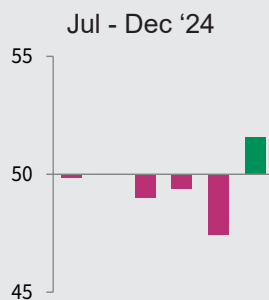


BNP Paribas Real Estate Ireland Construction PMI®

Total construction activity rises for first time in eight months

Ireland Construction Total Activity Index



Renewed expansion in activity amid stronger new order growth

Rate of job creation accelerates

Business confidence highest in almost three years

The final month of 2024 saw a renewed expansion in Irish construction activity amid improving demand conditions, while business confidence picked up. Employment also increased, but purchasing activity was scaled back as firms indicated that they had built up sufficient input stocks in previous months. Meanwhile, the rate of input cost inflation quickened to a six-month high.

The headline seasonally adjusted BNP Paribas Real Estate Ireland Construction Total Activity Index moved back above the 50.0 no-change mark during December, rising to 51.6 from 47.5 in November. The reading signalled a modest expansion in total activity that was the first for eight months.

The increase in total construction activity reflected growth in two of the

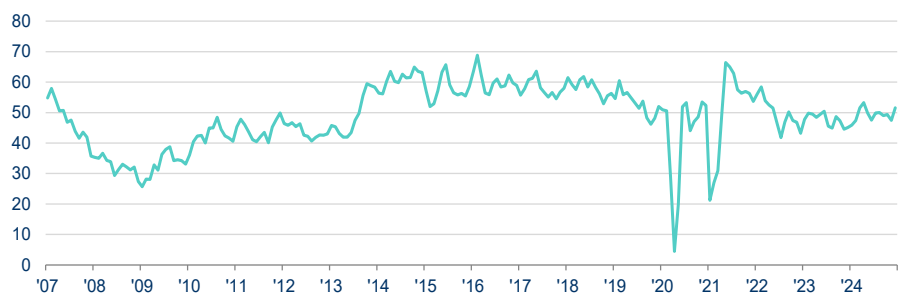
three monitored categories. Housing continued to lead the way, posting a fourth consecutive monthly expansion. The rate of growth was solid and sharper than that seen in November. Commercial activity returned to growth for the first time in four months. Meanwhile, civil engineering activity continued to fall, albeit to the least extent since last May.

Respondents to the survey indicated that an improving demand environment had been behind the increase in total activity, and this was also reflected in a further expansion of new orders during December. New business increased for the ninth time in the past ten months, with the latest solid rise the most marked since July 2024.

Construction firms were also increasingly optimistic in the year-ahead outlook for activity amid

BNP Paribas Real Estate Ireland Construction Total Activity Index

sa, >50 = growth since previous month



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confidence that further new orders will be secured in the months ahead. Sentiment strengthened to a 34-month high and was above the series average as 41% of respondents expressed an optimistic outlook.

Rising current workloads and preparation for projects in 2025 led construction firms to take on extra staff in December, the fourth month running in which this has been the case. Moreover, the pace of job creation quickened to a nine-month high.

Purchasing activity was scaled back, however, thereby ending a nine-month sequence of expansion. In some cases, panellists indicated that a sustained period of input buying meant that they had sufficient stocks and therefore

could ease off on purchasing at the end of the year.

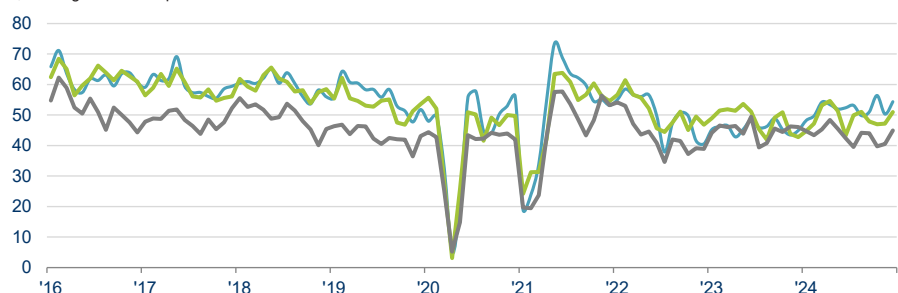
The rate of input cost inflation quickened to a six-month high in December and was stronger than the series average.

Meanwhile, suppliers' delivery times continued to lengthen, extending the current sequence of deteriorating vendor performance to seven months. Firms reported delays in supply chains, in some cases linked to port damage caused by Storm Darragh.

Finally, construction firms increased their usage of sub-contractors at a solid pace that was the most marked since February 2023. This contributed to a steeper decline in sub-contractor availability during the month.

Activity Index by sector

sa, >50 = growth since previous month



Comment

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

“Taking the year as a whole, overall construction activity was broadly flat in 2024. However there was considerable sectoral variation and, having expanded solidly throughout the year, residential activity strengthened further in Q4. Despite the ongoing rise in input costs, strong demand conditions – including demographic growth, falling mortgage rates, real earnings growth and strong Government support – have underpinned developers’ confidence that residential schemes can be delivered profitably.”

Looking ahead, the industry is upbeat about the prospects for 2025 with the forward-looking indicators of future expectations, new orders and hiring all pointing in a positive direction.”

Activity by sector

Residential

Housing activity increased for the fourth consecutive month in December. The rate of expansion was solid and faster than that seen in the previous survey period. Residential was the strongest-performing category of construction covered by the survey.

Housing Activity Index

sa, >50 = growth since previous month

54.4

Dec '24



Commercial

Irish construction companies signalled a renewed expansion of commercial activity in December, thereby ending a three-month sequence of contraction. That said, the rate of growth was only modest.

Commercial Activity Index

sa, >50 = growth since previous month

51.0

Dec '24



Civil Engineering

The final month of 2024 saw a further reduction in civil engineering activity at Irish construction companies, extending the period of decline which began in March 2022. The pace of reduction was marked, but eased to the weakest since last May.

Civil Engineering Activity Index

sa, >50 = growth since previous month

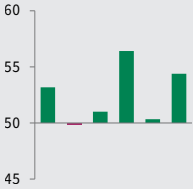
44.9

Dec '24



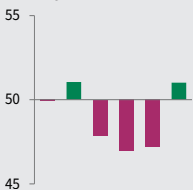
Housing Activity Index

Jul - Dec '24



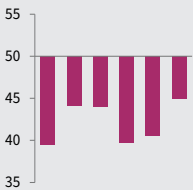
Commercial Activity Index

Jul - Dec '24



Civil Engineering Activity Index

Jul - Dec '24



Demand and jobs

New orders

Irish construction firms posted a further increase in new orders during December, the ninth in the past ten months. Improving market demand and the winning of quotes helped lead to the latest expansion in new work, which was solid.

New Orders Index

sa, >50 = growth since previous month

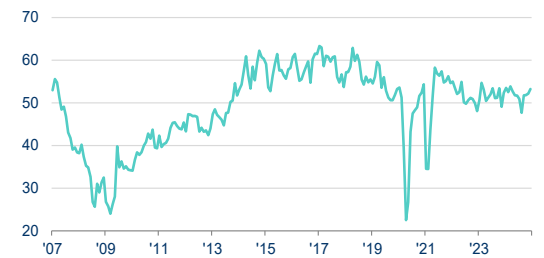


Employment

The rate of job creation gathered pace at the end of 2024, accelerating for the third consecutive month to the fastest since last March. Employment has increased continuously since September 2024. Anecdotal evidence suggested that new staff had been hired both in response to higher new orders and in preparation for work in 2025.

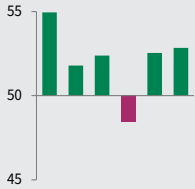
Employment Index

sa, >50 = growth since previous month



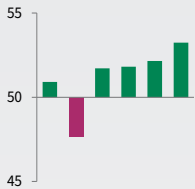
New Orders Index

Jul - Dec '24



Employment Index

Jul - Dec '24



Business expectations

Business confidence strengthened in December and was the highest since February 2022. Sentiment was also above the series average as 41% of respondents predicted a rise in activity over the course of 2025. Firms were optimistic that new orders would be secured in the coming months, supporting growth of construction activity.

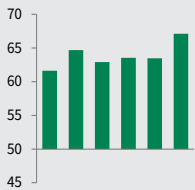
Future Activity Index

>50 = growth expected over next 12 months



Future Activity Index

Jul - Dec '24



Purchasing

Quantity of purchases

Purchasing activity decreased in December, thereby ending a nine-month sequence of expansion. Some firms suggested that the sustained period of growth in input buying meant that they had sufficient stocks for current workloads. The reduction in purchasing was only slight, however.

Quantity of Purchases Index

sa, >50 = growth since previous month

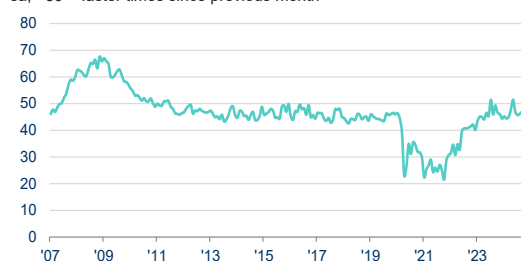


Suppliers' delivery times

As has been the case in each month since June 2024, suppliers' delivery times lengthened in December. The rate of deterioration in vendor performance was solid, albeit the least pronounced in three months. Panellists reported delays in supply chains, in some cases linked to port damage caused by Storm Darragh.

Suppliers' Delivery Times Index

sa, >50 = faster times since previous month



Input prices

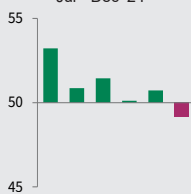
The rate of input cost inflation accelerated in December and was the most marked since last June. The latest increase in input prices was also sharper than the series average. Across the board rises in material prices were recorded by respondents.

Input Prices Index

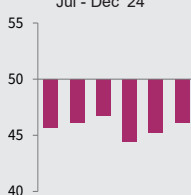
sa, >50 = inflation since previous month



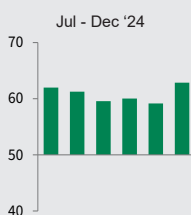
Quantity of Purchases Index
Jul - Dec '24



Suppliers' Delivery Times Index
Jul - Dec '24



Input Prices Index
Jul - Dec '24



Items up in price

Copper Products
Electrical Parts
Fuel
Materials

Items down in price

Wages

Items in short supply

None

Subcontractors

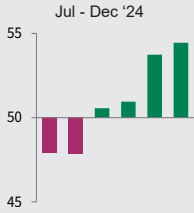
Irish construction firms raised their usage of sub-contractors for the fourth consecutive month in December. Moreover, the rate of expansion was marked and the fastest since February 2023. In turn, the availability of sub-contractors decreased solidly at the end of the year.

The quality of work carried out by sub-contractors was deemed to have deteriorated for the second month running. Meanwhile, the rates they charged increased rapidly, and to the greatest extent in eight months.

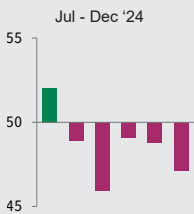
Subcontractors in short supply

- Blocklayers
- Drain Cleaning Repairers
- Electricians
- Glazers
- Plasterers
- Plumbers

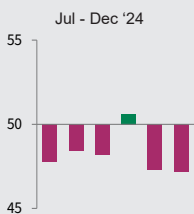
Subcontractor Usage Index



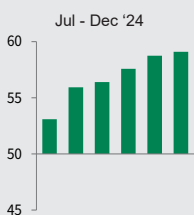
Subcontractor Availability Index



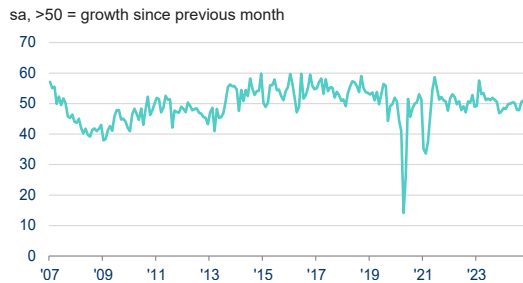
Subcontractor Quality Index



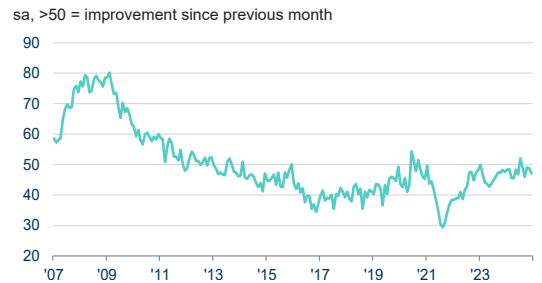
Subcontractor Rates Index



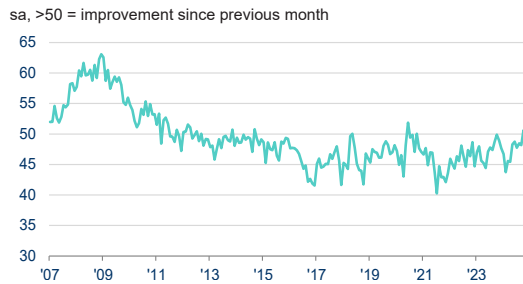
Subcontractor Usage Index



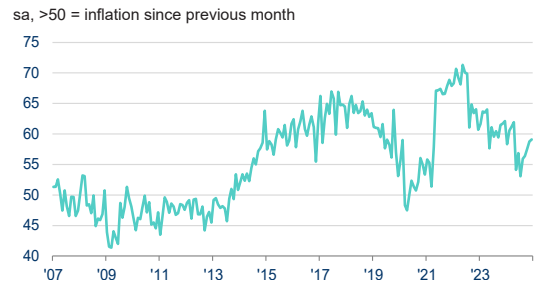
Subcontractor Availability Index



Subcontractor Quality Index



Subcontractor Rates Index



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.

Survey dates and history

Data were collected 05-20 December 2024.

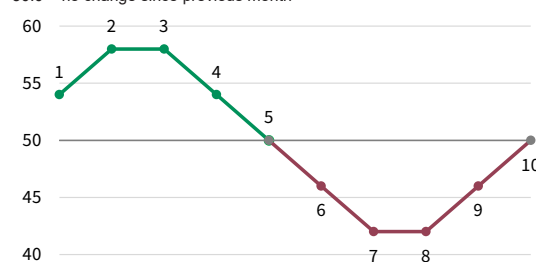
Survey data were first collected June 2000.

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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