

On Construction in 2024 and Q4 of 2024

## Construction activity declined in 2024

Data on construction output in comparable prices indicate that in the 4th quarter of 2024, there was a 7.4% decline compared to the 4th quarter of 2023 (according to unadjusted data). This was the sharpest quarterly decline recorded in 2024. During this period, civil engineering volumes increased by 6.4%, while building construction and specialized construction activities decreased by 24.8% and 3.2%, respectively.

Looking at 2024 as a whole, construction activity contracted by 4.3% compared to 2023. At the industry level, this decline was largely driven by a significant drop in building construction activity, which continues to be affected by relatively high lending rates.

An analysis of key construction segments in 2024 reveals varied development trends. While civil engineering and specialized construction activities grew, building construction experienced a downturn.

The volume of building construction decreased by 19.7% in 2024 compared to the previous year. This was primarily driven by a decline in residential construction, particularly in multi-apartment buildings, while the decline in non-residential buildings was more moderate.

Civil engineering saw the fastest growth in 2024, with sector activity increasing by 8.4%. The rise in urban infrastructure construction activity outweighed the decline in other segments.

The volume of specialized construction activities remained at the previous year's level, with a modest increase of 0.8%. Growth was recorded in nearly all segments of this category, except for electrical installations, pipeline installation, and similar activities.

In 2024, a total of 4,187 building permits were issued, representing a 1.2% decrease compared to 2023. However, the projected construction area specified in the permits was larger than the previous year, showing an increase of 11.7%. The most significant growth was observed in permits for industrial production buildings and warehouses, as well as for multi-apartment residential buildings.

The outlook for the industry is expected to stabilize in 2025, taking into account the ongoing challenges in both construction and the broader economy.

### PRODUCTION VOLUMES OF CONSTRUCTION

compared to the previous year, as per cent

