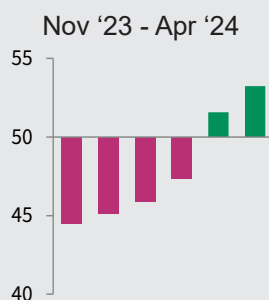


BNP Paribas Real Estate Ireland Construction PMI®

Fastest rise in construction activity for just over two years

Ireland Construction Total Activity Index



Sharper expansions in activity and new orders

Employment rises solidly again

Pace of input cost inflation remains marked

The opening month of the second quarter of the year saw strengthening growth momentum in the Irish construction sector. Total activity and new orders each rose more quickly than in March, resulting in further expansions in employment and purchasing. Input costs continued to rise sharply, however.

The headline seasonally adjusted BNP Paribas Real Estate Ireland Construction Total Activity Index rose to 53.2 in April, from 51.6 in March, and was above the 50.0 no-change mark for the second month running to signal a further monthly rise in total construction activity. Moreover, the rate of expansion was solid and the fastest since March 2022. Growth of new business was the principal factor leading firms to increase their activity, according to anecdotal evidence.

As was the case in March, construction firms signalled increases in activity on both housing and commercial projects in April. The latest month saw commercial post the stronger expansion, one that was the fastest in two years. The rise in residential activity was solid despite softening from the previous survey period. Meanwhile, civil engineering activity continued to fall, but to the least extent in ten months.

The trend in new orders was similar to that for activity, rising at a solid and accelerated pace in April. In fact, the rate of growth hit a 25-month high. Panellists reported having secured new customers and taken advantage of improving client confidence.

Construction companies responded to higher new orders by expanding their employment and purchasing of inputs again. Job creation was signalled for

BNP Paribas Real Estate Ireland Construction Total Activity Index

sa, >50 = growth since previous month



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the fifth consecutive month and the latest rise was solid despite easing from that seen in March.

Meanwhile, purchasing activity increased for the second month running, with the pace of expansion little-changed from the previous survey period.

The pace of input cost inflation was also broadly stable in April as input prices continued to rise sharply. Higher oil and transportation costs were mentioned by some companies.

Delays in the delivery of ordered inputs were caused by the need to wait for products to be manufactured. Suppliers' delivery times lengthened

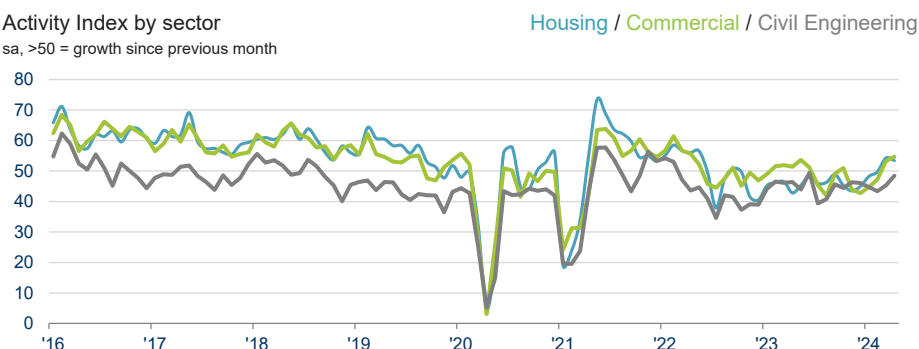
for the ninth consecutive month, albeit to the least extent since September 2023.

The usage of sub-contractors by Irish construction companies was unchanged in April, ending a five-month sequence of decline. Sub-contractor availability continued to fall markedly, while the rates they charged increased at the fastest pace in the year-to-date.

Constructors remained confident that activity will rise further over the coming 12 months, with close to 32% of respondents predicting an expansion. That said, sentiment eased from that seen in March and was at a three-month low.

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:

"The March rebound continued in April with the PMI showing further expansion, and at a faster rate. Increased activity was reported across-the-board. On the residential side, the number of dwellings under construction dipped last year as completions had been outstripping new starts. However, this situation has reversed dramatically with twice as many commencements (11,956) as completions (5,841) in the first

quarter of 2024.

There is uncertainty about whether the commencements surge it is a once-off caused by developers rushing-in to avail of the waiver of development contributions – this had been scheduled to expire on 24th April but has now been extended. However, leading indicators on the PMI dashboard suggest that the momentum may be sustained; new orders, employment and input purchases all rose further, while 87% of building firms said they expected to be as busy or busier this time next year.

The April PMI also showed strong expansion in commercial building. This reflects the fact that a large pipeline of office buildings are now getting to the finishing-out stage which is laborious and involves a wide variety of trades. However, with oversupply in the market, the flow of speculative office starts tailed-off some time ago. Therefore refurbishments and retrofits, rather than new-builds, will account for an increasing share of commercial activity over the medium-term."

Activity by sector

Residential

After having returned to growth in March, residential activity increased in the Irish construction sector again in April. The rate of expansion was solid, albeit softer than that seen in the previous survey period.



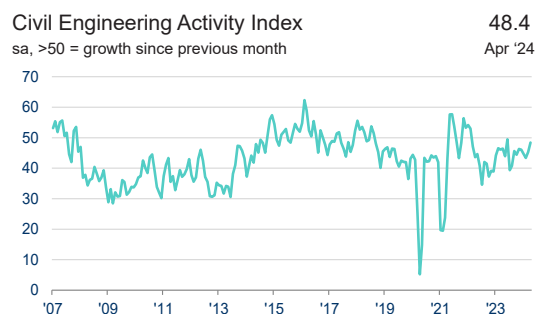
Commercial

Construction firms signalled a rise in commercial activity for the second consecutive month in April. Moreover, the rate of expansion quickened to a two-year high and was the fastest of the three categories covered by the report.



Civil Engineering

Although civil engineering activity continued to fall in April, the rate of contraction was only modest, and eased for the second month running to the softest since June 2023. Civil engineering activity has now decreased in 26 successive months.



Demand and jobs

New orders

April data signalled a solid and accelerated increase in new orders during April, with the latest rise the sharpest since March 2022. The securing of new customers and greater client confidence reportedly helped constructors to secure greater volumes of new business.

Employment

Increases in new work encouraged companies to hire additional staff in April, with firms often taking on workers on a full-time basis. Employment has now increased in five consecutive months. The rate of job creation was solid, albeit softer than that seen in the previous survey period.

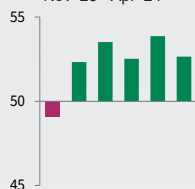
New Orders Index

Nov '23 - Apr '24



Employment Index

Nov '23 - Apr '24



New Orders Index

sa, >50 = growth since previous month



Employment Index

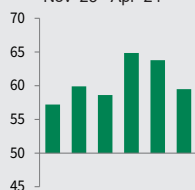
sa, >50 = growth since previous month



Business expectations

Future Activity Index

Nov '23 - Apr '24



New business is expected to grow further over the coming year, with companies remaining optimistic that activity will expand. Sentiment eased for the second month running, however, and was the lowest since January. Close to 32% of respondents predicted a rise in activity over the next 12 months, against 13% that were pessimistic.

Future Activity Index

>50 = growth expected over next 12 months



Purchasing

Quantity of purchases

Irish construction companies increased their purchasing activity for the second month running during April, with the rate of expansion broadly in line with that posted in March. Panellists often reported that additional inputs had been purchased in line with the start of new projects.

Quantity of Purchases Index

sa, >50 = growth since previous month

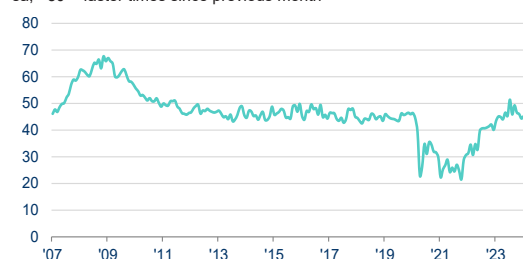


Suppliers' delivery times

April data pointed to a further lengthening of suppliers' delivery times, extending the current sequence of deteriorating vendor performance to nine months. That said, the latest increase in lead times was the least pronounced since last September. In some cases, firms were waiting for manufacturers to complete production.

Suppliers' Delivery Times Index

sa, >50 = faster times since previous month



Input prices

The rate of input cost inflation was broadly unchanged in April, remaining elevated and stronger than the series average. Higher oil and transportation costs were reported, with close to 31% of respondents signalling a rise in their input prices over the month.

Input Prices Index

sa, >50 = inflation since previous month



Items up in price

Cement
Concrete
Electrical Components
Fuel
Graphics Inks
Insulation
Insurance
Lever Valves
Metals
Plumbing Fittings
Steel
Stone Products
Tarmac
Timber
Vinyls

Items down in price

Steel
Wages

Items in short supply

Certain Colours
Engine Parts
Fascia
Hardware
Insulation
Specialist Door Locks
Timber

Subcontractors

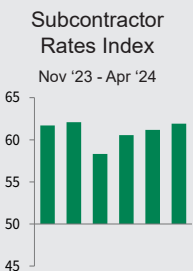
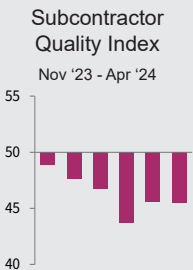
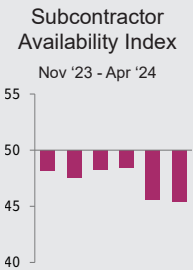
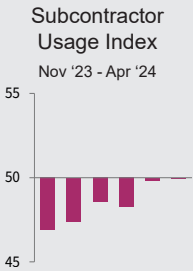
Sub-contractor usage was unchanged in April, thereby ending a five-month sequence of decline. Meanwhile, the availability of sub-contractors decreased markedly, and to the greatest extent since July 2023.

Construction companies continued to face sharply rising rates charged by sub-contractors, with the pace of inflation quickening to the fastest in 2024 so far. The quality of sub-contractor work continued to deteriorate, and to a broadly similar degree to that seen in March.

Subcontractors in short supply

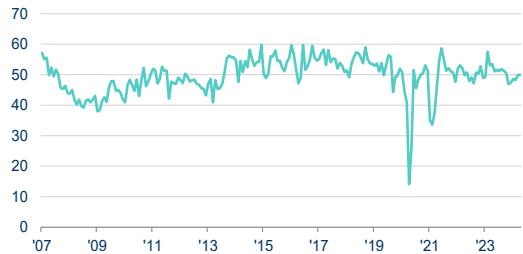
Blocklayers
Carpenters
Ecologists
Electricians

Geohydrologists
Plumbing Apprentices
Roofers



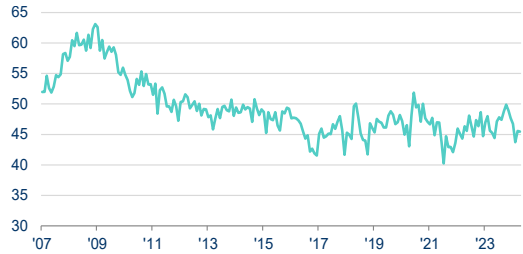
Subcontractor Usage Index

sa, >50 = growth since previous month



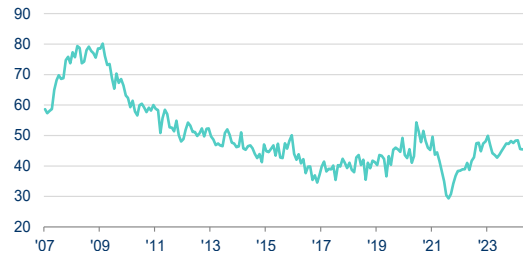
Subcontractor Quality Index

sa, >50 = improvement since previous month



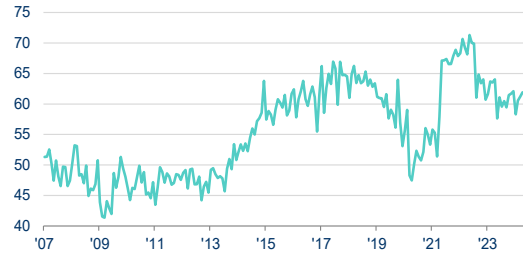
Subcontractor Availability Index

sa, >50 = improvement since previous month



Subcontractor Rates Index

sa, >50 = inflation since previous month



Survey methodology

Survey panel size

150

construction firms

Index calculation

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

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 11-29 April 2024.

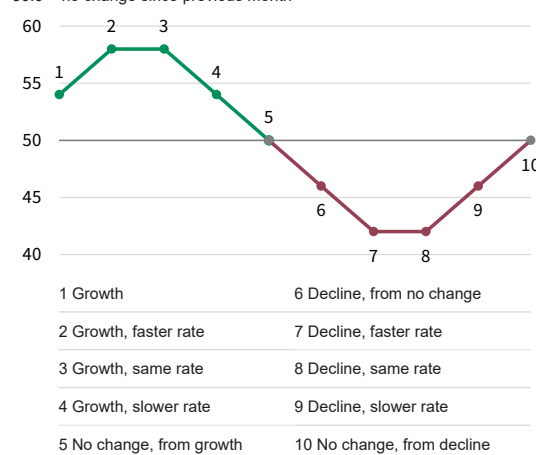
Survey data were first collected June 2000.

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



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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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.

About PMI

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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