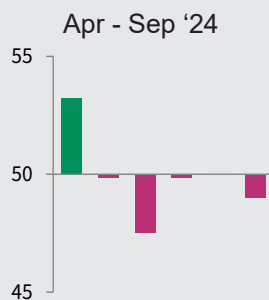


# BNP Paribas Real Estate Ireland Construction PMI<sup>®</sup>

## Seventh successive rise in new orders

### Ireland Construction Total Activity Index



### New business expands further at end of third quarter

Total activity ticks lower despite renewed growth of housing activity

### Employment returns to growth

A renewed increase in housing activity following August's pause was not enough to prevent a renewed reduction in total output at Irish construction firms amid a fresh fall in commercial activity. More positively, new orders expanded and firms took on extra staff. Companies also remained optimistic around the year-ahead outlook.

The headline seasonally adjusted BNP Paribas Real Estate Ireland Construction Total Activity Index dipped below the 50.0 no-change mark in September, posting 49.0 from a reading of exactly 50.0 in August. Total activity has now decreased in four of the past five months.

Underneath the headline figure, latest data signalled differing trends among the sub-categories of construction than was the case in August. Housing activity returned to growth following

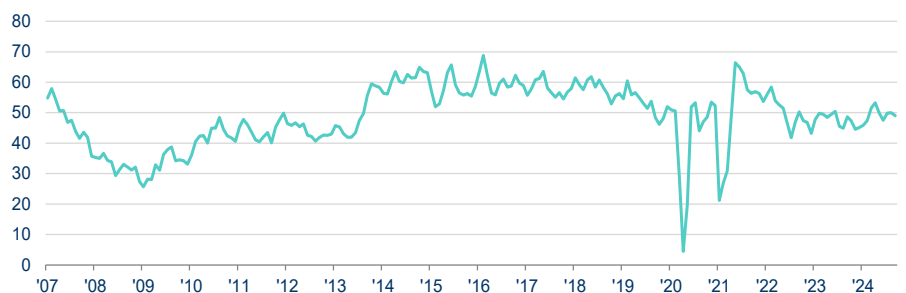
a fractional reduction in the previous survey period. Activity on residential projects has now increased in six of the past seven months. In contrast, commercial activity dipped back into contraction during September after having seen growth in August. Civil engineering activity continued to fall.

The slight reduction in total construction activity in September was recorded in spite of a further expansion of new orders during the month. New business increased for the seventh month running, with panellists reporting improving client demand and the sign-off on projects which had been priced in previous months.

Construction firms responded to a further expansion of new business by raising staffing levels to help ensure that projects were completed on time. Employment increased modestly,

BNP Paribas Real Estate Ireland Construction Total Activity Index

sa, >50 = growth since previous month



## Contents

[Overview](#)

[Comment](#)

[Activity by sector](#)

[Demand, jobs and outlook](#)

[Purchasing](#)

[Subcontractors](#)

[Survey methodology](#)

[Further information](#)

## Overview continued...

reversing the decline seen in the previous month.

Meanwhile, purchasing activity rose for the seventh month running amid the need for more materials to support construction activity.

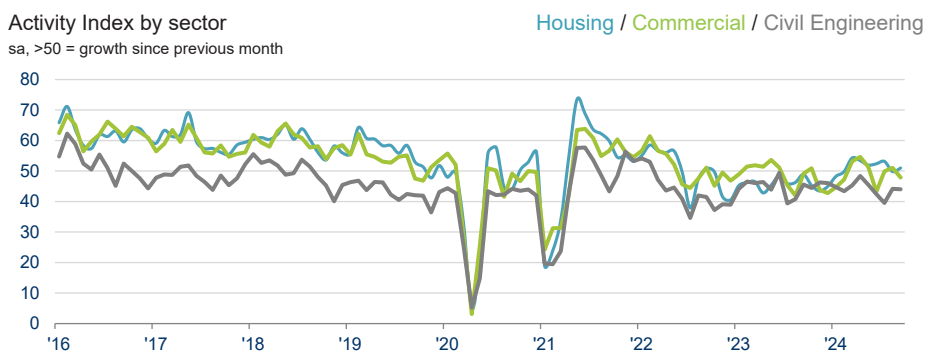
Those firms that purchased items were faced with longer delivery times from suppliers, the fourth consecutive month in which this has been the case. Delays were linked to a range of factors, including staff shortages at suppliers, difficulties sourcing materials and general supply-chain issues.

Another sharp increase in input costs was recorded in September amid general inflationary pressures on materials and higher wages. That said,

the rate of input cost inflation eased for the third successive month and was the slowest since January.

A first rise in sub-contractor usage for three months put pressure on the supply of sub-contractors, with their availability deteriorating to the greatest extent since April.

Construction firms remained optimistic regarding the 12-month outlook for activity, with sentiment broadly in line with the series average despite easing from August. Those companies that predicted a rise in activity over the coming year linked this to confidence regarding new orders and expected increases in housing activity.



## Comment

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

*“September continued along the lines of the last six months with overall activity broadly flat and residential construction out-performing commercial. This pattern reflects conditions in these respective markets. House prices and, to a lesser extent, rents are rising strongly and the demand for residential property is well underpinned by population growth, the strong economy and Government schemes like Help to Buy which was extended again in the recent budget. Notwithstanding a continuous rise in costs since the spring of 2020, these factors have*

*given builders confidence that they can deliver housing profitably, and residential commencements are strongly up. In contrast rising office vacancy has caused new starts in the commercial sector to dry-up, dragging on overall activity.”*

## Activity by sector

### Residential

Irish construction companies recorded a renewed increase in activity on residential projects during September following a pause in growth during August. Housing activity rose for the sixth time in the past seven months, albeit modestly.

### Housing Activity Index

sa, >50 = growth since previous month

51.0

Sep '24



### Commercial

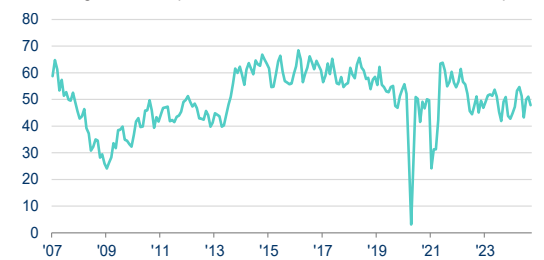
Commercial activity decreased during September, reversing a first increase in three months registered during August. That said, the pace of reduction in activity on commercial projects was only modest.

### Commercial Activity Index

sa, >50 = growth since previous month

47.9

Sep '24



### Civil Engineering

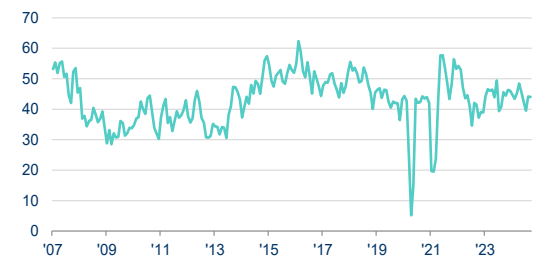
The worst-performing of the three monitored categories of construction remained civil engineering in September. Civil engineering activity decreased markedly, with the pace of reduction broadly in line with that seen in August.

### Civil Engineering Activity Index

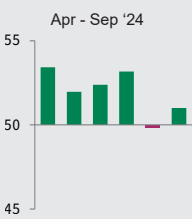
sa, >50 = growth since previous month

44.0

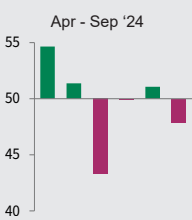
Sep '24



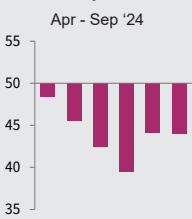
Housing Activity Index



Commercial Activity Index



Civil Engineering Activity Index



## Demand and jobs

### New orders

September data pointed to a seventh consecutive monthly increase in new orders in the Irish construction sector. The latest rise was solid and slightly faster than that seen in August. Panellists reported improving customer demand, as well as previously priced orders now having been signed off.

### Employment

After having decreased for the first time in nine months during August, employment returned to growth in September. The modest improvement in staffing levels was the sharpest since June. Anecdotal evidence suggested that extra staff had been hired to work on new projects and help fulfil orders on time.

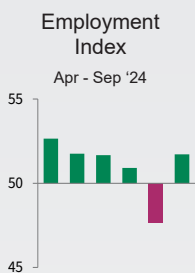
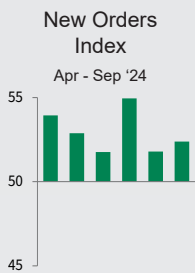
New Orders Index

sa, >50 = growth since previous month



Employment Index

sa, >50 = growth since previous month



## Business expectations

The prospect of further inflows of new business over the year ahead supported confidence in the outlook for activity. Some firms expect to see housing activity pick up in particular. Close to 38% of respondents expressed optimism in September, with overall confidence broadly in line with the series average.

Future Activity Index

>50 = growth expected over next 12 months



## Purchasing

### Quantity of purchases

Irish construction firms increased their purchasing activity again in September, thereby extending the current sequence of growth to seven months. The rate of expansion quickened slightly, but remained modest. Where a rise in input buying was signalled, firms generally linked this to activity requirements.

### Suppliers' delivery times

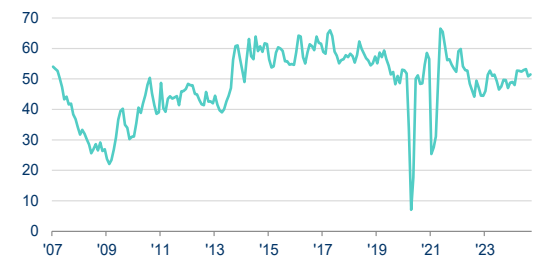
For the fourth month running, suppliers' delivery times lengthened in September. The deterioration in vendor performance was solid, but the least pronounced since June. Staff shortages at suppliers, difficulties sourcing materials and general supply-chain issues were all listed as factors behind longer lead times.

### Input prices

September data pointed to a further softening of input cost inflation in the construction sector, with the latest increase the least marked since January. Input prices continued to rise sharply, however, amid general inflationary pressure on materials, sometimes due to shortages. Higher wages were also signalled by some companies.

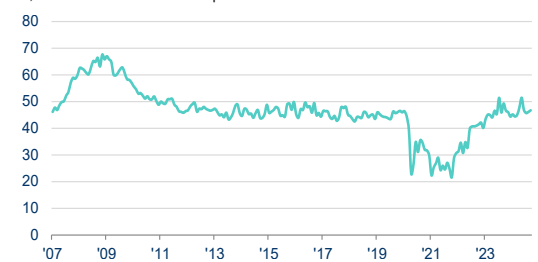
Quantity of Purchases Index

sa, >50 = growth since previous month



Suppliers' Delivery Times Index

sa, >50 = faster times since previous month



Input Prices Index

sa, >50 = inflation since previous month



#### Items up in price

- Building Materials
- Cast Iron
- Concrete
- Copper
- Copper Tanks
- Cylinders
- Electrical Items
- Fittings
- Insulation
- Machines
- Petrol
- Petroleum based items
- Pipe Work
- Plastics
- Pumps
- PVC Products
- Timber

#### Items down in price

- Wages

#### Items in short supply

- Pumps
- Radon Barrier

## Subcontractors

Constructors increased their usage of sub-contractors for the first time in three months during September. Although the rise was only slight, it was the sharpest since October 2023. The increase in usage contributed to the most marked reduction in sub-contractor availability in five months.

Latest data signalled a sharp monthly rise in sub-contractor rates, and one that was the steepest since June. Meanwhile, sub-contractor quality was deemed to have deteriorated.

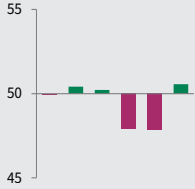
### Subcontractors in short supply

Blocklayers  
Conservation Specialists  
Ecologists  
Electricians  
Geohydrologists  
Joiners

Ornithologists  
Plasterers  
Plumbers  
Visual Impact Specialists  
Wet Trades

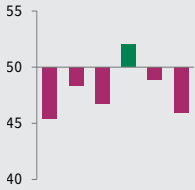
Subcontractor Usage Index

Apr - Sep '24



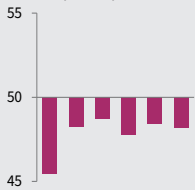
Subcontractor Availability Index

Apr - Sep '24



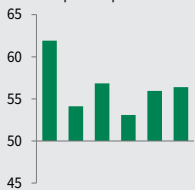
Subcontractor Quality Index

Apr - Sep '24



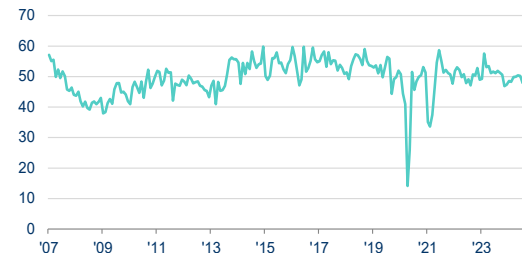
Subcontractor Rates Index

Apr - Sep '24



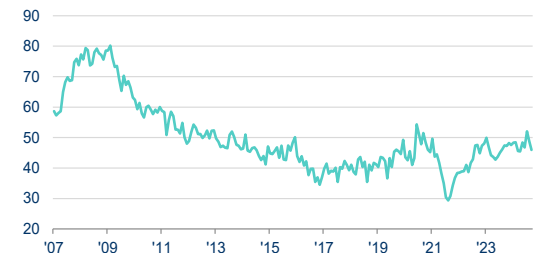
Subcontractor Usage Index

sa, >50 = growth since previous month



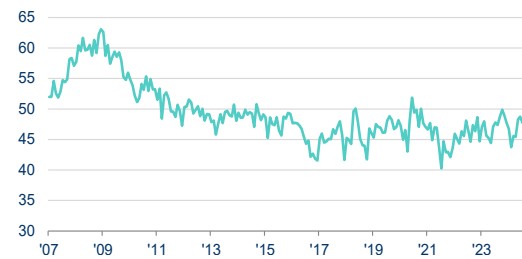
Subcontractor Availability Index

sa, >50 = improvement since previous month



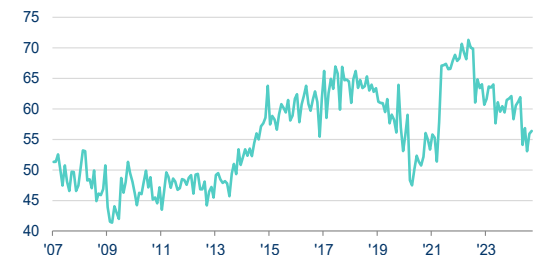
Subcontractor Quality Index

sa, >50 = improvement since previous month



Subcontractor Rates Index

sa, >50 = inflation since previous month



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 12-27 September 2024.

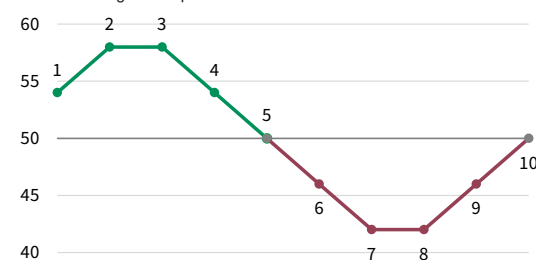
Survey data were first collected June 2000.

### 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	

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BNP Paribas Real Estate, one of the leading international real estate providers, offers its clients a comprehensive range of services that span the entire real estate lifecycle: Property Development, Transaction, Consulting, Valuation, Property Management and Investment Management. With 5,000 employees, BNP Paribas Real Estate as a one stop shop company, supports owners, leaseholders, investors and communities thanks to its local expertise across 30 countries (through its facilities and its Alliance network) in Europe, the Middle-East and Asia. BNP Paribas Real Estate is a part of the BNP Paribas Group, a global leader in financial services.

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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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