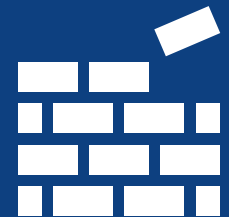


Munich, 24th January 2023

PRESS CONFERENCE AT THE
BAU INFORMATION TALKS 2023

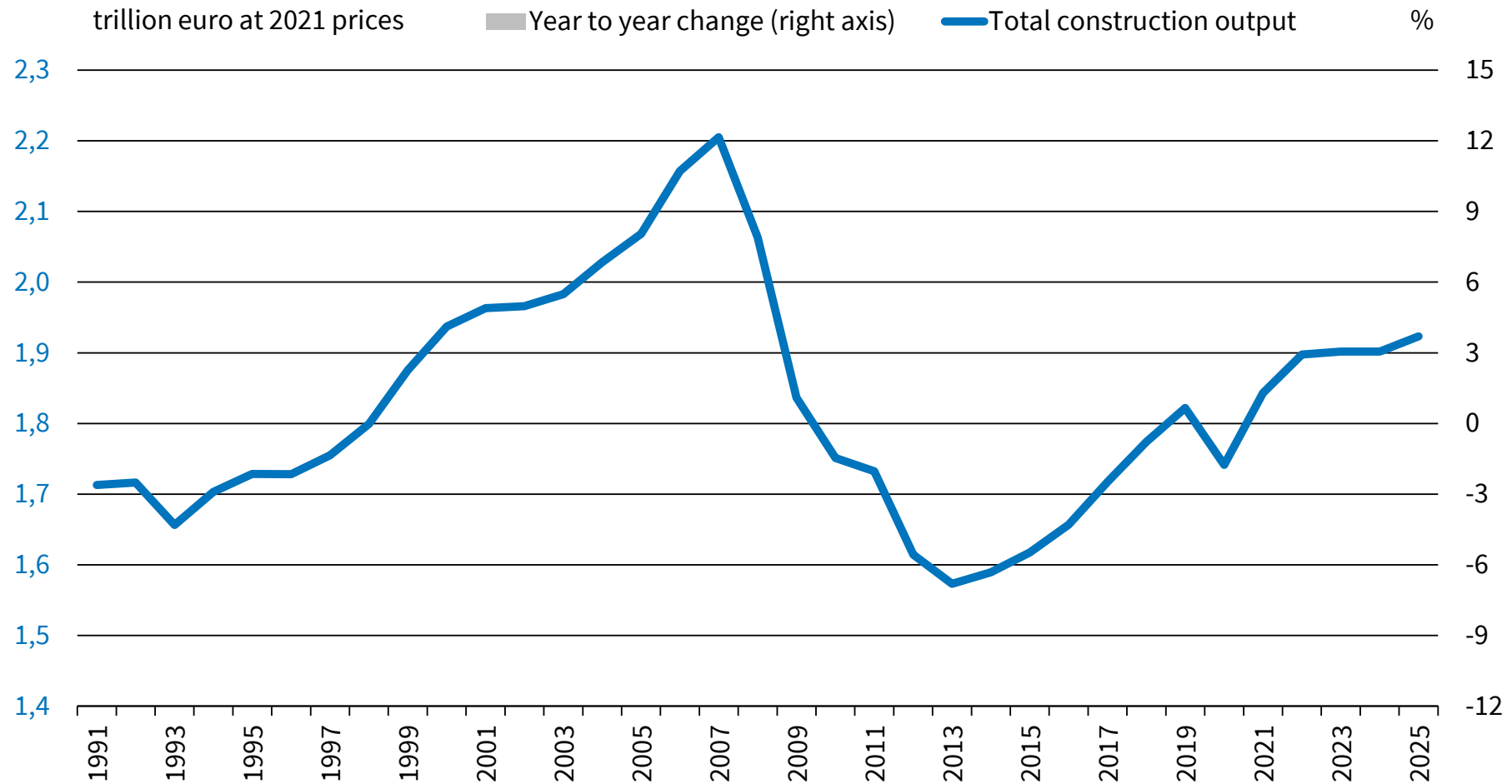
Construction activities in Germany and Europa until 2025

*Ludwig Dorffmeister
Specialist for construction
and real estate markets*



Long-term construction output in the EC area

Recovery since 2014 only briefly interrupted in 2020

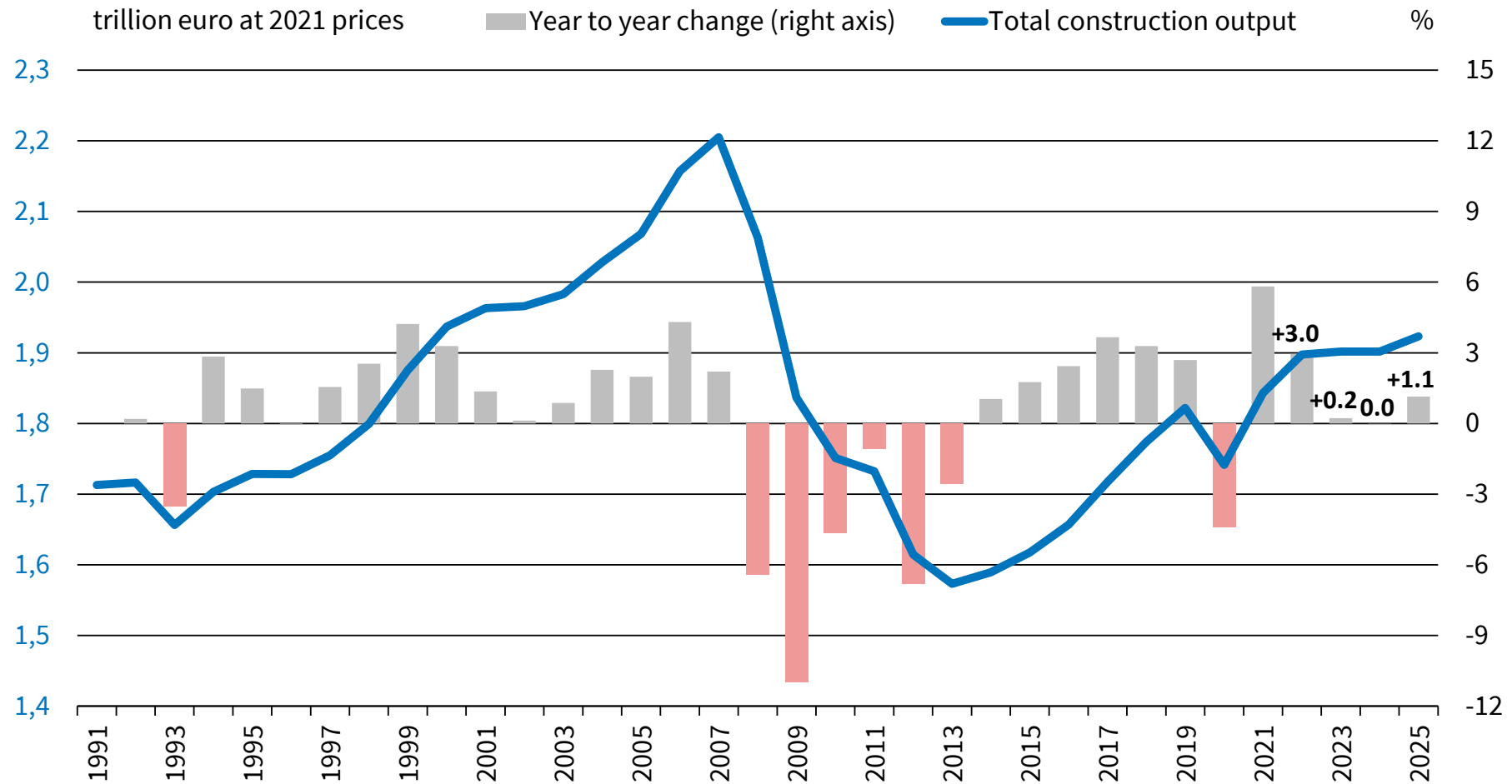


Source: EUROCONSTRUCT (Nov. 2022); ifo Institute.

© ifo Institute

Long-term construction output in the EC area

Ukraine war won't lead to a decline in construction activity

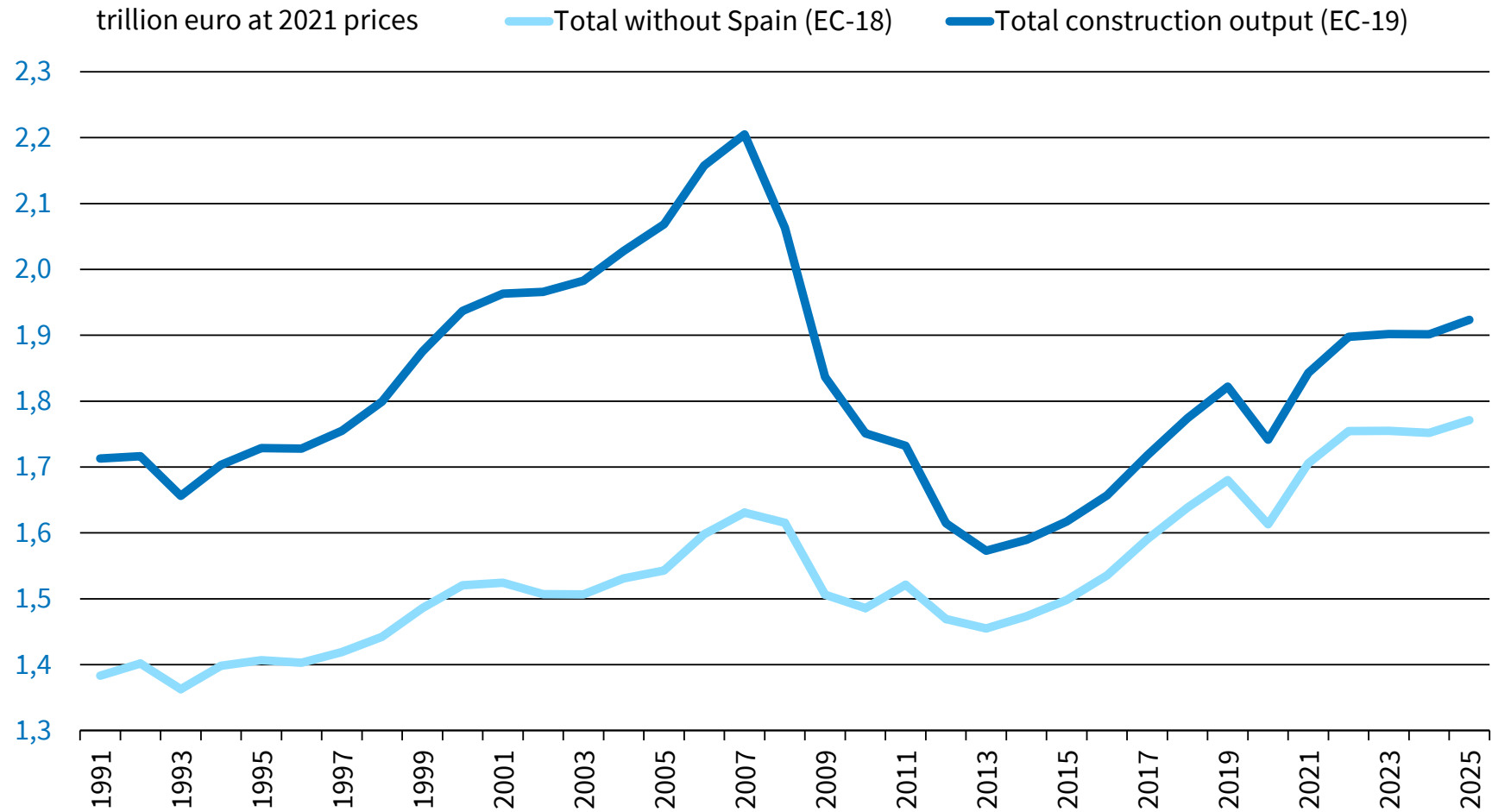


Source: EUROCONSTRUCT (Nov. 2022); ifo Institute.

© ifo Institute

But please consider the past influence of Spain!

Actually we've already seen new record levels for EC-18 area

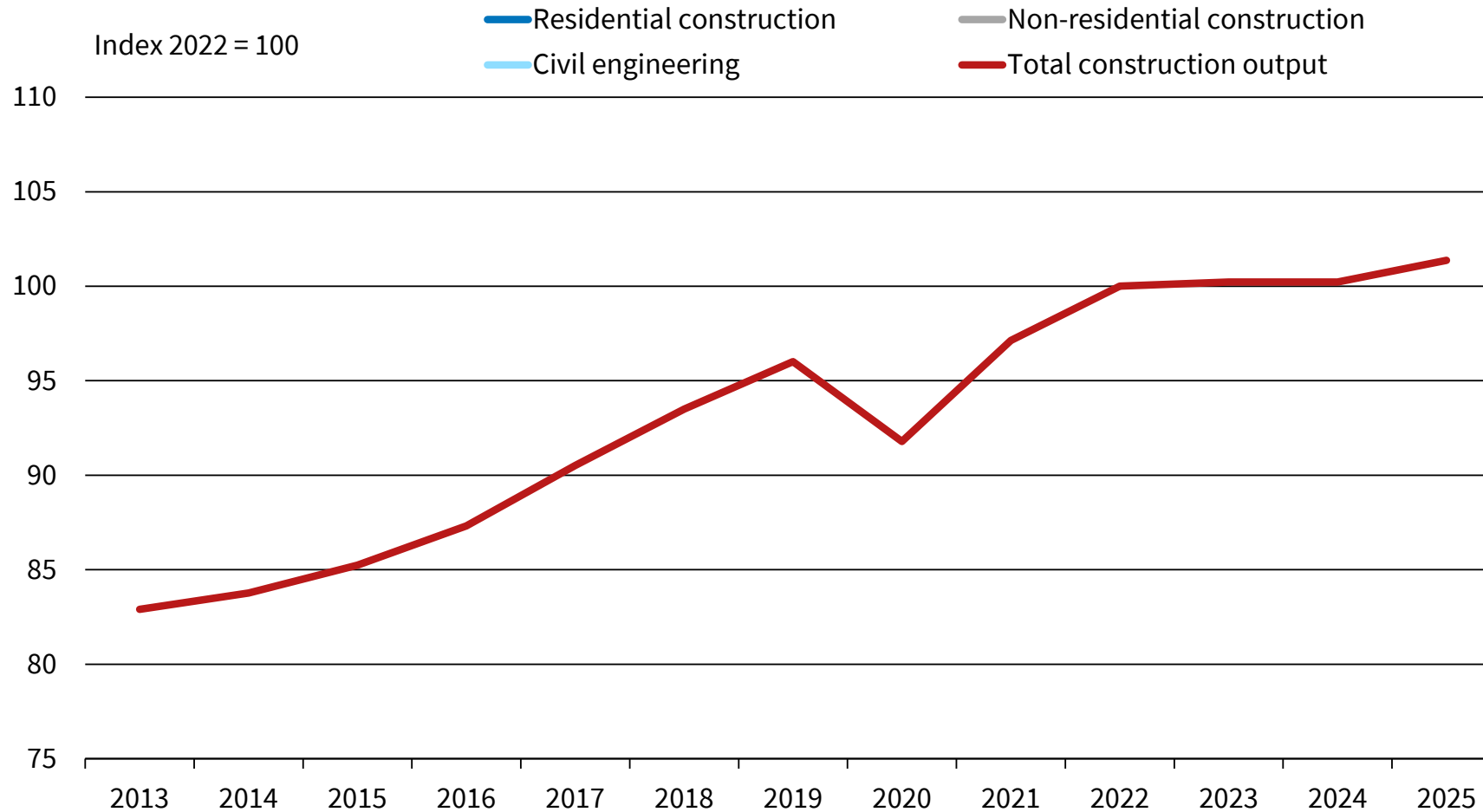


Source: EUROCONSTRUCT (Nov. 2022); ifo Institute.

© ifo Institute

What have been the driving segments since 2013?

European construction sector gained one fifth until 2022

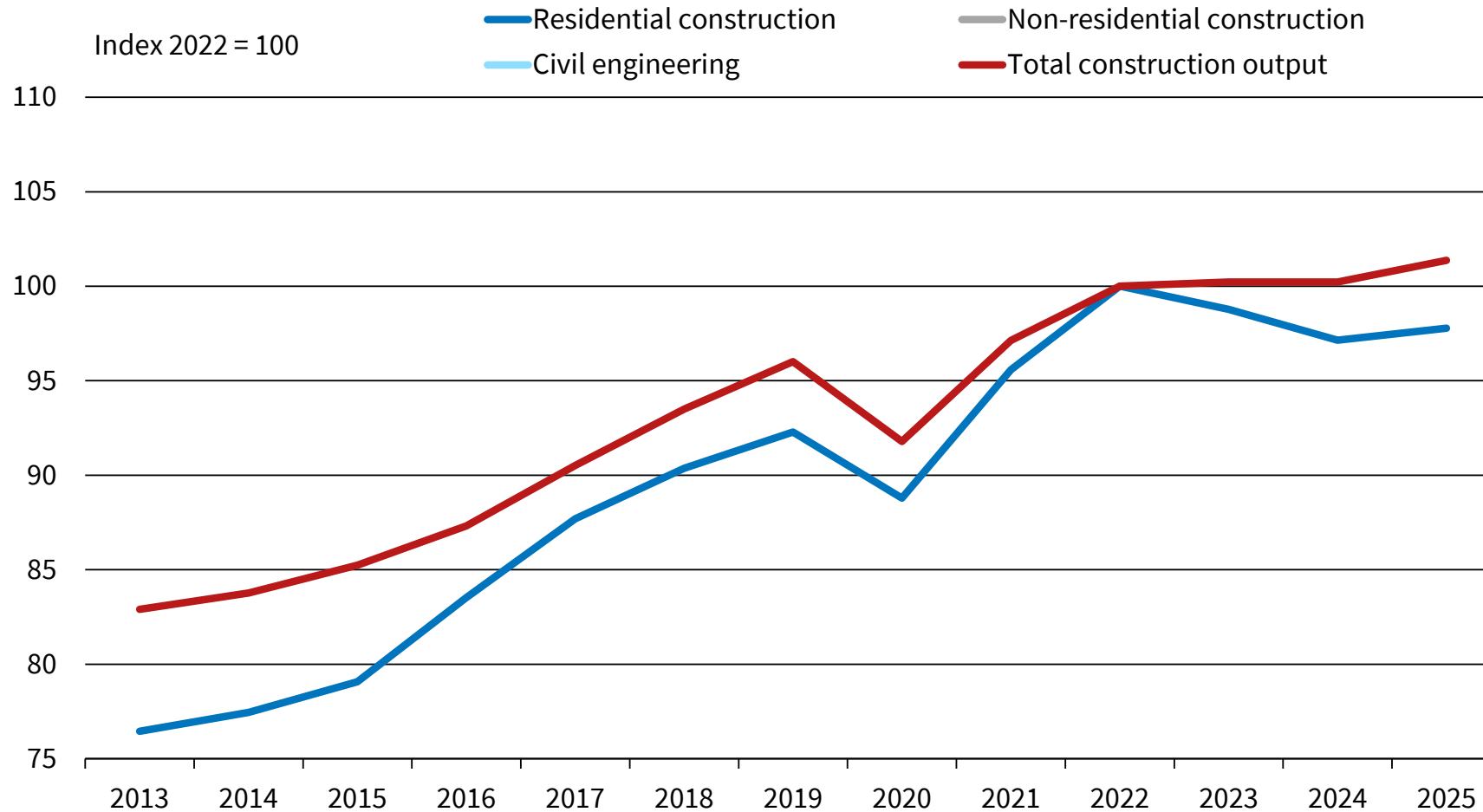


Source: EUROCONSTRUCT (Nov. 2022).

© ifo Institute

What have been the driving segments since 2013?

Main momentum came from housing which is now weakening

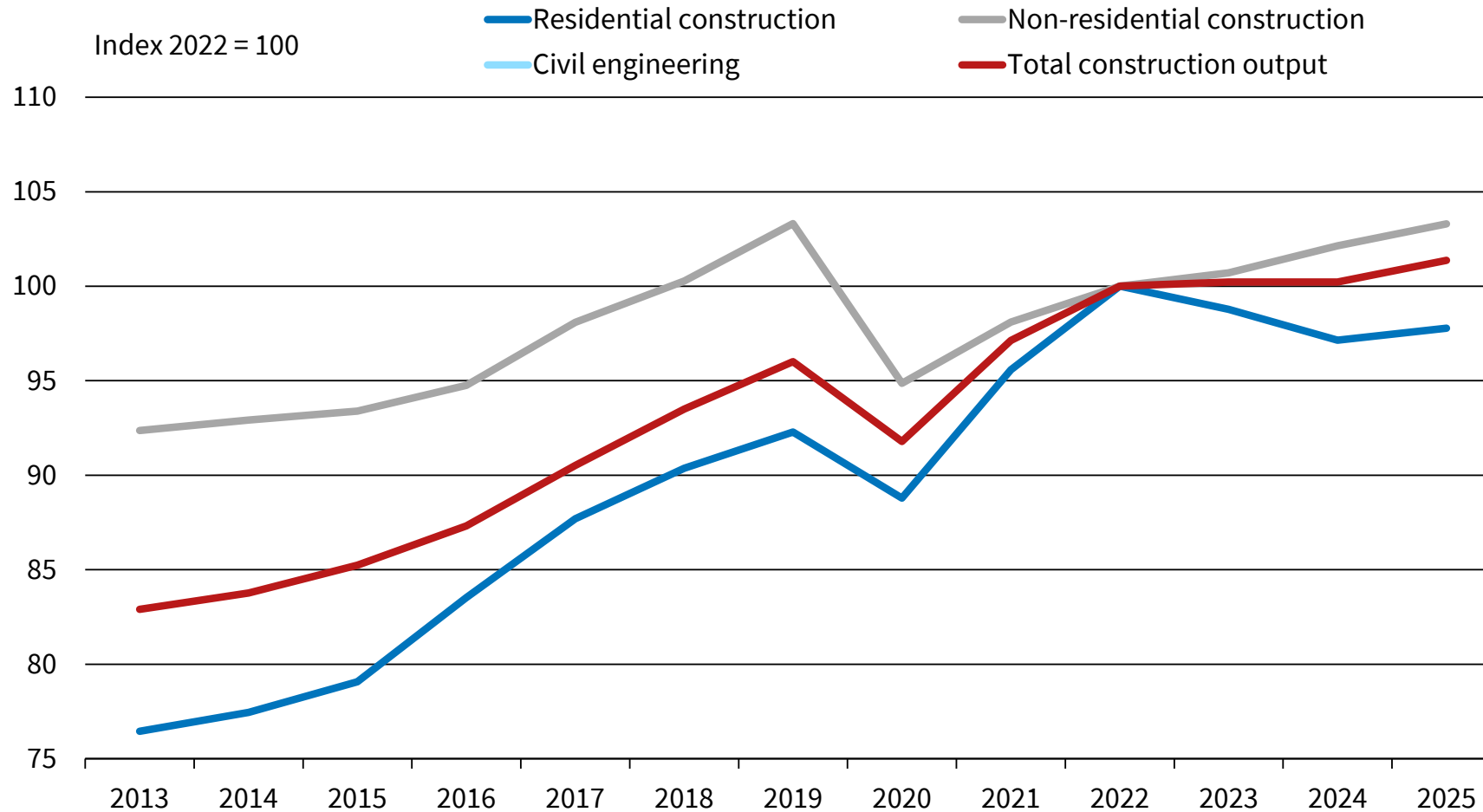


Source: EUROCONSTRUCT (Nov. 2022).

© ifo Institute

What have been the driving segments since 2013?

Non-residential thwarted by Covid and recovering only slowly

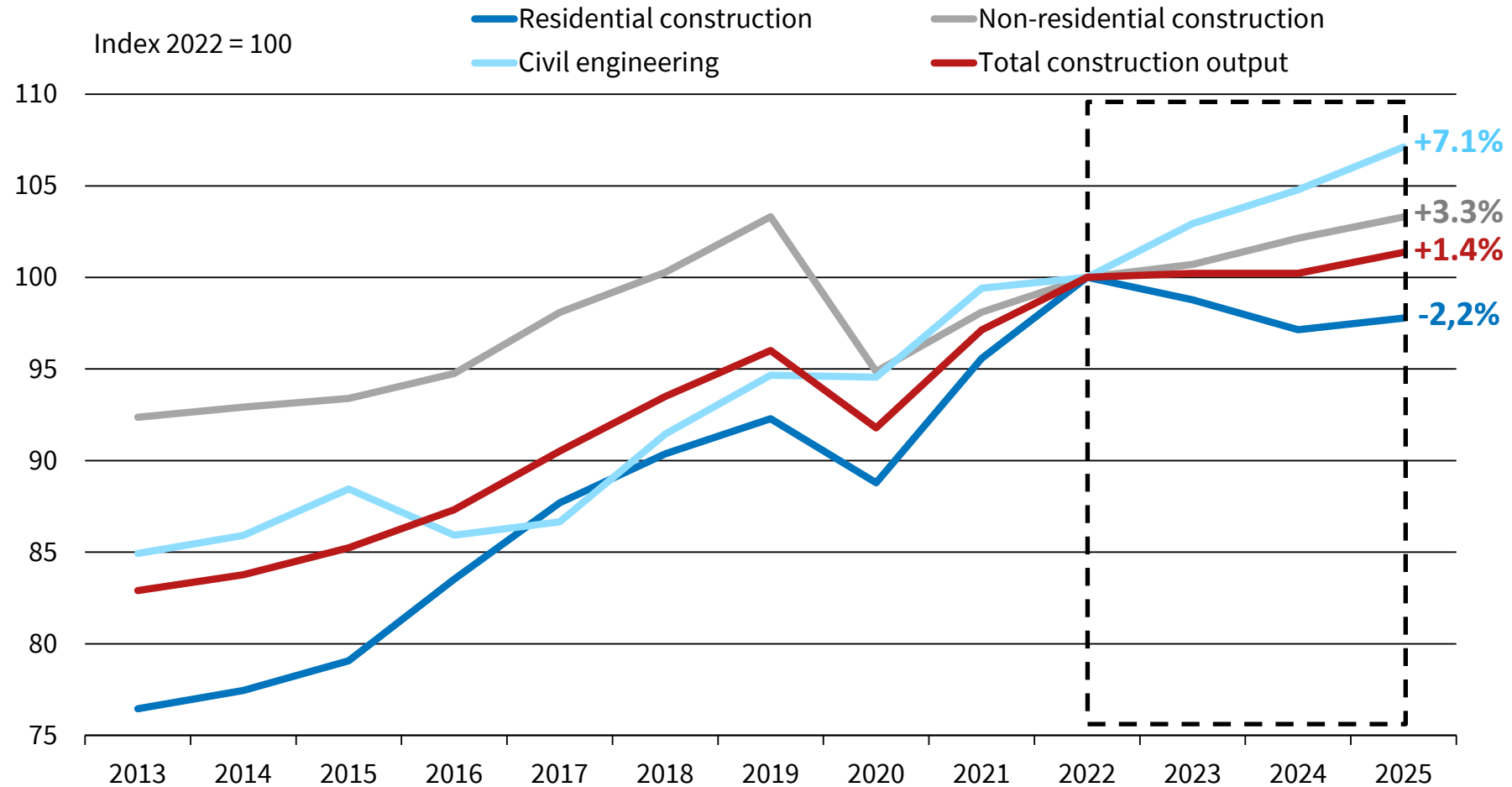


Source: EUROCONSTRUCT (Nov. 2022).

© ifo Institute

What have been the driving segments since 2013?

Steady growth of civil engineering will continue until 2025

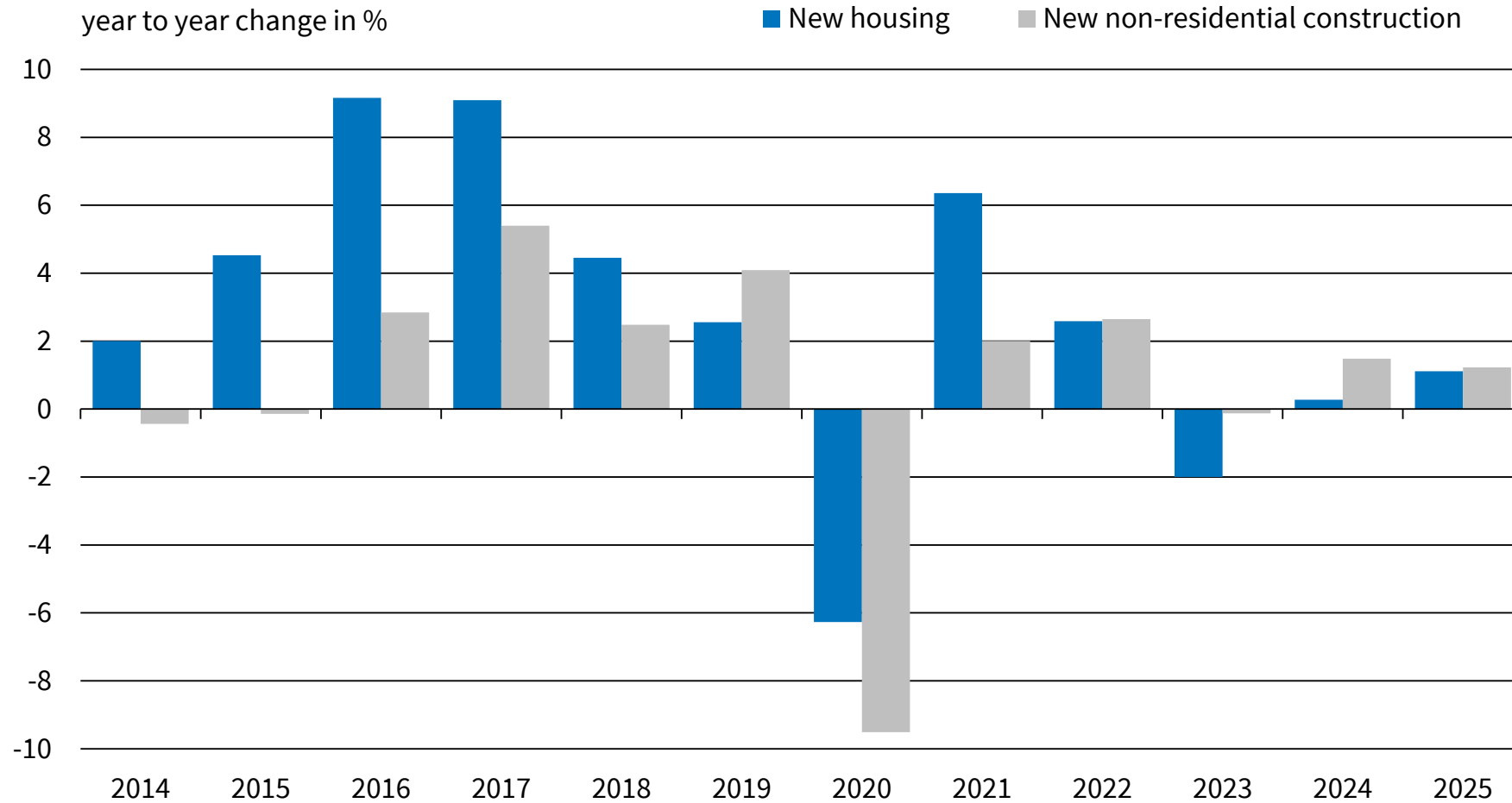


Source: EUROCONSTRUCT (Nov. 2022).

© ifo Institute

New building construction was a former driver

Housing completions will decline this and next year

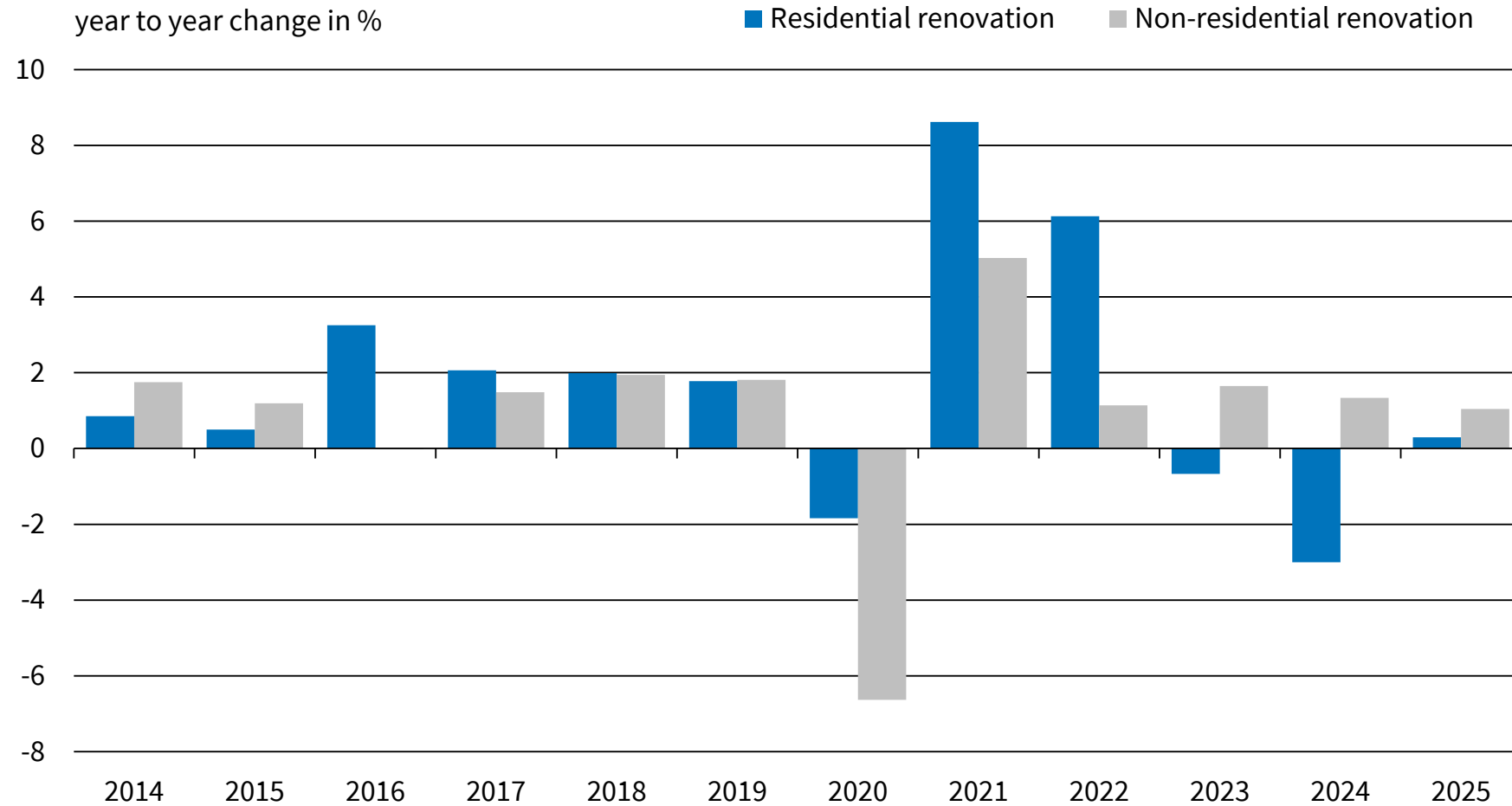


Source: EUROCONSTRUCT (Nov. 2022).

© ifo Institute

Building renovation showed more robust during the crisis

Italian 'Superbonus' messes up the housing renovation market

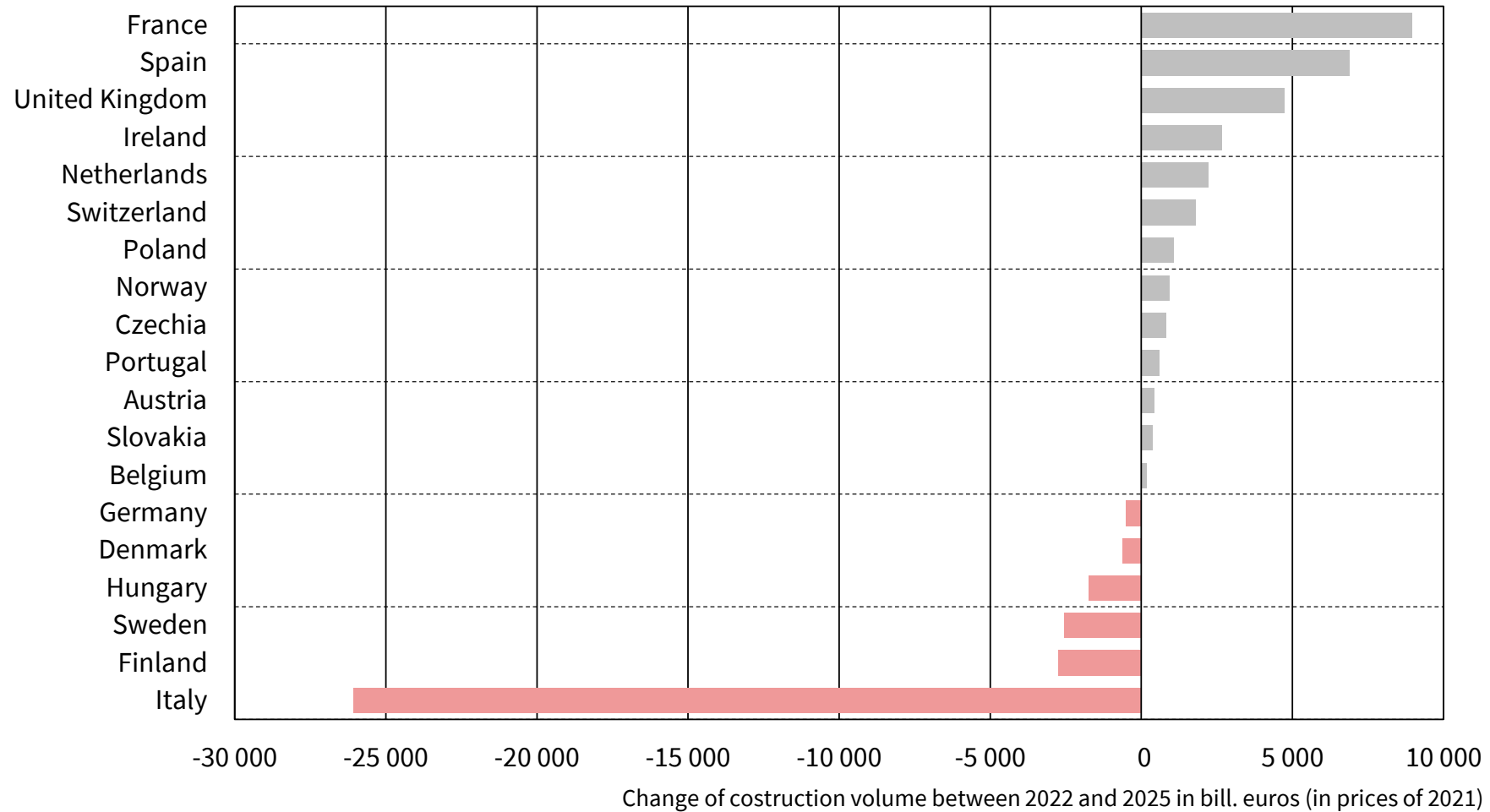


Source: EUROCONSTRUCT (Nov. 2022).

© ifo Institute

Development of total building construction 2023-25

For 13 countries a growth is expected

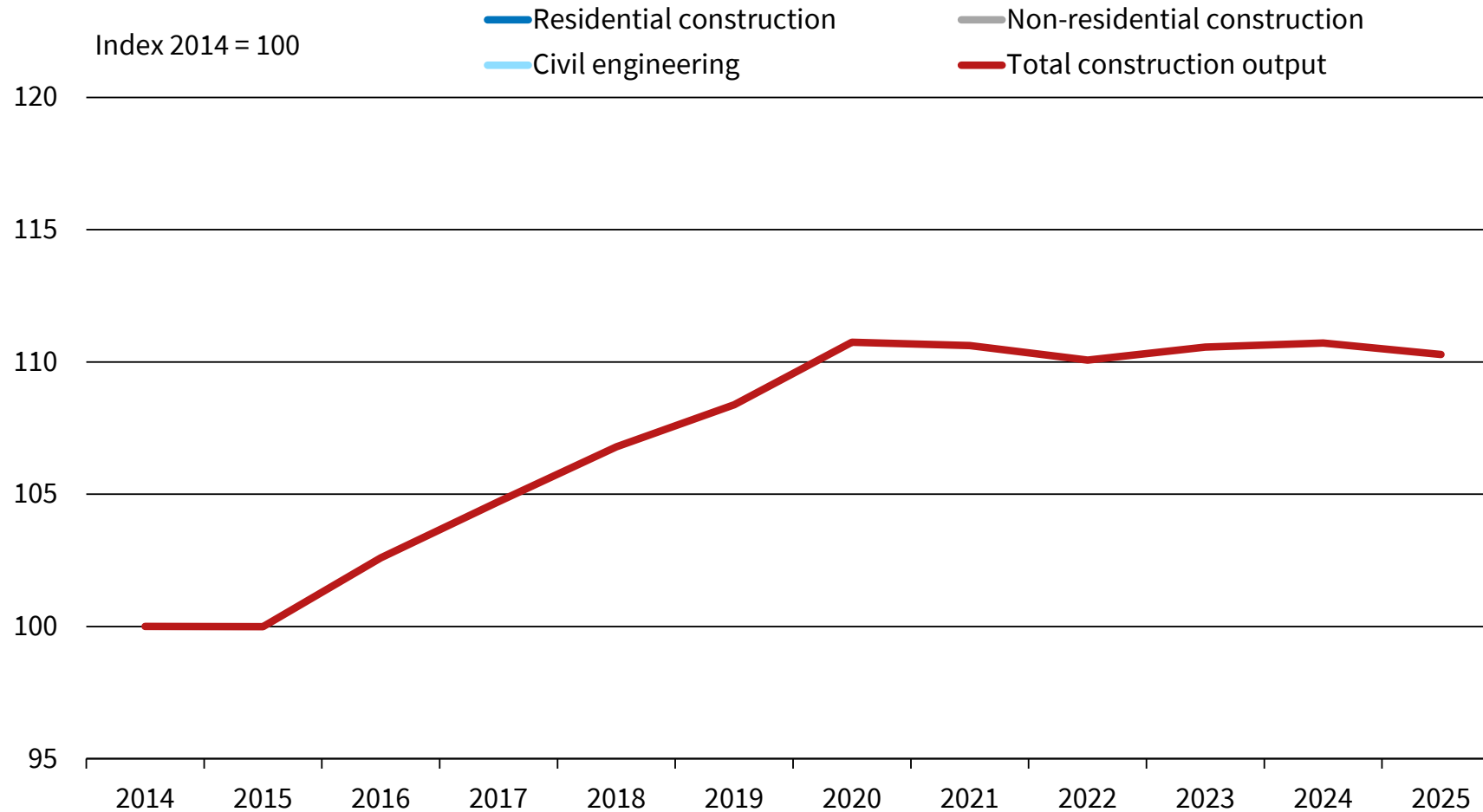


Source: EUROCONSTRUCT (Nov. 2022).

© ifo Institute

Construction output in Germany since 2014

Significant growth is followed by stagnation

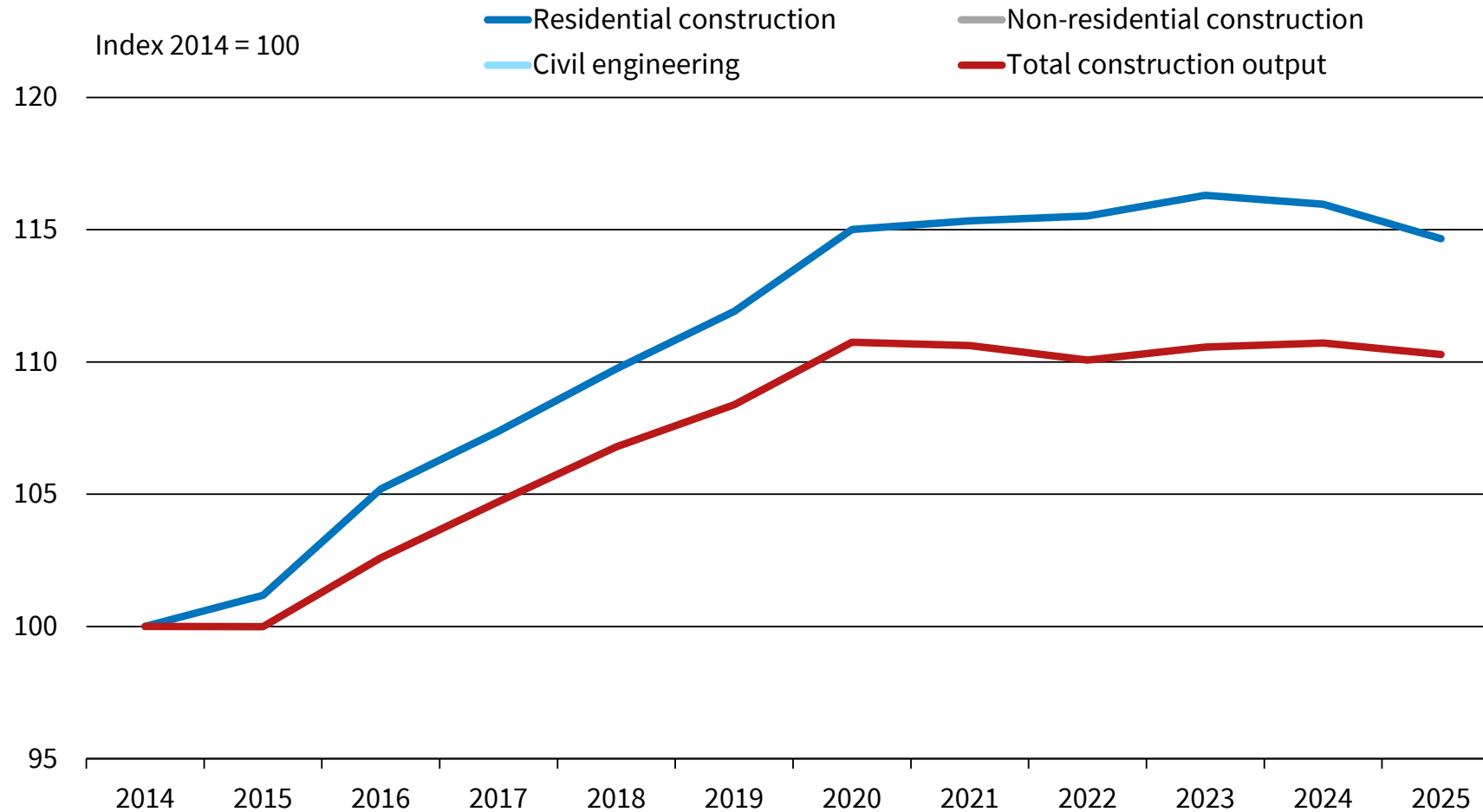


Source: ifo Institute (forecast in the context of the EUROCONSTRUCT publication in November 2022).

© ifo Institute

Construction output in Germany since 2014

How much can housing renovation counteract new build drop?

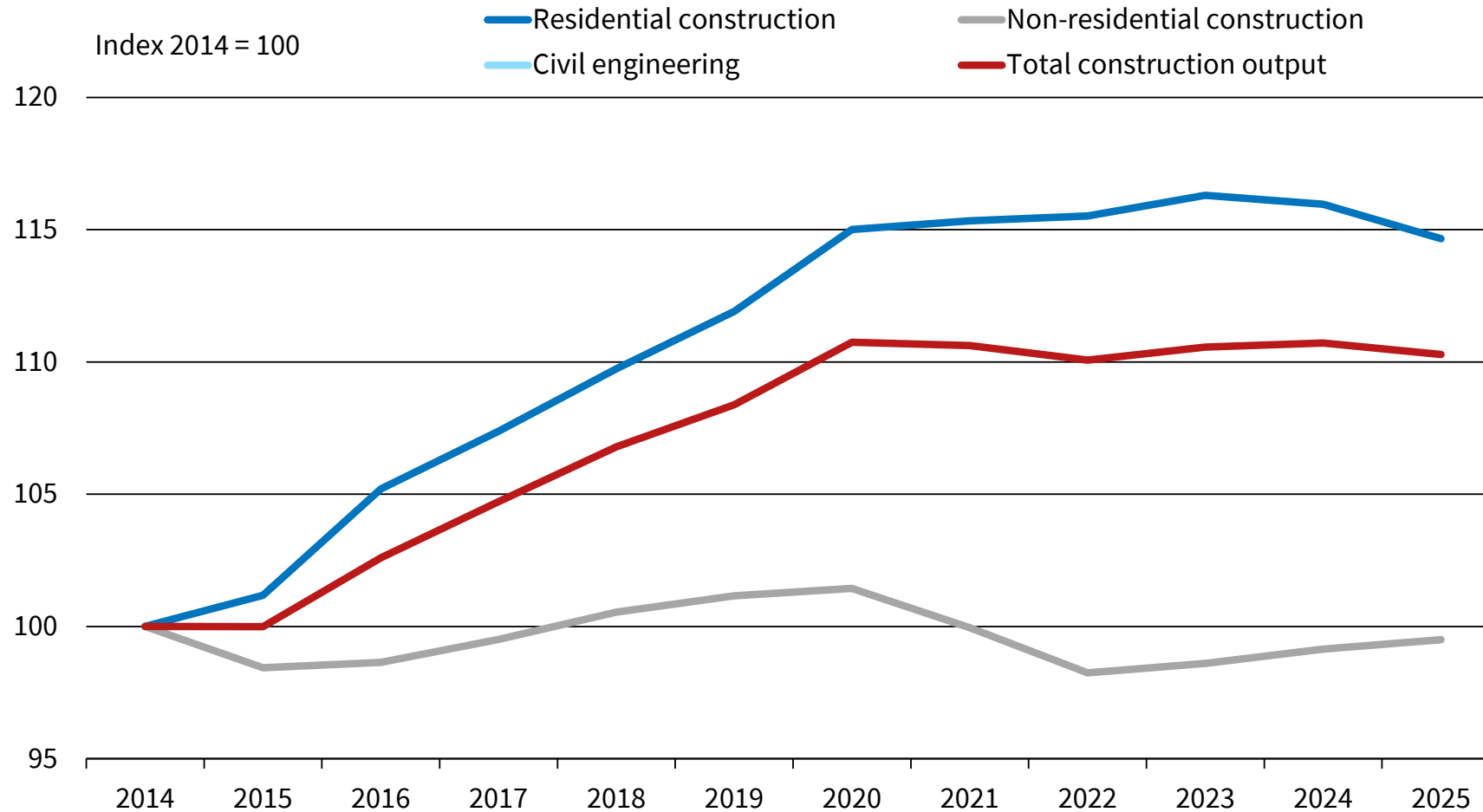


Source: ifo Institute (forecast in the context of the EUROCONSTRUCT publication in November 2022).

© ifo Institute

Construction output in Germany since 2014

Non-residential is entering the next upward cycle phase

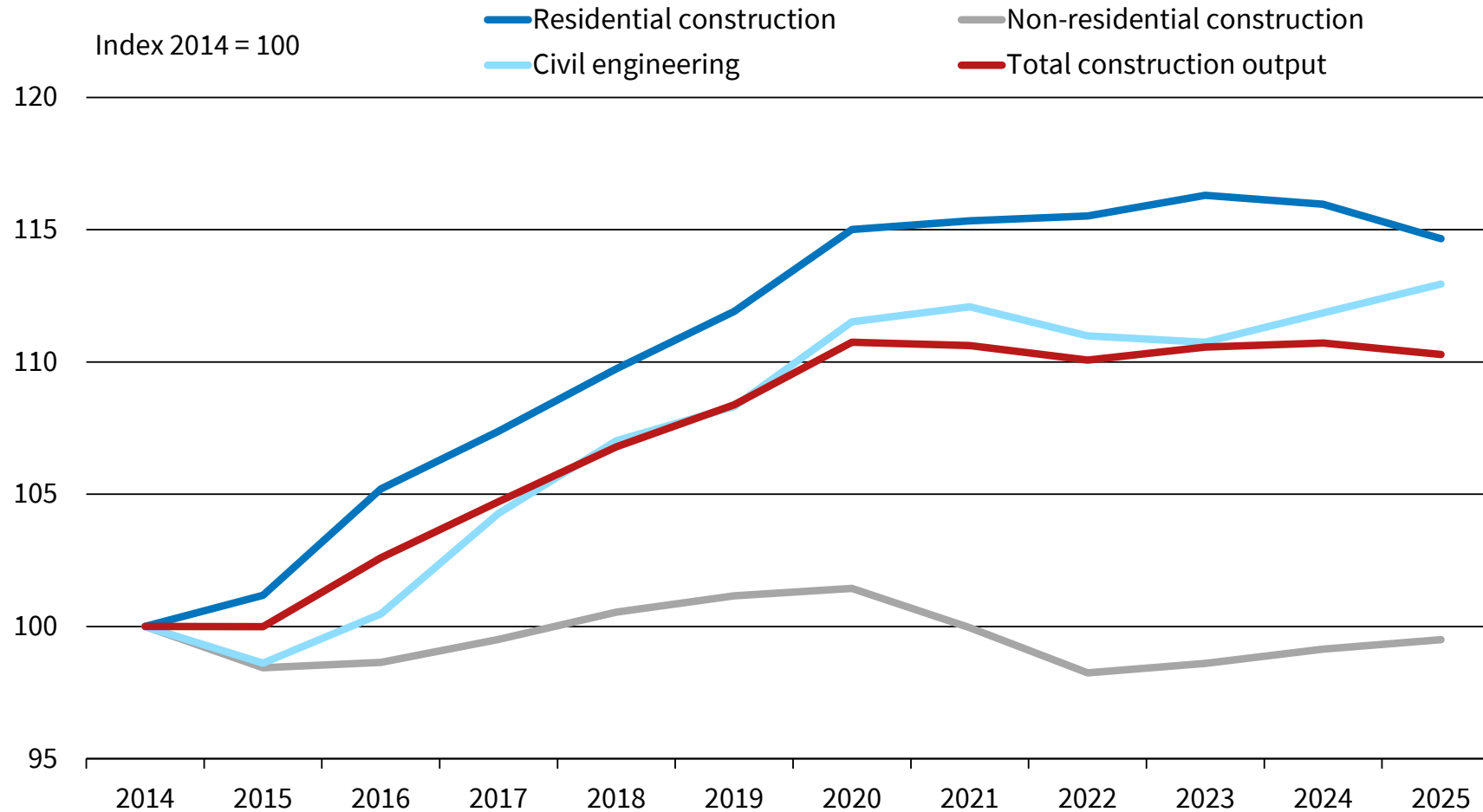


Source: ifo Institute (forecast in the context of the EUROCONSTRUCT publication in November 2022).

© ifo Institute

Construction output in Germany since 2014

Civil engineering should better withstand the price shock

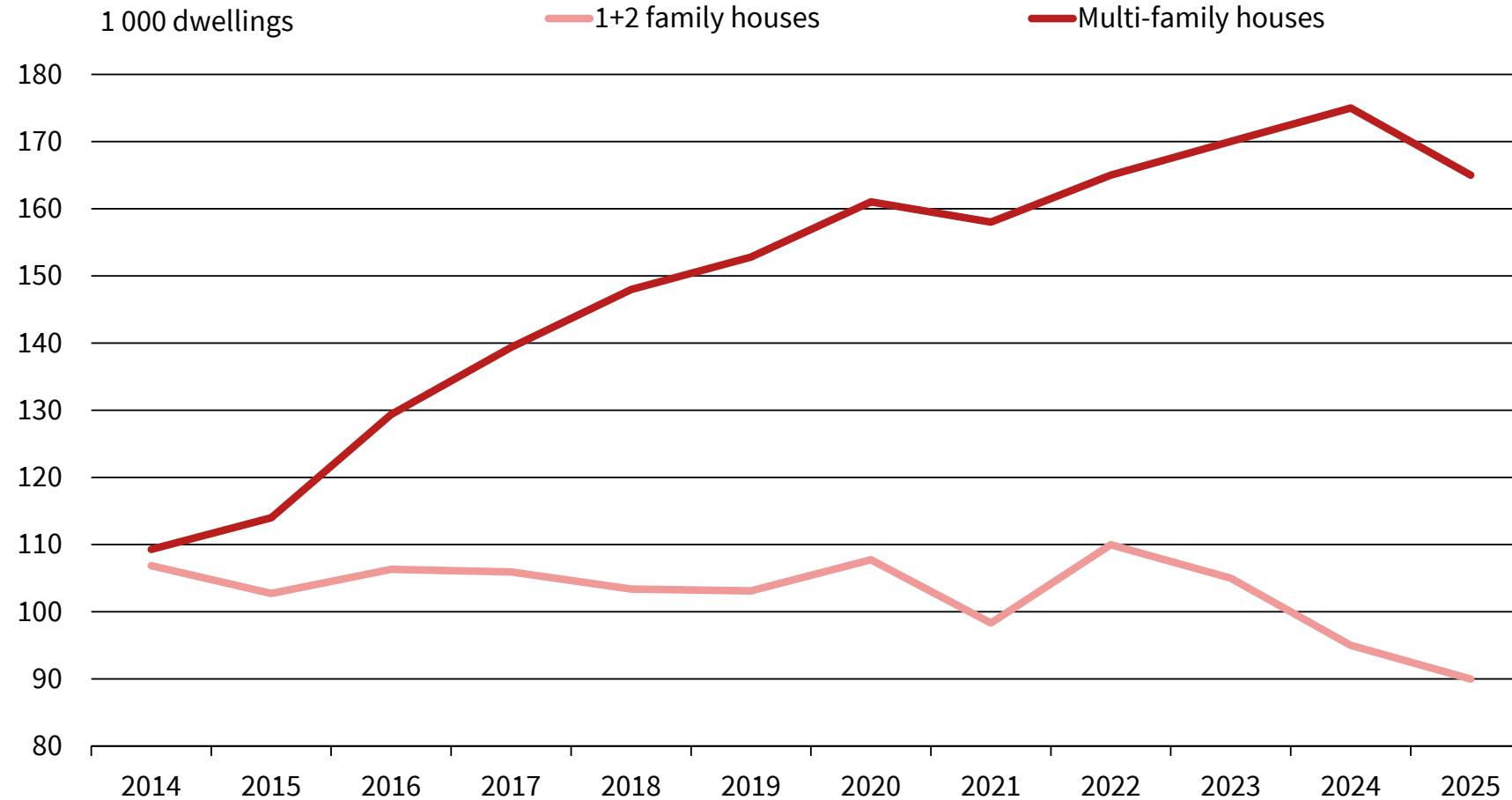


Source: ifo Institute (forecast in the context of the EUROCONSTRUCT publication in November 2022).

© ifo Institute

Completion of new residential buildings in Germany

Lengthy construction processes support completion figures

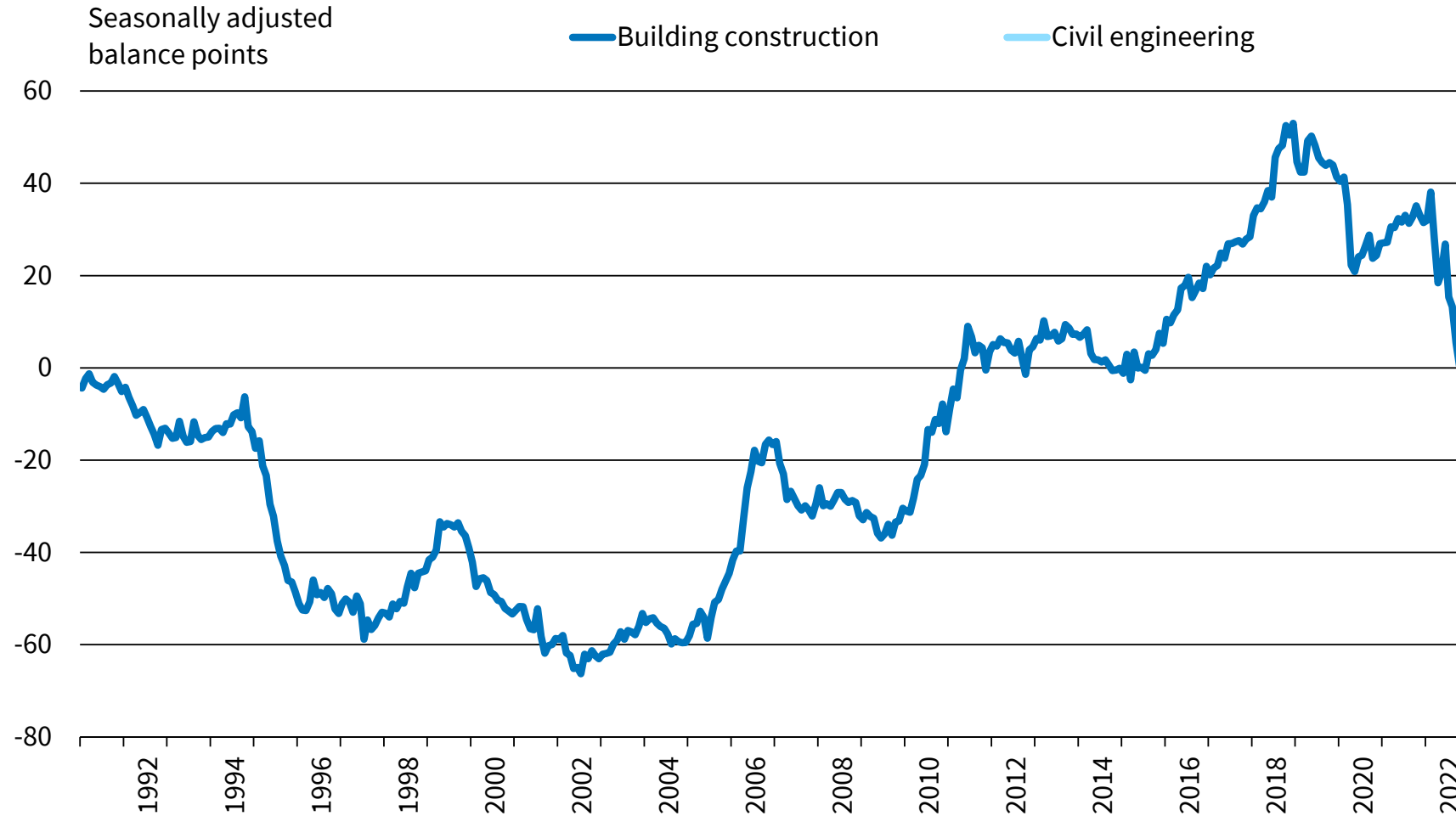


Source: Federal Statistical Office; ifo Institute.

© ifo Institute

Being rather pessimistic => current business situation

Building construction segment lost 40 points within one year

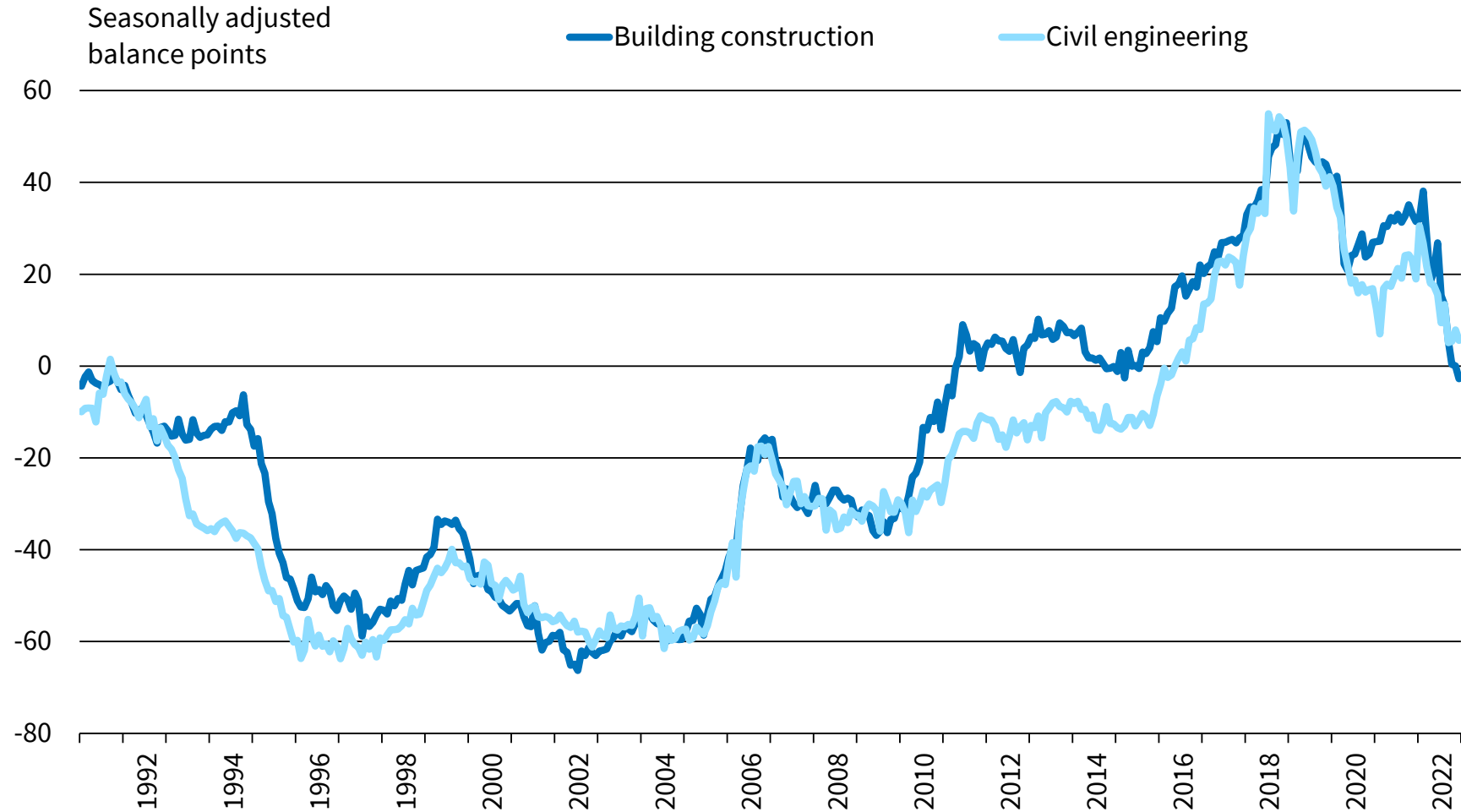


Source: ifo Business Survey (Main construction industry in Germany).

© ifo Institute

Being rather pessimistic => current business situation

Civil engineering firms also reported a clear market cooling

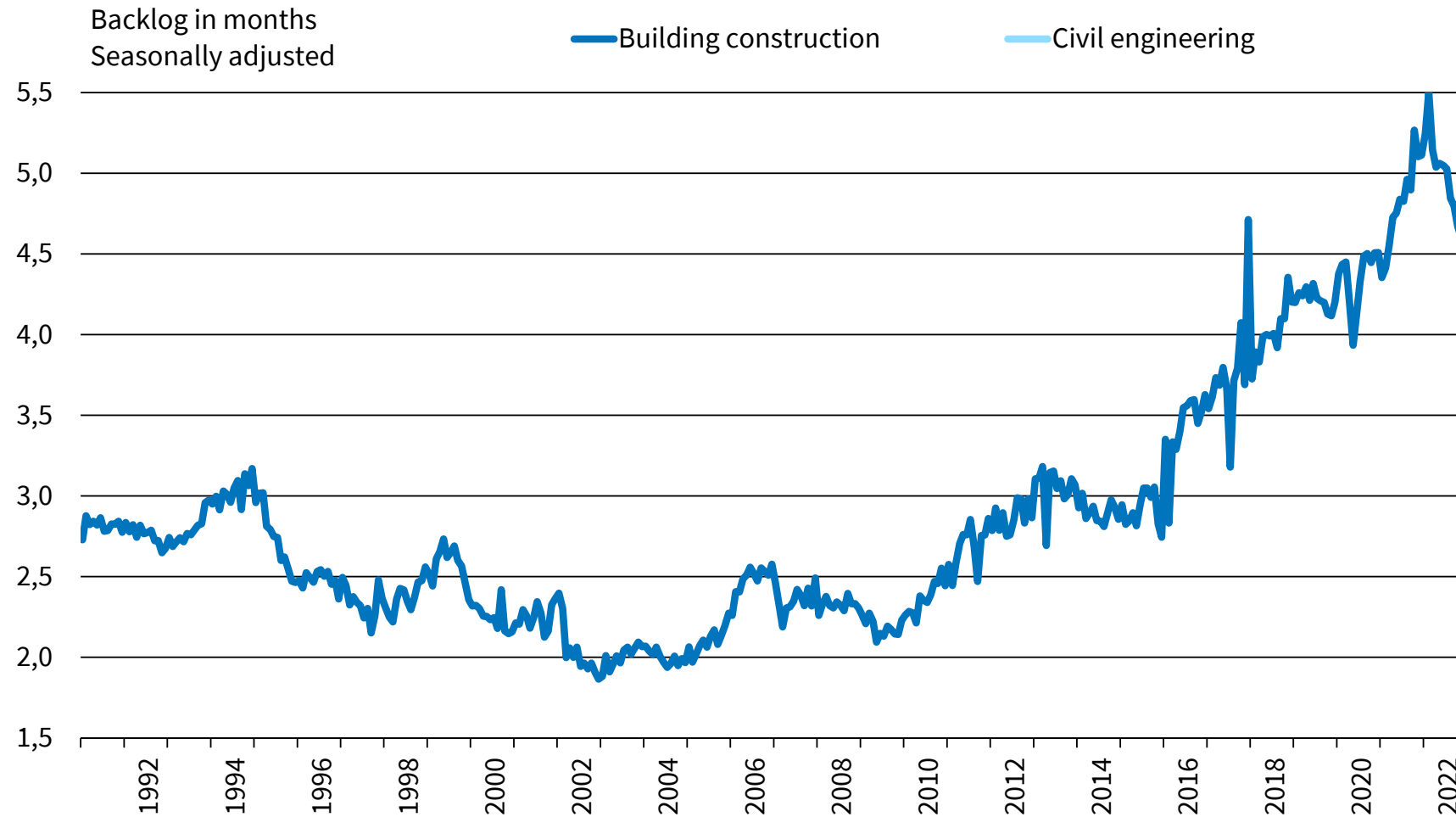


Source: ifo Business Survey (Main construction industry in Germany).

© ifo Institute

Being rather optimistic => order backlog

There is still a lot of building construction work to be done

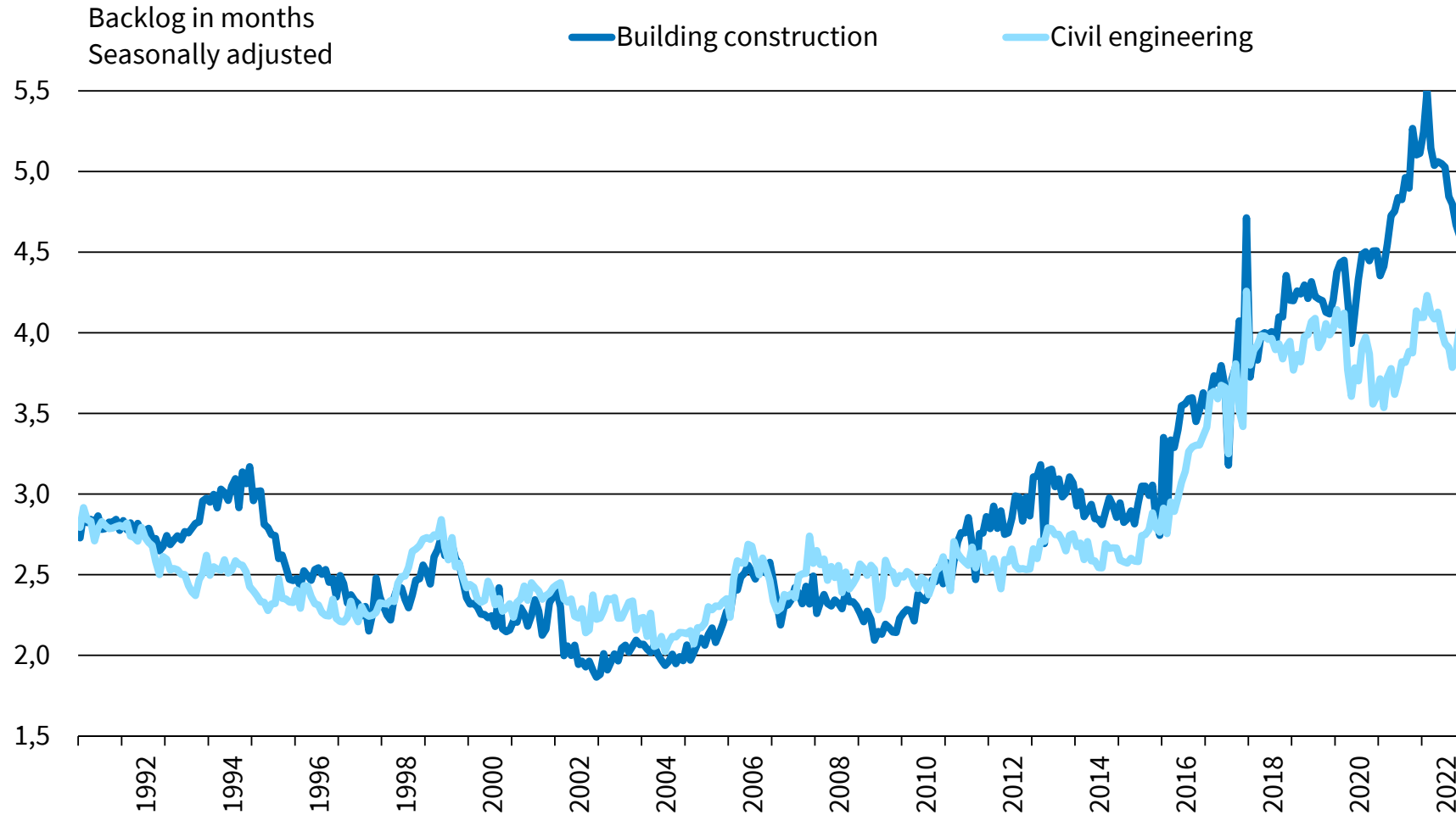


Source: ifo Business Survey (Main construction industry in Germany).

© ifo Institute

Being rather optimistic => order backlog

Volume of orders in the infrastructure segment even recovered



Source: ifo Business Survey (Main construction industry in Germany).

© ifo Institute

Thanks a lot!

CONTACT:

ifo Institute – Leibniz Institute for Economic Research at the University of Munich.

Ludwig Dorffmeister

Poschingerstr. 5
81679 München

T: +49 89 9224-1343

F: +49 89 907795-1343

E-Mail: dorffmeister@ifo.de