



Embargoed until 0101 GMT (0101 UTC) 11 March 2024

BNP Paribas Real Estate Ireland Construction PMI®

- **Housing activity broadly stable in February**
- **Firms take on extra staff amid rising confidence**
- **Sharpest increase in input prices for six months**

The headline seasonally adjusted BNP Paribas Real Estate Ireland Construction Total Activity Index rose for the third month running in February, posting 47.4 from 45.9 in January. Although continuing to signal falling construction output, the rate of decline implied by the latest data was the least marked in five months.

Of the three categories of construction covered by the survey, the best performer in February was residential where activity neared stabilisation and decreased to the least extent in almost a year-and-a-half. The pace of reduction in commercial activity also softened and was the least pronounced in four months.

Hopes that new orders will return to growth over the coming year supported a jump in confidence regarding the 12-month outlook for construction activity. Sentiment hit a two-year high as close to 40% of respondents predicted an increase. Signs of improvement in demand and confidence in the outlook for the coming year supported continued improvements in workforce numbers in February. Employment increased for the third month running, and at a solid pace. A number of firms reported having taken on new staff on a full-time basis.

Meanwhile, firms purchasing new inputs were faced with lengthening supplier lead times and increasing prices. Vendor performance deteriorated amid delays due to the disruption in the Red Sea and staff shortages at suppliers. Meanwhile, the rate of input cost inflation quickened to the fastest since August last year.



Latest Construction PMI Readings	Jan '24	Feb '24
Total Activity	45.9	47.4
Housing Activity	48.2	49.8
Commercial Activity	44.7	47.2
Future Activity	58.6	64.9

Comment

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

“Residential activity has now been contracting for 17 straight months. This appears to jar with the strong upward trend in both housing commencements and completions. But there are two explanations. Firstly, the acceleration in completions has outstripped the acceleration in commencements; Nearly 3,600 more units have been finished than started over the last 18 months, and this has naturally dragged on onsite activity. Secondly, probably due to continued uncertainty about the economy and construction costs, there has been a slowdown in home improvement activity.

At this early stage it looks like the rapid growth in housing completions over recent years could stall a bit in 2024. Nonetheless, the continued upward trend in starts bodes well for residential supply over the medium term, and this is reflected in sustained construction sector hiring and the most positive sentiment reading for two years.”

****Ends****

BNP Paribas Real Estate Ireland Construction PMI Total Activity Index

sa, >50 = growth since previous month



Sources: BNP Paribas Real Estate Ireland, S&P Global PMI.



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

www.realestate.bnpparibas.ie

Sabrina Mayeen

Corporate Communications

S&P Global Market Intelligence

T: +44 (0) 7967 447030

sabrina.mayeen@spglobal.com

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.

Data were collected 12-28 February 2024.

Survey data were first collected June 2000.

About S&P Global

S&P Global (NYSE: SPGI) S&P Global provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

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. www.spglobal.com.

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.

www.spglobal.com/marketintelligence/en/mi/products/pmi

Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P



Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("Data") contained herein, any errors, inaccuracies, omissions or delays in the Data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the Data. Purchasing Managers' Index™ and PMI® are either trade marks or registered trade marks of S&P Global Inc or licensed to S&P Global Inc and/or its affiliates.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.

About BNP Paribas Real Estate

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 as part of the BNP Paribas Group, a global leader in financial services.