News Release

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AIB Ireland Construction PMI®

Construction activity falls again, but firms optimistic for year ahead

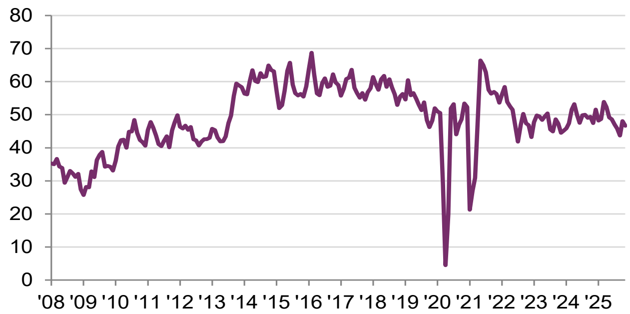
Key findings

Fall in construction activity amid reduction in new orders

Confidence in future supports rises in employment and purchasing

Sharpest increase in input costs since March

AIB Ireland Construction PMI Total Activity Index
sa, >50 = growth since previous month



Sources: AIB, S&P Global PMI.
Data were collected 12-27 November 2025.

There were further signs of demand weakness in the Irish construction sector during November as new orders continued to fall. In turn, construction activity decreased again, with reductions registered across all three monitored categories. On a more positive note, panellists recorded renewed increases in employment and purchasing activity amid positive expectations for the future. Meanwhile, the pace of input cost inflation quickened to an eight-month high.

The headline seasonally adjusted AIB Ireland Construction Total Activity Index moved further below the 50.0 no-change mark in November, dropping to 46.7 after being at 48.1 in October. Activity has now decreased in each of the past seven months, with the penultimate month of the year seeing a solid reduction.

Anecdotal evidence pointed to slowing demand and a drop in new orders which meant that volumes of new projects were insufficient to fully replace completed contracts.

Activity decreased across all three monitored categories in November as commercial recorded a renewed and solid decline in activity. Work on housing projects fell for the seventh consecutive month, but at the slowest pace since June, and one that was the weakest of the categories covered by the report. Civil engineering posted the sharpest decline as the rate of contraction accelerated from October.

New orders decreased for the fourth consecutive month as companies reported weak demand and project delays. The latest fall was slight, but sharper than seen in October.

Although construction activity and new orders decreased in November, firms were optimistic for growth over the coming year. A number of respondents indicated that they expect to be busier in 2026, although sentiment eased to a four-month low.

Positive sentiment for the coming year encouraged constructors to expand their employment and purchasing activity in November.

Staffing levels increased for the first time in three months, while the slight rise in input buying ended a four-month sequence of contraction. Firms continued to lower their usage of sub-contractors, however, and their availability also declined again.

Where companies purchased items, they were faced with a further lengthening of suppliers' delivery times, continuing the trend seen

Comment

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

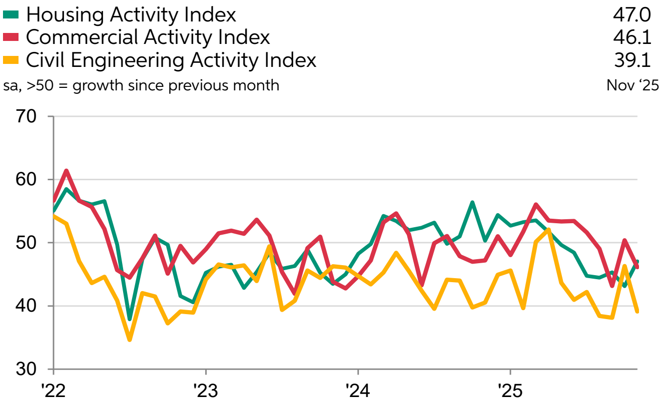
"The AIB Irish Construction PMI survey for November points to a renewed loss of momentum in building activity levels midway through the fourth quarter. The headline index printed at 46.7 in November, compared to 48.1 in October, suggesting a faster pace of contraction last month. The index has now been below the key breakeven level of 50 for seven consecutive months.

The sectoral breakdown showed that the weakness in activity levels in November was broad-based across the three sub-sectors. Commercial construction fell back into contractionary territory in November, having seen a modest pace of expansion in October. The downturn in residential building persisted, with activity levels declining for the seventh successive month. However, the pace of contraction eased in November. Civil engineering also posted a seventh straight month of contraction, with the pace of decline worsening, resulting in it being the weakest performing sub-sector.

Some of the other main underlying sub-indices from the November survey provided some mixed news. New orders, which is viewed as a leading indicator, contracted for the fourth month in-a-row, with the pace of decline also accelerating. However, there was some encouraging news in terms of staffing levels. Despite falling building activity, the sector saw an expansion in employment, following declines in the previous two months. Construction firms also retained a positive outlook on the prospect of increased activity levels over the coming 12 months, albeit the degree of optimism did ease marginally compared to October."

over the past year-and-a-half. A number of firms reported that they were waiting for stock to become available at suppliers.

Finally, construction firms experienced a build-up of inflationary pressures. The pace of increase in input costs quickened for the second month running to the fastest since March. Panellists reported that their suppliers had upped their charges during the month.



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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