



**Embargoed until 0101 IST (0001 UTC) 13 May 2024**

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

- **Fastest rise in construction activity for just over two years**
- **Employment rises solidly again**
- **Pace of input cost inflation remains marked**

The headline seasonally adjusted BNP Paribas Real Estate Ireland Construction Total Activity Index rose to 53.2 in April, from 51.6 in March, and was above the 50.0 no-change mark for the second month running to signal a further monthly rise in total construction activity. This was the first back-to-back increase in activity for close to two years. Moreover, the rate of expansion was solid and the fastest since March 2022. Growth of new business was the principal factor leading firms to increase their activity, according to anecdotal evidence.

As was the case in March, construction firms signalled increases in activity on both housing and commercial projects in April. The latest month saw commercial post the stronger expansion, one that was the fastest in two years. The rise in residential activity was solid despite softening from the previous survey period.

Construction companies responded to higher new orders by expanding their employment and purchasing of inputs again. Job creation was signalled for the fifth consecutive month and the latest rise was solid despite easing from that seen in March.

The pace of input cost inflation was broadly stable in April as input prices continued to rise sharply. Higher oil and transportation costs were mentioned by some companies.



Latest Construction PMI Readings	Mar '24	Apr '24
Total Activity	51.6	53.2
Housing Activity	54.3	53.4
Commercial Activity	53.2	54.6
Employment	53.9	52.7

### Comment

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

*“The March rebound continued in April with the PMI showing further expansion, and at a faster rate. Increased activity was reported across-the-board. On the residential side, the number of dwellings under construction dipped last year as completions had been outstripping new starts. However, this situation has reversed dramatically with twice as many commencements (11,956) as completions (5,841) in the first quarter of 2024.*

*There is uncertainty about whether the commencements surge it is a once-off caused by developers rushing-in to avail of the waiver of development contributions – this had been scheduled to expire on 24<sup>th</sup> April but has now been extended. However, leading indicators on the PMI dashboard suggest that the momentum may be sustained; new orders, employment and input purchases all rose further, while 87% of building firms said they expected to be as busy or busier this time next year.*

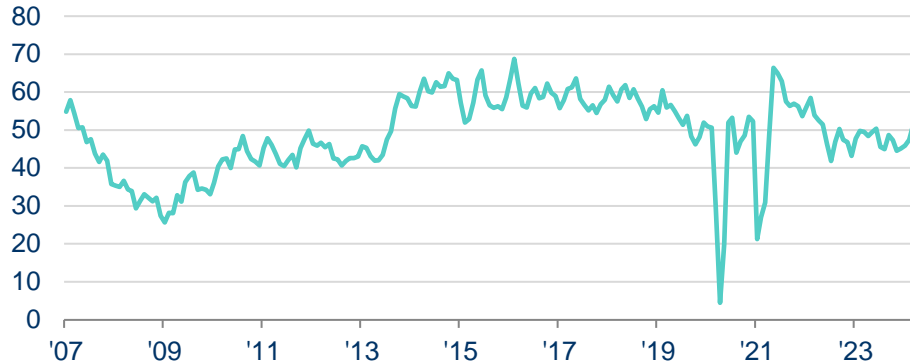
*The April PMI also showed strong expansion in commercial building. This reflects the fact that a large pipeline of office buildings are now getting to the finishing-out stage which is laborious and involves a wide variety of trades. However, with oversupply in the market, the flow of speculative office starts tailed-off some time ago. Therefore refurbishments and retrofits, rather than new-builds, will account for an increasing share of commercial activity over the medium-term.”*

**\*\*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 11-29 April 2024.

Survey data were first collected June 2000.

### About S&P Global

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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.

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