

Construction volume decreased more than a tenth in the previous year

According to preliminary data of Statistics Estonia, in 2008 the total production of Estonian construction enterprises in Estonia and in foreign countries amounted to 35 billion kroons, which is 12% less than a year earlier.

The production value of building construction was 23 billion kroons and the production of civil engineering totalled 12 billion kroons. Compared to 2007 the volume of building construction decreased 17% and the volume of civil engineering stayed at the same level. The decline in construction was mainly caused by the decreased volumes in dwelling construction on domestic construction market. The recession and the restricted loan terms have decreased continuously the start with new dwelling construction projects. In 2008 building permits were granted for the construction of 5,500 dwellings, which is more than a third less than a year earlier.

Contrary to the domestic construction market which is on decline stage, in 2008 the construction volume in foreign countries increased by a tenth compared to the previous year. The growth was caused by the building construction. Although the construction in foreign countries increased, its influence on the construction activity was very small, accounting only for 6% of the total volume of construction.

According to the data of the Construction Works Register, the number of dwelling completions in 2008 was 5,300 — 1,773 dwellings less than in 2007. Like the trend of last years, three quarters of completed dwellings were situated in blocks of flats and every second dwelling had two or three rooms. The average floor area per dwelling increased compared to the previous year because the share of one-family houses grew. In 2008, the average floor area of a completed dwelling was 86 square metres, the year earlier 80. The majority of completed dwellings were situated in Tallinn, followed by the neighbouring rural municipalities of Tallinn and the city of Tartu.

In 2008, the number of completed non-residential buildings was 993 with the useful floor area of 1.0 million square metres. The useful area of commercial, office and industrial buildings increased the most. Compared to 2007, the useful floor area and the cubic capacity of completed non-residential buildings increased.

In the 4th quarter of 2008, the production value of construction amounted to 8.4 billion kroons, a fifth less compared to the 4th quarter of 2007, of which the construction of buildings decreased 23% and the construction of civil engineering 13%.

Change in construction volume index compared to the previous year, 1998–2008 (percentage)

Year	In Estonia and in foreign countries	of which in Estonia
1998	29	23
1999	-20	-13
2000	17	13
2001	6	5
2002	22	25
2003	6	8
2004	11	11
2005	23	20
2006	28	30
2007	14	12
2008	-12	-13

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More detailed data have been published in the Statistical Database (<http://www.stat.ee/database>).