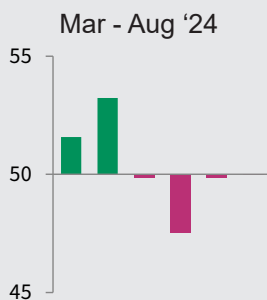


# BNP Paribas Real Estate Ireland Construction PMI<sup>®</sup>

## New orders continue to rise, but at softer pace

### Ireland Construction Total Activity Index



### Sixth successive increase in new business

### Total activity unchanged in August

### Employment down for first time in nine months

August data indicated that Irish construction activity was stable during the month. Positively, new orders and purchasing activity continued to expand, while business confidence rose to a six-month high. On the other hand, the rate of growth in new orders eased from that seen in July, while employment decreased for the first time in nine months.

The headline seasonally adjusted BNP Paribas Real Estate Ireland Construction Total Activity Index registered exactly at the 50.0 no-change mark in August, signalling stability of total activity midway through the third quarter of 2024. The reading was broadly in line with the figure of 49.9 posted in July.

Any growth in the sector during the month was generally found in the commercial category, where activity

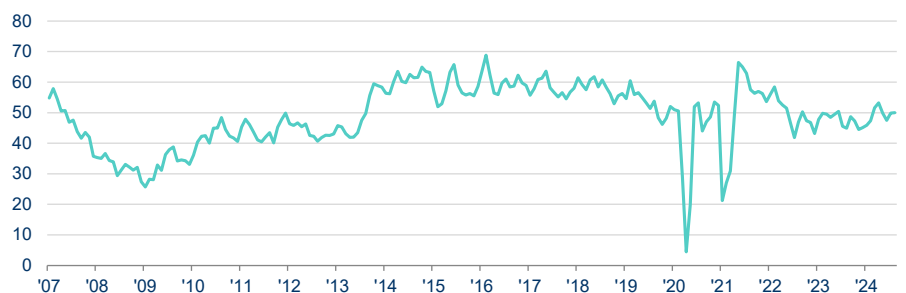
increased for the first time in three months. Meanwhile, housing activity was broadly stable following a five-month sequence of expansion. Civil engineering activity continued to fall, but at a softer pace.

New orders continued to rise in August, although the pace of expansion took a step back from the 29-month high seen in July. The granting of new contracts helped firms to record an increase in new business, extending the current sequence of growth which began in March.

The volume of enquiries being received provided construction firms with confidence that their activity levels will expand over the coming year. Moreover, optimism hit a six-month high and was above the series average as 41% of respondents predicted an increase in total activity. The housing

BNP Paribas Real Estate Ireland Construction Total Activity Index

sa, >50 = growth since previous month



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## Overview continued...

sector in particular is expected to be a source of growth.

Rising new business led companies to expand their purchasing activity for the sixth month running, albeit only slightly and at the softest pace in this sequence.

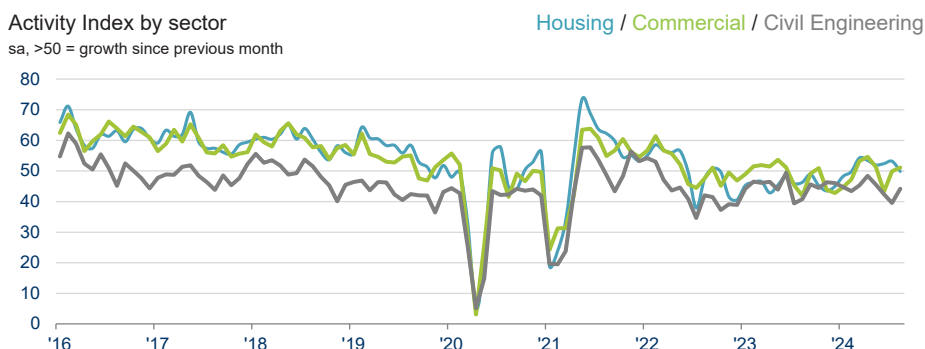
Firms faced lengthening suppliers' delivery times in August, the third month running in which this has been the case. The solid deterioration in vendor performance was linked to port delays and staff shortages at suppliers.

Meanwhile, Irish construction firms registered a fall in employment, thereby ending an eight-month sequence of job creation. Moreover, the solid decline

was the most pronounced in almost three-and-a-half years.

Input costs continued to rise sharply in August, and the rate of inflation remained above the series average despite easing to a three-month low. Panellists reported general material price increases, plus higher charges from sub-contractors.

Sub-contractor rates rose markedly, with the pace of inflation quickening from that seen in July. This was despite a second successive monthly reduction in the usage of sub-contractors. Meanwhile, their availability was also down, reversing the increase seen in the previous survey period.



## Comment

Commenting on the latest survey results, John McCartney, Director & Head of Research at BNP Paribas Real Estate Ireland, said:

*“Construction employment has been on an almost unbroken upward trend since Ireland’s economy re-opened after Covid. However, for only the second time in twenty months, hiring went into reverse in August. This triangulates data from the recent Labour Force Survey which indicated a fairly pronounced pull-back in construction employment.*

*Paradoxically, there does not appear to be any lack of demand for builders – wage growth in the sector has gone from -2.2 per cent per annum one year ago to 11.75 per cent currently, which suggests intensifying*

*competition to recruit scarce workers. Likewise today’s PMI indicates that order books are expanding and the vast majority of building firms expect to be at least as busy this time next year. Therefore taking everything in the round, the data suggest that the sector may now be encountering labour constraints.”*

## Activity by sector

### Residential

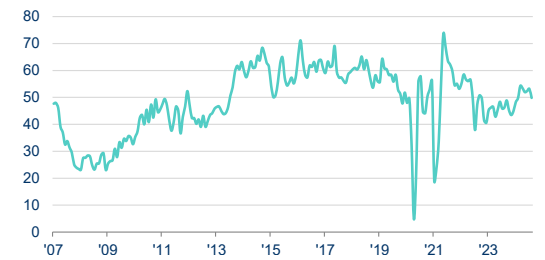
August data pointed to a broad stagnation of housing activity in the Irish construction sector as the respective seasonally adjusted index posted fractionally below the 50.0 no-change mark. The stable picture ended a five-month sequence of expansion.

### Housing Activity Index

sa, >50 = growth since previous month

49.8

Aug '24



### Commercial

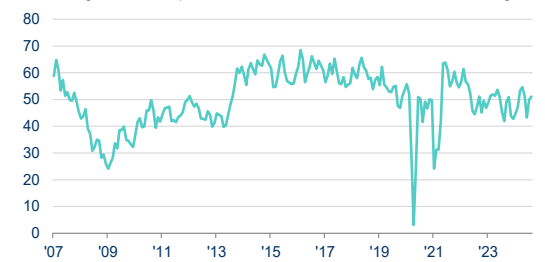
Commercial activity increased for the first time in three months during August, although the rate of expansion was only modest. Commercial was the only one of the three monitored categories to register a rise in activity during the month.

### Commercial Activity Index

sa, >50 = growth since previous month

51.1

Aug '24



### Civil Engineering

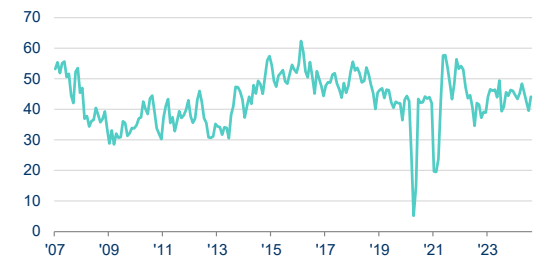
Civil engineering activity continued to fall during August, thereby extending the current sequence of monthly declines to two-and-a-half years. The rate of contraction was marked, despite easing to a three-month low.

### Civil Engineering Activity Index

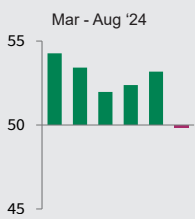
sa, >50 = growth since previous month

44.1

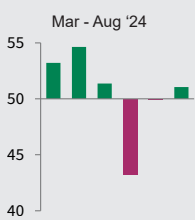
Aug '24



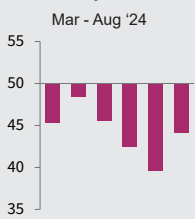
Housing Activity Index



Commercial Activity Index



Civil Engineering Activity Index



## Demand and jobs

### New orders

Irish construction firms continued to report rises in new orders during August as the granting of new projects helped support an inflow of new business. New orders have now increased in each of the past six months. The pace of expansion eased from July's 29-month high and was modest.

### Employment

August data pointed to a renewed decline in employment in the Irish construction sector, following a period of eight successive monthly increases in workforce numbers. Moreover, the solid reduction in staffing levels was the most marked since March 2021. A number of firms indicated that full-time staff members had left during the month.

New Orders Index

sa, >50 = growth since previous month



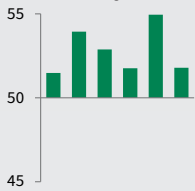
Employment Index

sa, >50 = growth since previous month



New Orders Index

Mar - Aug '24



Employment Index

Mar - Aug '24



## Business expectations

Business sentiment rose to a six-month high during August and was above the series average as more than 41% of respondents predicted an increase in activity over the coming year. Companies were encouraged by the volume of enquiries coming in, with new work in the housing sector expected in particular.

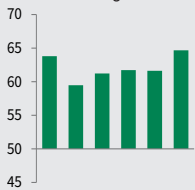
Future Activity Index

>50 = growth expected over next 12 months



Future Activity Index

Mar - Aug '24



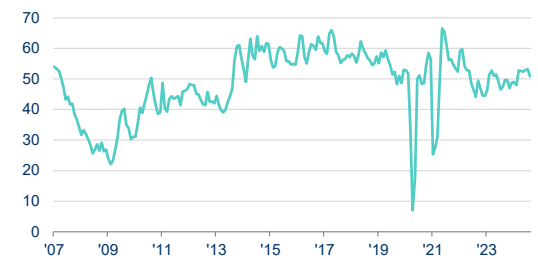
## Purchasing

### Quantity of purchases

Although purchasing activity increased for the sixth consecutive month midway through the third quarter of the year, the rate of expansion in August was only slight and the weakest in the current sequence of growth. Where input buying rose, panellists generally linked this to higher new business. In some cases, firms reported having bought in bulk.

Quantity of Purchases Index

sa, >50 = growth since previous month

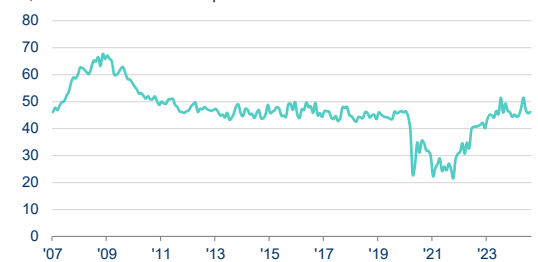


### Suppliers' delivery times

Suppliers' delivery times lengthened for the third consecutive month in August. The rate of deterioration in vendor performance was solid, albeit slightly less pronounced than that seen in July. Port delays and staff shortages at suppliers contributed to longer lead times.

Suppliers' Delivery Times Index

sa, >50 = faster times since previous month



### Input prices

General material price increases and higher rates charged by sub-contractors led to a further marked rise in input costs during August. The rate of inflation remained elevated, despite ticking down for the second successive month. Around 23% of respondents signalled a rise in input costs, against 2% that posted a fall.

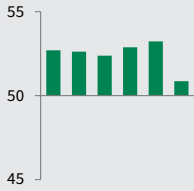
Input Prices Index

sa, >50 = inflation since previous month



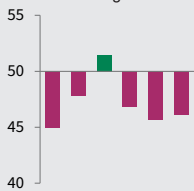
Quantity of Purchases Index

Mar - Aug '24



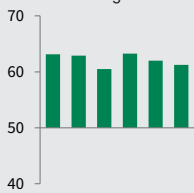
Suppliers' Delivery Times Index

Mar - Aug '24



Input Prices Index

Mar - Aug '24



#### Items up in price

Cast Iron  
Cement  
Concrete  
Copper  
Copper Cylinders  
Door Handles  
Electrical Components  
Fuel  
Insulation  
Insurance  
Labour  
Mesh  
Plastic  
Plumbing Fittings  
PVC Products  
Rebar  
Steel  
Timber  
Worktops

#### Items down in price

Wages

#### Items in short supply

None

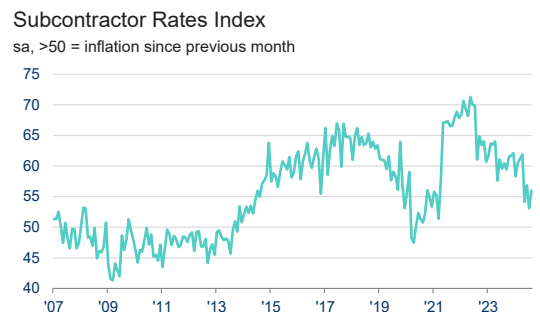
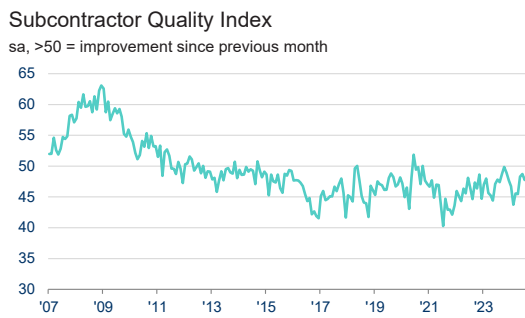
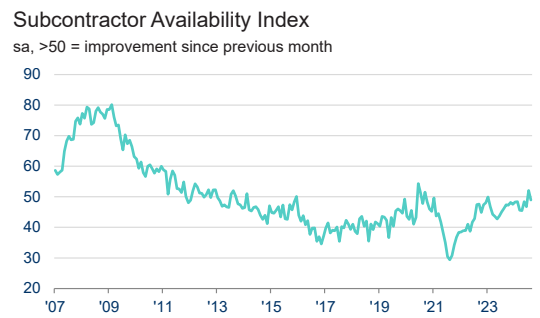
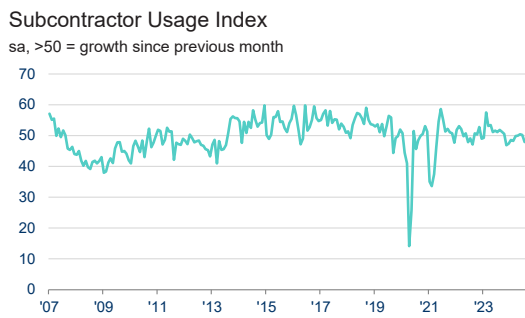
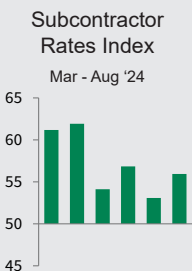
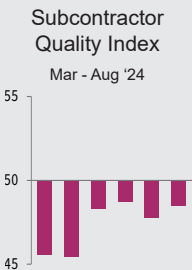
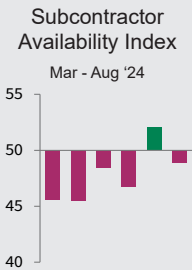
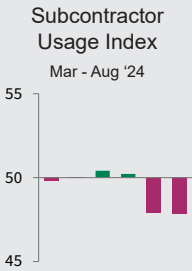
## Subcontractors

August data pointed to a second consecutive monthly fall in the usage of sub-contractors, with the modest reduction broadly in line with that seen in July. Despite the drop in usage, the availability of sub-contractors dipped, reversing the rise seen in the previous survey period.

Sub-contractor rates rose markedly midway through the third quarter, with the rate of inflation ticking higher. The quality of work carried out by sub-contractors was deemed to have declined again, however.

### Subcontractors in short supply

Blocklayers	Geohydrologists
Carpenters	Glazers
Ecologists	Joiners
Electricians	Plumbers



Survey panel size

**150**

construction firms

Index calculation

$$\begin{aligned}
 & \% \text{ 'Higher' } \\
 & + \\
 & \frac{(\% \text{ 'No change'})}{2} \\
 & + \\
 & (\% \text{ 'Lower'}) \times 0
 \end{aligned}$$

## Survey methodology

The BNP Paribas Real Estate Ireland Construction PMI® is compiled by S&P Global from responses to questionnaires sent to a panel of around 150 construction companies. The panel is stratified by company workforce size, based on contributions to GDP.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Total Activity Index. This is a diffusion index that tracks changes in the total volume of construction activity compared with one month previously. The Total Activity Index is comparable to the Manufacturing Output Index and Services Business Activity Index. It may be referred to as the 'Construction PMI' but is not comparable with the headline manufacturing PMI figure.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact [economics@spglobal.com](mailto:economics@spglobal.com).

## Survey dates and history

Data were collected 12-29 August 2024.

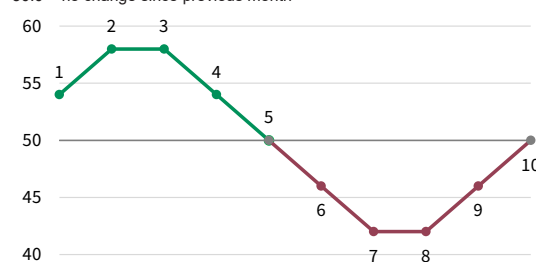
Survey data were first collected June 2000.

### Survey questions

Total activity	Quantity of purchases
Housing activity	Suppliers' delivery times
Commercial activity	Input prices
Civil engineering activity	Subcontractor usage
New orders	Subcontractor availability
Employment	Subcontractor quality
Future activity	Subcontractor rates

### Index interpretation

50.0 = no change since previous month



1 Growth	6 Decline, from no change
2 Growth, faster rate	7 Decline, faster rate
3 Growth, same rate	8 Decline, same rate
4 Growth, slower rate	9 Decline, slower rate
5 No change, from growth	10 No change, from decline

### Sector coverage

Construction PMI data include responses from companies operating in the entire construction sector, including the following ISIC Rev.4 codes:

41 Construction of buildings	electricity and telecommunications	43.29 Other construction installation
41.10 Development of building projects	42.91 Construction of water projects	43.31 Plastering
41.20 Construction of residential and non-residential buildings	42.99 Construction of other civil engineering projects n.e.c.	43.32 Joinery installation
42 Civil engineering	43 Specialised construction activities	43.33 Floor and wall covering
42.11 Construction of roads and motorways	43.11 Demolition	43.34 Painting and glazing
42.12 Construction of railways and underground railways	43.12 Site preparation	43.39 Other building completion and finishing
42.13 Construction of bridges and tunnels	43.13 Test drilling and boring	43.91 Roofing activities
42.21 Construction of utility projects for fluids	43.21 Electrical installation	43.99 Other specialised construction activities n.e.c.
42.22 Construction of utility projects for	43.22 Plumbing, heat and air-conditioning installation	

## Contact

John McCartney  
Director & Head of Research  
BNP Paribas Real Estate Ireland  
T: +353 (0) 1 661 1233  
M: +353 87 974 8485  
[john.mccartney@bnpparibas.com](mailto:john.mccartney@bnpparibas.com)  
[www.realestate.bnpparibas.ie](http://www.realestate.bnpparibas.ie)

Sabrina Mayeen  
Corporate Communications  
S&P Global Market Intelligence  
T: +44 (0) 7967 447030  
[sabrina.mayeen@spglobal.com](mailto:sabrina.mayeen@spglobal.com)

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We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today.

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Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends.

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