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### **BNP Paribas Real Estate Ireland Construction PMI®**

- **Further increases in new orders and employment**
- **Total activity broadly stable, but housing and commercial activity rise**
- **Suppliers' lead times shorten to largest extent since October 2010**

The headline seasonally adjusted BNP Paribas Real Estate Ireland Construction Total Activity Index posted fractionally below the 50.0 no-change mark in May to signal broadly stable output in the sector midway through the second quarter. The reading was down from 53.2 in April and ended a two-month sequence of expansion.

Despite the pause in growth seen for total construction activity, work on housing and commercial projects continued to increase in May. In both cases, activity rose for the third month running, but at softer rates than in April.

New orders continued to rise in May as firms again saw new business come in during the month. The latest expansion was the third in as many months, albeit slower than in April.

Sustained growth of employment was also recorded, with staffing levels up for the sixth month running in response to higher new orders. The rate of job creation eased, however, to the weakest in this sequence.

Although input costs continued to increase sharply during May amid higher material prices, the pace of inflation eased to a four-month low. Meanwhile, companies signalled an improvement in supplier performance for the first time in ten months. Lead times on the delivery of inputs shortened modestly, but to the greatest extent since October 2010. Capacity improvements at suppliers were reportedly behind the shortening of delivery times.



Latest Construction PMI Readings	Apr '24	May '24
Total Activity	53.2	49.8
Housing Activity	53.4	52.0
Commercial Activity	54.6	51.4
New Orders	53.9	52.9

**Comment**

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

*“News-flow from the construction sector remained positive in May with continued increases in activity across the key residential and commercial segments. The former is no surprise – even looking through disruption which may have been caused by the development contributions waiver deadline in April, housing commencements have been on a sustained upward trend since October 2022. On the commercial side, activity has been driven by office construction in Dublin where more space was delivered in Q1 than in the entire of 2023.*

*Forward-looking indicators on the dashboard are now uniformly pointing in the direction of continued expansion. Order-books have been replenished over the spring months, and materials purchases and employment are up as a result. Supporting these trends, input costs inflation has stabilised and supply chain issues appear to be easing with lead-times shortening. Reflecting these dynamics, nearly 90% of building firms now expect to be as busy or busier in one year’s time, compared with 81% nine months ago.”*

**\*\*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.



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## 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).

Data were collected 10-30 May 2024.

Survey data were first collected June 2000.

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## About PMI

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