

Building and dwelling production

2015, December

Cubic volume covered by granted building permits decreased in the last quarter of 2015

According to Statistics Finland, building permits were granted in October to December 2015 for a total of 6.8 million cubic metres, which is 6.3 per cent lower than one year ago. The cubic volume of building permits granted for the construction of industrial and warehouse buildings and public service buildings diminished. However, growth was accumulated in building permits granted for residential buildings and commercial and office buildings in the last quarter.

Granted building permits and building starts, mil. m3, moving annual total



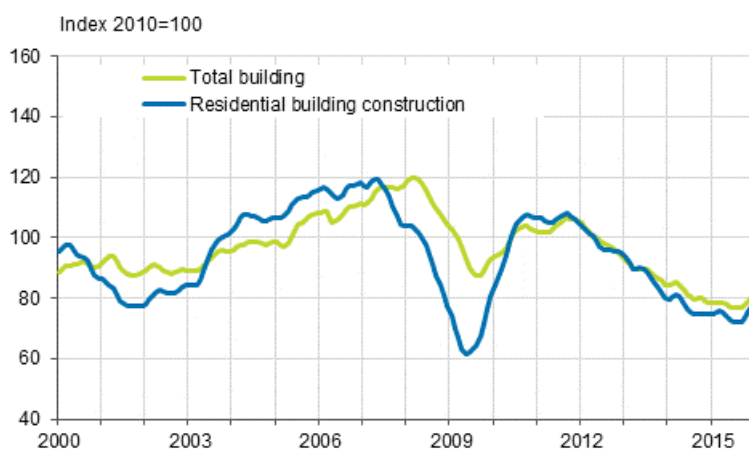
Building permits granted for block of flats projects kept residential building going

In the last quarter of 2015, building permits were granted for a total of 2.2 million cubic metres of residential building projects, which was 8.2 per cent more than one year earlier. Building permits granted for blocks of flats had most impact on the growth. At the same time, the cubic volume granted for others than residential buildings decreased by 12.1 per cent from one year back.

Total production of newbuilding nearly on level with the previous year

The constant-price value or the volume of ongoing building production decreased in in the last quarter of 2015 by nearly one per cent year-on-year. Measured by volume, 11.4 per cent more of all building projects and 40.2 per cent more residential building projects were started in the same period than one year earlier.

Volume index of newbuilding 2010=100, trend



Construction had positive vibes in 2015

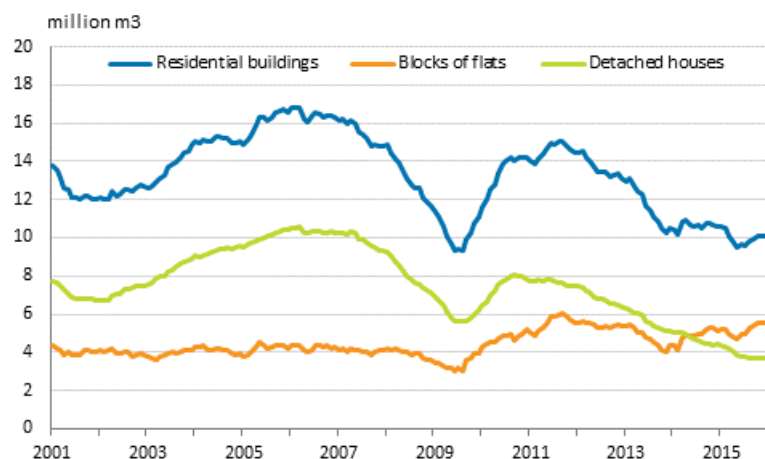
Despite the uncertain economic outlook, the cubic volume of building permits granted grew in 2015 by nearly seven per cent from the year before. Regional differentiation can be detected in the economic development of construction, because newbuilding appears to centre increasingly on growth centres and especially Southern Finland. Building permits were granted for a total of 30,000 dwellings, nearly 40 per cent of which were granted for Greater Helsinki.

Starts of build projects subject to licence were on level with the previous year, but the development of residential building starts made an upturn. During 2015, residential building starts totalled nearly 11 million cubic metres, which is about nine per cent more than one year previously. The construction of other than residential buildings continued to contract and five per cent fewer of them were started during the year than one year ago.

The total production of newbuilding fell in 2015 for the fourth year running. The drop from 2011 has been drastic and total production has gone down by 26 per cent in four year. The constant-price value or the volume of ongoing building production, i.e. the volume, remained four per cent lower than one year earlier, but towards the end of the year, the contraction of production slowed down. One-quarter of the constant price total production in 2015 was generated in Greater Helsinki.

Residential building now focuses clearly on the construction of blocks of flats. The construction of detached houses has dropped to a very low level, as the volume of production is only around one-half of what it was in 2010. In turn, the volume of the construction of blocks of flats has started to recover faster than other construction and the constant price volume of block of flats production already turned positive during 2015 and went up by five per cent from the year before.

Granted building permits for residential buildings, mil. m3, moving annual total



Data of the statistics on building and dwelling production

The data of the statistics on building and dwelling production are based on the building permit data of the Population Register Centre. The register data are supplemented as municipal building supervisors provide data to the Population Information System and the now published data can become revised. Due to the renewals in the Population Information System, the accumulation data from one year ago do not fully correspond with the accumulation of the current data and this causes bias in the change percentage calculation. For the latest months, the data still have undercoverage and will be supplemented over coming months.

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Appendix tables

Appendix table 1. Building production, three month total and year-on-year change

	10-12/2015		9-11/2015		8-10/2015	
	1000 m3	Year-on-year change, %	1000 m3	Year-on-year change, %	1000 m3	Year-on-year change, %
Granted building permits	6 792	-6,3	8 473	11,2	8 757	12,1
Building projects started	7 499	11,4	8 027	1,2	9 470	7,9
Completed building projects	8 014	-19,1	7 466	-15,1	7 667	-6,0

Revisions in these statistics

The data of the statistics have become revised according to the table below. For more information about data revisions, see Section 3 of the quality description (only in Finnish).

Revision of annual changes in granted building permits¹⁾

Reference period	Year-on-year change,%		Revision, percentage point
	1st release	Latest release (2016-02-26)	
2015/05	-35,1	-24,2	10,9
2015/06	-18,0	27,0	45,0
2015/07	11,0	45,2	34,2
2015/08	30,0	42,9	12,9
2015/09	27,5	36,5	9,0
2015/10	-42,2	-31,8	10,4
2015/11	45,4	42,6	-2,8

1) The 1st release refers to the time when data for the reference period were released for the first time. The revision describes the difference of annual change percentages between the first and latest release.

Revision of annual changes in the volume index of newbuilding¹⁾

Reference period	Year-on-year change,%		Revision, percentage point
	1st release	Latest release (2016-02-26)	
2015/05	-6,8	-5,7	1,1
2015/06	-3,8	-5,2	-1,4
2015/07	-3,7	-5,2	-1,5
2015/08	-4,8	-3,7	1,1
2015/09	-6,8	-4,6	2,2
2015/10	-5,0	-3,2	1,8
2015/11	3,3	-0,7	-4,0

1) The 1st release refers to the time when data for the reference period were released for the first time. The revision describes the difference of annual change percentages between the first and latest release.

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Source: Building and dwelling production, Statistics Finland