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BNP Paribas Real Estate Ireland Construction PMI®

- **New orders return to growth**
- **Solid reduction in total construction activity, but housing activity rises**
- **Pace of job creation at seven-month high**

The headline seasonally adjusted BNP Paribas Real Estate Ireland Construction Total Activity Index posted 47.5 in November, down from 49.4 in October and signalling a reduction in total construction activity for the third straight month. Moreover, the fall was solid and the most pronounced since June. Some firms indicated that projects had been completed with insufficient new business to fully compensate, while others pointed to the impact of inflationary pressures on activity.

Bucking the wider trend, housing activity increased for the third consecutive month in November. That said, the pace of expansion was only slight and much weaker than that seen in October. Meanwhile, commercial activity continued to fall solidly.

After having fallen in October, new orders returned to growth in November. New business has now risen in eight of the past nine months, with the latest increase linked to the start of new projects and improved client demand. The solid expansion in new orders was the strongest since July.

Growth of new orders led construction firms to increase their staffing levels accordingly, often through the hiring of workers on a full-time basis. Employment was up for the third month running, and to the greatest extent since April.

A further sharp increase in input prices was recorded in November, although the pace of inflation ticked down and was slower than the series average.

The securing of new projects for 2025 meant that construction firms remained optimistic that output will increase over the coming year. Around 38% of respondents predicted growth, with sentiment unchanged from the previous month.

PMI®

by **S&P Global**



Latest Construction PMI Readings	Oct '24	Nov '24
Total Activity	49.4	47.5
Housing Activity	56.4	50.3
Commercial Activity	47.0	47.2
Employment	51.8	52.2

Comment

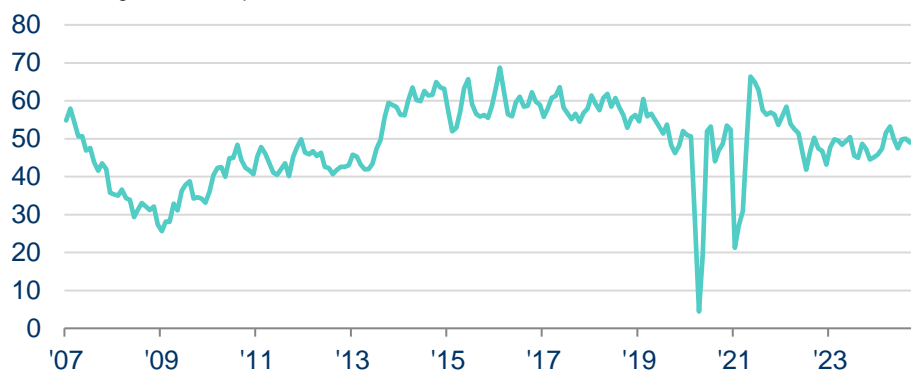
Commenting on the latest survey results, John McCartney, Director & Head of Research at BNP Paribas Real Estate Ireland, said:

“Cutting through the complexity in November’s data, three clear points emerge. Firstly, overall construction activity is being dragged lower by a contraction in commercial building. This is not necessarily a bad thing as some segments of the commercial market are over-stocked with space, and a slowdown in production will give demand a chance to catch-up with supply. Secondly, residential construction is bucking the overall trend, and activity has been expanding almost continuously since March. This dovetails with recent commencements data and suggests that 2025 will be significantly better than this year for housing delivery. Thirdly, the general air of optimism in the sector remains, with the forward-looking PMI elements such as order books, hiring and materials purchasing all pointing in a positive direction.”

****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.

Data were collected 12-28 November 2024.

Survey data were first collected June 2000.

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