



Embargoed until 0101 IST (0001 UTC) 12 August 2024

BNP Paribas Real Estate Ireland Construction PMI®

- **Further solid rise in housing activity**
- **Sharpest rise in new orders since February 2022**
- **Rate of job creation eases to eight-month low**

The headline seasonally adjusted BNP Paribas Real Estate Ireland Construction Total Activity Index posted just fractionally below the 50.0 no-change mark at 49.9 in July. The reading was up from 47.5 in June and signalled a near-stabilisation of activity.

Housing activity increased for the fifth consecutive month, and at a solid pace that was the fastest since April. Meanwhile, commercial activity was broadly unchanged following a sharp reduction in June.

A key positive from the latest survey was a marked expansion in new orders which was the sharpest since February 2022. New business has now risen in five successive months.

Companies responded to higher workloads by taking on additional staff, the eighth consecutive month in which this has been the case. That said, the rate of job creation was only marginal and the softest in the current sequence of rising employment.

Firms also expanded their purchasing activity, both in response to higher new orders and to replenish stocks. The solid increase in input buying was the fastest in 28 months.

Input costs meanwhile rose sharply, with the pace of inflation remaining above the series average despite easing slightly from that seen in June.

PMI®

by **S&P Global**



Latest Construction PMI Readings	Jun '24	Jul '24
Total Activity	47.5	49.9
Housing Activity	52.4	53.2
Commercial Activity	43.3	49.9
New Orders	51.8	54.9

Comment

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

“July was another positive month for residential construction with activity expanding for the fifth month in succession – the first time this has happened in over two years.

Looking at the mid-term report card, new dwelling completions fell by 8.6% in H1. This means 20,700 units need to be delivered in the second half for the Government’s target of 33,450 completions to be met - an 11% increase over H2 2023. Given that the number of units under construction in Dublin was down 13% year-on-year as we entered 2024, this would appear to be quite challenging. Nonetheless, commencements have picked-up sharply in recent months and the increased activity indicated by the PMI points to stronger output ahead – although it may be 2025 before the recent surge in early-stage construction yields a material uplift in completions.”

****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 11-30 July 2024.

Survey data were first collected June 2000.

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