News Release

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AIB Ireland Construction PMI®

Renewed rise in activity as new order growth hits four-year high

Key findings

First rise in construction activity in ten months

Marked expansion of new orders

Faster increases in employment and purchasing activity

The latest AIB Ireland Construction PMI® data signalled a renewed rise in activity in the sector during February, ending a period of reduction stretching back to May last year. The expansion in activity was recorded amid continued improvements in demand conditions. With workloads rising, firms took on extra staff and purchased additional inputs. Meanwhile, input costs continued to increase sharply, albeit at a slightly softer pace than at the start of the year.

The headline seasonally adjusted AIB Ireland Construction Total Activity Index moved back above the 50.0 no-change mark in February, posting 52.1 from 48.6 in January. The modest expansion in activity midway through the opening quarter of the year ended a nine-month sequence of contraction.

The rise in total construction activity reflected renewed expansions in work on both housing and commercial projects in February. The sharper increase was for commercial, where activity grew solidly. The rise in housing activity was the first in ten months. Meanwhile, civil engineering activity continued to fall, albeit to the least extent in the current ten-month sequence of decline.

Anecdotal evidence from the survey indicated that the rise in construction activity was in response to improving demand conditions. New orders increased for the third successive month in February, and at a marked pace that was the strongest since February 2022.

Higher new orders and the start of new projects encouraged constructors to expand their purchasing activity and workforce numbers in February.

Employment rose modestly, extending the current sequence of jobs growth to four months, with the latest increase the most marked since January 2025.

The rise in input buying was the strongest in almost four years.

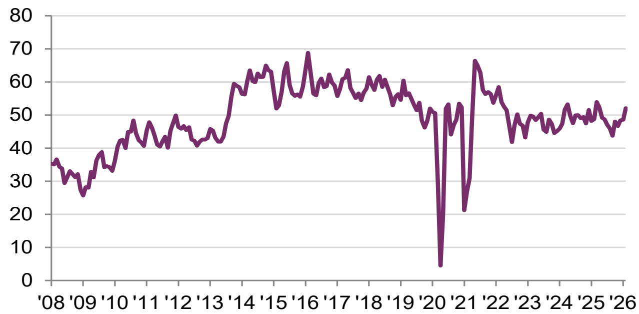
Sub-contractor usage was also up, the third month running in which this has been the case. Meanwhile, their availability fell to the largest extent since May last year.

Construction firms continued to face sharply rising input costs, with panellists reporting higher metals prices in particular. The rate of inflation remained elevated despite easing slightly from that seen in January.

Suppliers' delivery times continued to lengthen, with delays

AIB Ireland Construction PMI Total Activity Index

sa, >50 = growth since previous month



Sources: AIB, S&P Global PMI.
Data were collected 10-26 February 2026.

Comment

Commenting on the survey results, John Fahey, AIB Senior Economist, said:

"The AIB Irish Construction PMI survey for February showed that the sector experienced an expansion in activity levels for the first time since April 2025. The headline index printed above the key breakeven level of 50, with a reading of a 52.1. This is consistent with a modest pace of growth last month and compares to 48.6 in January.

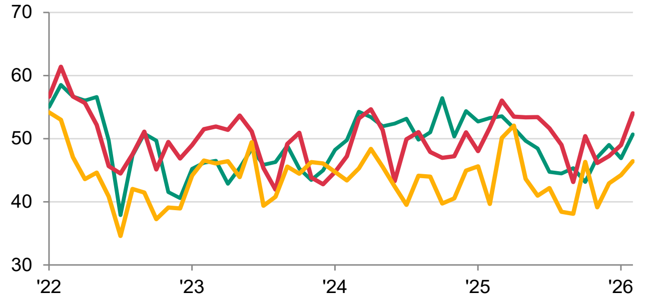
The sectoral breakdown indicates that growth was driven by two of the three sub-sectors. The best performing of the three was commercial activity. It registered its first expansion in four months and at its highest level since the end of the first quarter of 2025. Meanwhile, the residential sector returned to growth for the first time in ten months, albeit the pace of expansion was marginal. Elsewhere, civil engineering retained its position as the weakest of the three sub-sectors, although the rate of contraction eased for the third consecutive month.

Some of the other key underlying details in the February survey provide further signs of encouragement for the construction sector. The new orders index, which is viewed as a leading indicator, posted its third successive month of expansion, with the pace of increase at its fastest in four years. Against the backdrop of expanding activity levels and an improving pipeline of projects, construction firms increased their staffing levels for the fourth month in-a-row. Meanwhile, Irish construction firms continued to hold an optimistic view on the prospect of increasing activity levels over the coming 12 months, albeit the strength of sentiment in this regard did ease compared to January."

linked to factors including shortages of couriers and Dublin port congestion.

Expectations of further increases in new orders supported ongoing confidence in the year-ahead outlook for construction activity. Companies remained strongly optimistic, albeit slightly less so than was the case at the start of the year.

Housing Activity Index	50.7
Commercial Activity Index	54.0
Civil Engineering Activity Index	46.4
sa, >50 = growth since previous month	Feb '26



Sources: AIB, S&P Global PMI.

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Survey methodology

The AIB 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.

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