheless, the Austrian office market is very stable compared to other European cities. Vacation rates are low and amount to only about 7%. New office construction is therefore expected to increase throughout the forecast period 2015-2016 by more than 1.5%.

Commercial construction: New commercial construction suffers mainly from the weak development of private consumption. Expenses for consumer durables, which are sensitive to cyclical fluctuations, dropped by 5%. Private consumption stagnates in 2013, which puts pressure on imports and less on domestic production. The development of salaries also adversely affects the commercial market. Salaries per inhabitant continued to decline by 0.2% in real terms in 2013, this was less than in the previous three years (more than -1%). Also the savings rate is expected to increase slightly.

The demand for high quality stores in top locations (similar to the office sector) is nevertheless high. One of the most prestigious projects is the "Golden Quarter" (project volume 500 million Euro). When it will be finished in spring 2014, Vienna will belong to the top 10 most expensive shopping destinations worldwide with rents of about 390 Euro/m². The two buildings located in the first district in Vienna will be rented by Louis Vitton, Prada, Armani, Brioni, Etro, Valentina among others and should help to create a new image of Vienna as an attractive shopping destination.

This is also a reaction to changing trends in city tourism: People stay shorter and they prefer higher class hotels. Cumulative growth of nights spent in Vienna increased by 10%, while the nights spent in 4 and 5 star hotels nearly increased by 25%.

All in all, the commercial sector in Austria is stable, but the stagnating private consumption puts pressure on the commercial construction. The competition among shopping centers is high, even in good locations. A good mix of shops is essential for sustenance. Commercial construction is therefore expected to decline slightly by 0.7% in 2013. In the forecasting period 2014-2016 the average growth rate is expected to be approximately 0.3%.

While new non-residential construction recorded a decline in 2013 non-residential renovation and modernization grew slightly by 0.7%. The renovation market was supported by federal subsidies for thermal renovation with a volume of 30 bn. Euro. These were also taken out completely until September 2013. In the forecast period 2014-16 a slighter growth by 0.2% can be expected.

5. Civil Engineering Market

Structure and overall trends: The Austrian civil engineering market (2012: 6.8 billion Euro) is determined to a large extent by transport infrastructure, which accounts for 60% of total output. Austrian civil engineering continuously grew in the period from 1998 until 2008 – mainly due to public infrastructure expenditures. The financial and economic crises in combination with the completion of major transport infrastructure projects led to a significant decline in total civil engineering in 2009 and **2010** (-9.6%). Public economic stimulus programs were channeled into the extension of the railway infrastructure (2009-2012: 700 million Euro) and prevented a stronger fall of investments. Already by **2011**, civil engineering recorded slight growth rates (+0.4%) again, as it could benefit from the comparatively fast economic upswing.

In **2012** the overall economic slowdown as a consequence of the European public debt crisis and precautions by the Austrian government to cut debt levels caused a decline in new traffic infrastructure investments (-0.5%). The

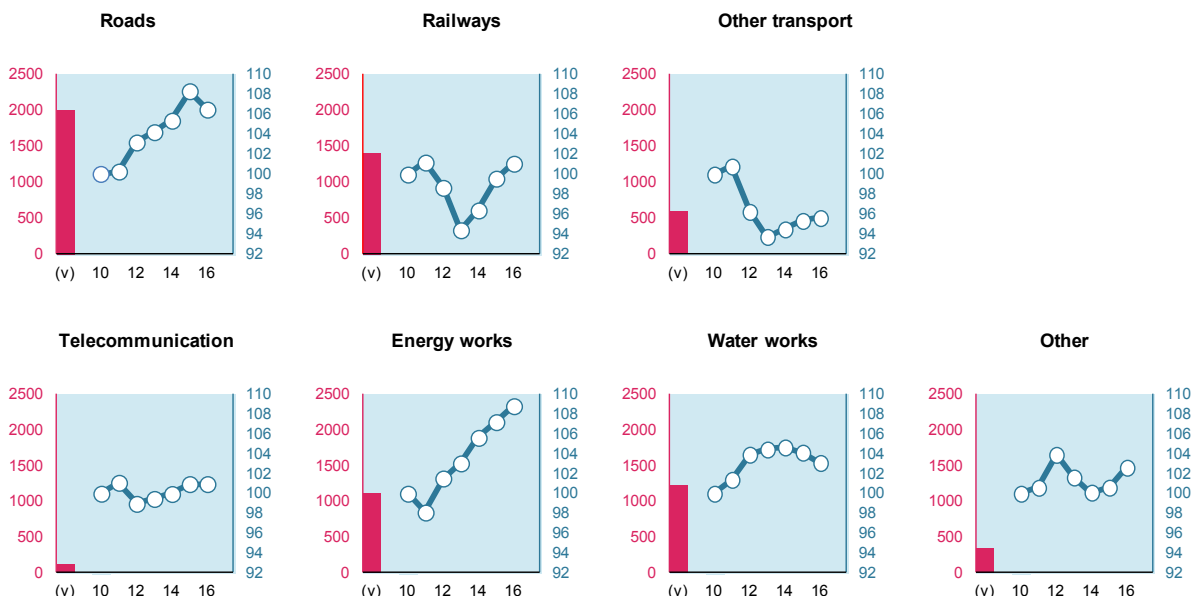
Austrian Stability Pact 2012, which entered into force in July 2012, put pressure particularly on the civil engineering sector, especially in the area of railway investments. A cut in railways expenditures by 920 million Euro in the period 2012-2017 was decided. Overall, the decline in traffic output could be compensated by the positive development in the area of energy and water works – the civil engineering sector grew by 1%.

In **2013** civil engineering declined by 0.6% mainly because of the unfavorable economic development and lower public involvement as a result of the Stability Pact 2012. The general infrastructure roadmap was evaluated once again, leading to a shift in investments which was already taken into consideration in the last report.

Civil engineering will slightly grow in the forecast period 2014 to 2016 with an average rate of about 1.3%. A stronger expansion of civil engineering cannot be expected because of the adverse impact of the budget consolidation program 2012-2016. The current outlook

Civil engineering: breakdown by subsectors

(v) = volume 2012, million €, left scale; (line graph) = index at constant prices, 2010, right scale



Source: Euroconstruct (76th Conference)

is very uncertain: the formation of the government after the elections in late September 2013 is not completed and the budget proposals for the upcoming years cannot be expected before January 2014. Given the high public debt levels, the room for further expansions of the infrastructure programs is very limited.

Road infrastructure: In 2012 Asfinag, Austria's provider for high-capacity infrastructure invested 631 million Euro in the extension of the highway network. More than half of the investments were spent on traffic security (tunnel construction, renovation, service area, traffic regulation). The largest project is currently the construction of the S 10 expressway with a volume of 718 million Euro. The most recent construction program for 2013 until 2018 has a volume of 6.9 billion Euro.

Austria's highway construction program 2013-2016

	2013	2014	2015	2016
	million Euro			
New construction	524	713	982	809
Renovation and modernization	369	376	380	404
Total	893	1089	1362	1213

S: ASFINAG (Austrian Highway Financing Agency).

Rail infrastructure and other transport: Railway infrastructure is negatively affected by the Austrian Stability Pact (July 2012), which evaluated and re-dimensioned the planned projects. This led to a decline of the total project volume. More than 50% of the budget is used for renovation of the railway network. For example, until 2014 most of the slow-velocity segments should be updated to improve time schedules. Other targets of investment activity are noise protection walls and safety measures at railway crossings. The forecasts for railway construction mainly depend on the realization of big tunnel projects. From the current point of view, railway construction is expected to increase throughout the forecast period reaching its strongest growth in 2015 (+3.3 %).

Concerning other transport, the expansion of the underground railway network in Vienna – particularly along the U2 tracks – is one of the most noticeable projects. This segment is expected to grow only slowly with rates of about 0.8% in 2014 to 0.3% in 2016.

Telecommunication: The telecommunication market faces various changes in 2013. Mobile communication provider Hutchison and "Orange" merged. The mobile communication market therefore consolidated and is now split among three main players (Austrian Telekom, T-Mobile, Drei), instead of previously four.

The auction of LTE frequencies in October 2013 is coupled with high costs for the telecommunication providers. The funds raised exceeded the minimum bid fourfold (527 million Euro). These high expenses will put additional pressure on investments in telecommunication. Civil engineering will benefit from the increased public revenues of the

auction only to a small extent. Only the public broadband initiative will gain from these revenues. Its target is to provide high speed internet (100 Mbit/s) for every household until 2020. So far, the initiative provided 30 million Euro for extending the network in the period 2010-2013. The achievement of this broadband target is mainly depending on the financial feasibility in rural areas and so impulses for the industry will be moderate. Construction output in telecommunication will therefore only grow marginally in 2013 and 2014 with rates of about 0.5%.

Energy: Austria's energy supply is a mix of hydro-power, thermal power and renewable energy with a total output of 67,000 GWh. Hydro-power is by far the most important source with a market share of 60%, followed by thermal power with 34%. Austria is one of the top 3 nations with the lowest CO2 pollution in the energy producing process within the European Union. This is supported by the trend towards renewable energy (wind, photovoltaic and geothermal power). The increasing shares of renewable energy generation raises the requirements for the electricity networks – this will lead to additional investments. The energy sector will grow throughout the forecast period 2014 to 2016 with an average growth rate of 1.8%.

Water works: Investment will remain high in the area of household water management, especially in the area of repair and maintenance. While in 2013 investments in new infrastructure amounted to 56% of total spending, its share will decline to 30% until 2021 (Kommunalkredit, 2013). At the same time, investment volume for renovation and modernization will remain stable within the next years. The investment volume needed to sustain the networks amounts to over 1,000 Euro per inhabitant in several areas. Most investments (over 60%) are used in the area of wastewater infrastructure.

As a reaction to the severe flooding in June 2013 the government decided to advance funds of 10 million Euro annually for flood control along the Danube for the next years. Additionally, the budget for federal water works and protection measures (torrents and avalanches) will be raised to 200 million Euro per year within the next ten years. Both measures are part of the fiscal stimulus package 2013.

Nevertheless, waterworks will only slightly grow by 0.2% in 2014 and it is expected to decline by -0.5% in 2015 and by -1% in 2016 mainly because of lower investments in new construction.

Please note that as of the 75th EUROCONSTRUCT publication from June 2013 the civil engineering sector the structure changed, mainly because of the split of the sectors energy and water works. Due to substantial re-evaluation of the entire sector, also other transport infrastructure (and thus road infrastructure) was affected by this revision. A significant share of other transport infrastructure (i.e. levees and flood protection of water ways) moved to water works leading to a significant larger volume than stated in the previous reports. Therefore, the volumes are no longer comparable to the historical data.

APPENDIX – DEFINITIONS

Macroeconomic

- Population: Statistics Austria, revision 10/2013, main scenario, on 1st January.
- Households: Statistics Austria, revision 12/2012, on 1st January.
- Unemployed: Austrian Public Employment Service.
- Unemployment rate: Labor Force Survey, EUROSTAT definition.
- Volumes of each GDP component are at market prices, VAT included.
- Economic forecasts are based on the short-term WIFO forecasts (until 2014) and reflect estimates for 2015 and 2016.

Residential

- Permits, starts and completions refer to new dwellings in new residential buildings.
- Permitted dwellings are based on the new official figures of Statistics Austria (October 2013).
- 1+2 family houses: Buildings with one dwelling only.
- Definition for flats: Buildings with two and more dwellings.
- Building starts: No official statistics are available. A delay and drop out between permits and housing starts were assumed.
- Building completions: Based on housing permits and completion rates.
- Housing stock: Annual average.
- Second homes, Vacancies: Statistics Austria.
- Home ownership rate: Statistics Austria; share of dwellings owned by the occupier/relatives of the occupier.

Non-Residential

- Education buildings: One main aspect is the volume of BIG investment scheme.
- Offices: They include also other buildings for administration.
- Miscellaneous: e.g. buildings for sports and leisure time.

Civil Engineering


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

Construction Output

- Construction output includes do it yourself, black economy and exports. New calculations are based on the revision of the national accounts (1980-2012), the quarterly national accounts of 2013 and the latest ÖPRODCOM production figures and the short term statistics in industries and construction by Statistics Austria.

Other remarks

- In course of the separation of waterworks and energy for the 75th EUROCONSTRUCT conference in June 2013, volumes in the entire civil engineering sector were adapted to best fit this new categorization. Therefore, no comparison to previous editions of Table 4b is possible. Particularly other transport was also affected by this separation.

Country/Pays/Land: Austria				Table 1			
							
Main demographic and economic indicators Principaux indicateurs démographiques et économiques Wichtige demographische und ökonomische Indikatoren							
				Est.	Forecast		Outlook
	2010	2011	2012	2013	2014	2015	2016
Population ('000s) Population Bevölkerung	8 352	8 375	8 408	8 452	8 485	8 521	8 556
Households ('000s) Ménages Haushalte	3 610	3 635	3 661	3 686	3 710	3 733	3 757
Unemployed ('000s) Chômeurs Arbeitslose	251	247	261	288	299	301	300
Unemployment rate (%) Taux de chômage Arbeitslosenquote	4.4	4.2	4.3	5.1	5.2	5.3	5.2
Change of GDP Variation du PIB Veränderung des BIP (% change in real terms)	1.8	2.8	0.9	0.4	1.7	1.8	1.9
Consumer prices (% change) Prix à la consommation Verbraucherpreise	1.8	3.3	2.4	2.0	2.0	1.9	1.8
Construction prices (% change) ¹⁾ Prix de la construction Baupreise	3.9	3.2	2.6	2.4	2.5	2.3	2.2
Short term interest rate ²⁾ Taux d' intérêt à court terme Kurzfristiger Zinssatz	0.8	1.4	0.6	0.2	0.2	0.3	0.3
Long term interest rate ³⁾ Taux d' intérêt à long terme Langfristiger Zinssatz	3.2	3.3	2.4	2.2	2.3	2.4	2.5

1) Refers to new construction only.

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

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




Construction by type
Production par type d'ouvrage
Bauproduktion nach Bauarten

		Volume mill. euro ¹⁾	% change in real terms (volume)						
						Est.	Forecast		Outlook
			2010	2011	2012	2013	2014	2015	2016
Residential construction	New	10 517	0.1	1.9	4.5	2.4	2.1	1.7	1.2
Logement	Renovation	4 943	0.8	2.0	2.5	1.2	0.6	0.5	0.5
Wohnungsbau	Total	15 459	0.3	1.9	3.9	2.0	1.6	1.3	1.0
Non-residential construction	New	7 529	-7.2	6.1	1.5	-1.7	0.6	1.2	1.4
Bâtiments non résidentiels	Renovation	2 802	-1.8	1.4	2.0	0.7	0.4	0.2	0.1
übriger Hochbau	Total	10 332	-5.7	4.8	1.6	-1.1	0.5	0.9	1.0
Building	New	18 046	-3.1	3.6	3.2	0.7	1.5	1.5	1.3
Bâtiment	Renovation	7 745	-0.2	1.8	2.3	1.0	0.5	0.4	0.4
Hochbau	Total	25 791	-2.2	3.1	2.9	0.8	1.2	1.2	1.0
Civil engineering	New	5 436	-9.8	0.3	0.9	-0.8	1.4	2.0	-0.2
Génie civil	Renovation	1 359	-8.8	0.8	1.4	0.3	0.4	1.0	0.8
Tiefbau	Total	6 795	-9.6	0.4	1.0	-0.6	1.2	1.8	0.0
TOTAL CONSTRUCTION OUTPUT		32 586	-3.9	2.5	2.5	0.5	1.2	1.3	0.8


	2012 mill.. tons					Forecasts		Outlook
		2010	2011	2012	2013	2014	2015	2016
Domestic cement consumption Consommation intérieure de ciment Inländischer Zementverbrauch	4.30	-7.6	-2.0	-4.4	0.0	1.1	1.1	2.2

Renovation covers repair and maintenance, refurbishment and reconstruction.


1) At 2012 prices, excluding taxes.

Country/Pays/Land: Austria		Table 3						
								
Residential construction Construction de logements Wohnungsbau								
		Thousands dwellings						
					Est.	Forecast		Outlook
		2010	2011	2012	2013	2014	2015	2016
Building permits Logements autorisés Baugenehmigungen	1+2 family dwellings Individuels	15.8	16.3	14.7	15.1	14.8	14.4	14.3
	1+2-Familienhäuser							
	Flats Collectifs Mehrfamilienhäuser	22.3	28.0	24.0	28.3	28.3	25.7	24.9
TOTAL		38.1	44.3	38.7	43.4	43.1	40.1	39.2
Housing starts Logements commencés Baubeginne	1+2 family dwellings Individuels	14.3	15.3	14.7	14.2	14.2	13.9	13.6
	1+2-Familienhäuser							
	Flats Collectifs Mehrfamilienhäuser	21.4	23.9	24.7	24.9	26.9	25.7	24.0
TOTAL		35.7	39.2	39.4	39.1	41.1	39.6	37.6
Housing completions Logements terminés Baufertigstellungen	1+2 family dwellings Individuels	15.0	15.4	15.8	15.3	15.2	15.1	14.8
	1+2-Familienhäuser							
	Flats Collectifs Mehrfamilienhäuser	21.9	22.2	24.3	24.7	25.8	27.0	26.6
TOTAL		36.9	37.6	40.1	40.0	41.0	42.1	41.4
Housing stock Logements existants Wohnungsbestand		4 065	4 086	4 111	4 135	4 160	4 186	4 211
	thereof second homes dont résid. secondaires davon Zweitwohnungen	233	234	236	237	239	240	242
	thereof vacancies dont inoccupés davon leerstehend	203	204	206	207	208	209	211
	share of family dwellings (%) part des maisons individuelles Anteil 1+2-Familienhäuser	48.1	48.5	48.5	48.5	48.5	48.5	48.5
Home ownership rate ¹⁾ Taux de propriétaires occupants Wohneigentumsquote		55.7	55.4	56.4	56.4	56.4	56.3	56.3


1) Cf. Appendix to the individual country report.

Country/Pays/Land: Austria		Table 4a							
									
New non-residential construction (public and private) Construction neuve non résidentielle (publique et privée) Neuer Nichtwohnhochbau (öffentlich und privat)									
	Volume mill. euro ¹⁾	m2 x 1000	% change in real terms (volume)						
						Est.	Forecast		Outlook
			2010	2011	2012	2013	2014	2015	2016
Buildings for education Bâtiments de l'éducation et de la recherche Gebäude des Bildungswesens	357		6.0	4.0	0.5	1.0	-1.0	-0.5	1.0
Buildings for health Bâtiments de santé Gebäude des Gesundheitswesens	601		-0.9	2.8	2.5	2.0	2.2	1.0	0.5
Industrial buildings Bâtiments industriels Industriegebäude	1 854		-8.2	8.7	3.7	-3.1	1.1	2.2	2.6
Storage buildings Bâtiments de stockage Lagergebäude	197		-11.4	7.5	3.2	-2.3	1.7	1.9	2.2
Office buildings Bureaux Bürogebäude	1 812		-9.3	9.7	-0.1	-3.4	0.3	1.6	1.7
Commercial buildings Commerces Geschäftsgebäude	2 046		-8.3	3.6	0.5	-0.7	0.1	0.3	0.4
Agricultural buildings Bâtiments agricoles Landwirtschaftsgebäude	362		-5.0	-3.0	3.0	0.0	0.5	1.0	1.0
Miscellaneous Autres Sonstiges	301		-6.9	7.3	1.3	-1.9	0.8	1.1	1.3
Total	7 529		-7.2	6.1	1.5	-1.7	0.6	1.2	1.4

1) At 2012 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	
		2012	2010	2011	2012	2013	2014	2015	2016
Transport infrastructure Infrastructures de transport Verkehrsinfrastruktur	Roads Réseau routier Straßen	2 001	-15.4	0.3	2.9	1.0	1.1	2.8	-1.7
	Railways Voies ferrées Bahnanlagen	1 416	-1.7	1.2	-2.5	-4.3	2.1	3.3	1.5
	Other transport Autres réseaux Übrige Verkehrsinfrastruktur	597	-15.2	0.8	-4.5	-2.6	0.8	0.9	0.3
	TOTAL	4 013	-10.9	0.7	-0.2	-1.4	1.4	2.7	-0.3
Telecommunications Télécommunications Telekommunikation		119	2.2	1.1	-2.1	0.5	0.5	1.0	0.0
Energy works Réseaux d'énergie Energieversorgung		1 112	-5.8	-1.9	3.5	1.5	2.5	1.5	1.5
Water works Réseaux d'eau Wasserversorgung		1 212	-9.9	1.4	2.5	0.5	0.2	-0.5	-1.0
Other Autres Sonstiges		338	-8.5	0.6	3.3	-2.2	-1.5	0.5	2.0
Total		6 795	-9.6	0.4	1.0	-0.6	1.2	1.8	0.0

1) At 2012 prices, excluding taxes.

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
		2010	2011	2012	2013	2014	2015	2016
Private consumption ²⁾ Consommation privée Privater Verbrauch	169.0	2.0	0.8	0.5	0.0	0.9	1.0	1.1
Public consumption Consommation publique Staatsverbrauch	58.4	0.2	0.3	0.2	0.5	1.0	0.7	0.8
Gross domestic fixed capital formation Formation brute de capital fixe Bruttoanlageinvestitionen								
Total	65.8	-1.4	8.5	1.6	-1.4	3.0	2.8	2.8
of which construction	34.7	-3.9	2.5	2.5	0.5	1.2	1.3	0.8
Stocks (contribution as % of GDP) ³⁾ Variations de stocks Vorratsveränderungen	3.8	0.9	1.8	1.2	0.7	0.9	0.9	1.0
Exports Exportations Exporte	175.6	9.4	6.6	1.2	2.7	5.2	5.5	5.5
Imports Importations Importe	165.7	9.1	7.6	-0.3	0.7	5.1	5.2	5.2
GDP PIB BIP	307.0	1.8	2.8	0.9	0.4	1.7	1.8	1.9

Standard National Accounts, gross figures.

1) At 2012 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.