

Accuracy

CIF Outlook Survey



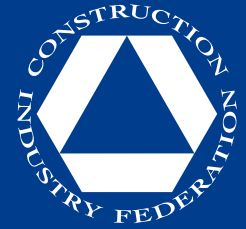
"Accurate information is central to all decision making"

Jan 2023



Background & Objectives

- To provide the CIF with an ongoing tracker of members' sentiment towards the current and future performance of the construction sector
- The survey measures **the performance of the sector in the previous quarter (Oct - Dec 2022) and the likely future performance of the sector in the next 3-month period (Jan - April 2023)**
- Key sectoral issues benchmarked per quarter include:
 - Business turnover
 - Revenue generated by new orders
 - Employment levels
 - Cost of labour
 - Cost of raw materials
 - Pricing charged for goods and services
 - Key challenges facing employers
- In addition, the survey examined members attitudes towards a number of issues (i.e. sustainability) impacting the sector



Methodology

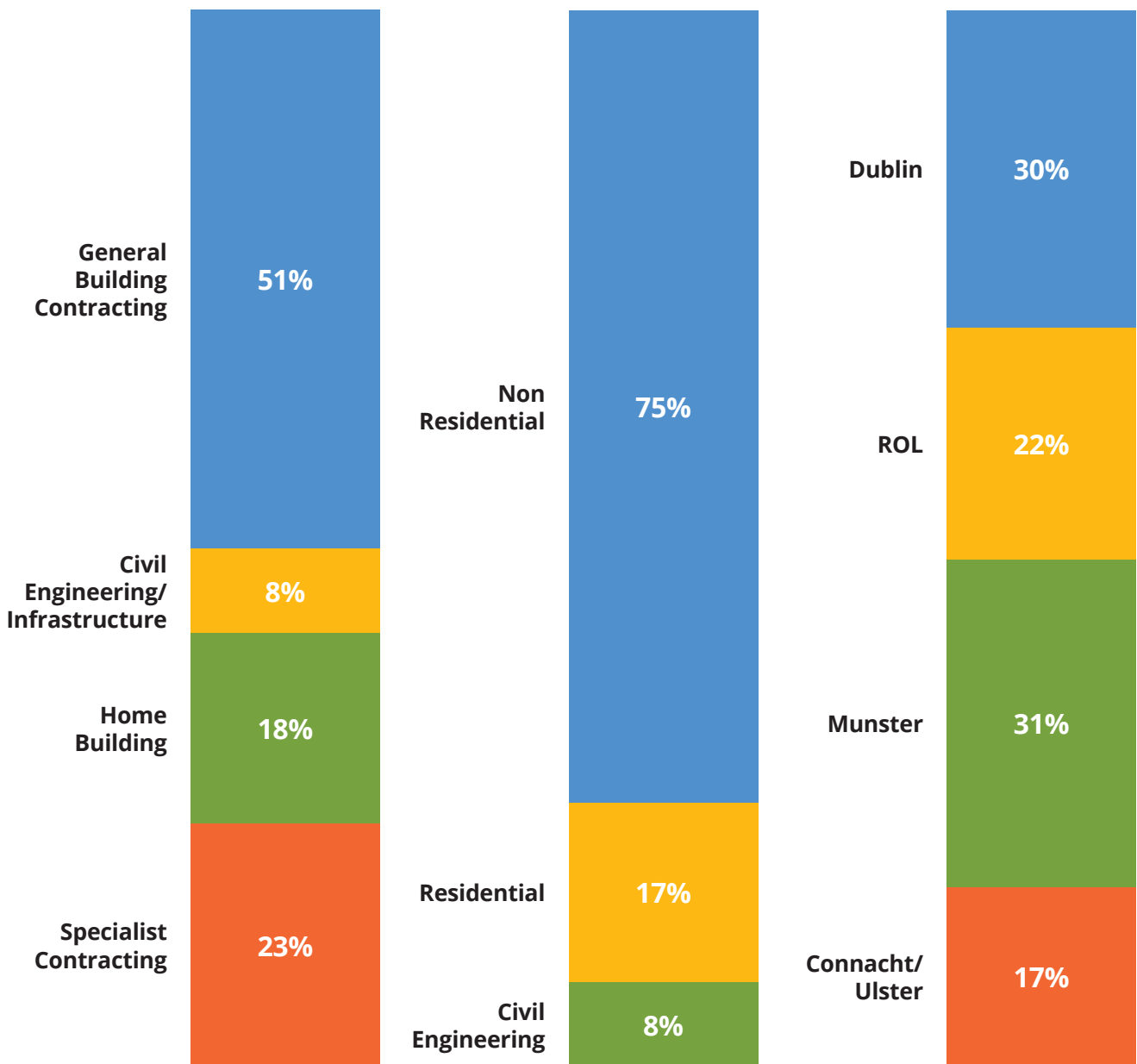
- Research was conducted via an online survey with 288 CIF members
- A sample of 288 companies was achieved which delivers a margin of error of approximately (+ or - 5%)
- All surveys were conducted between 20th - 27th January 2023



Key Findings



Sample Breakdown by Company Category



(Base: All Respondents = 288)



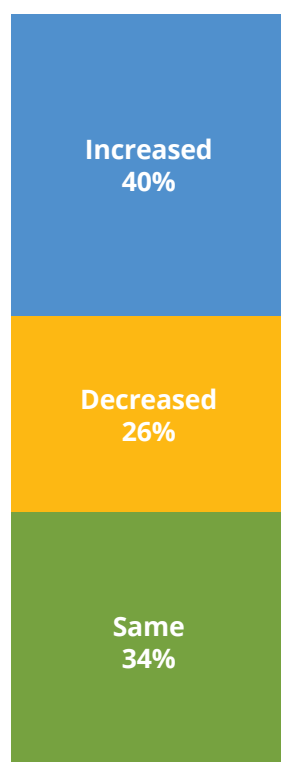
Business Turnover

Last 3 Months v Next 3 Months

Q2a. In the last 3 months (Oct, Nov, Dec 2022) has the total business turnover for your company increased, decreased or stayed the same compared with the same period in 2021?

Q2b. Thinking now about the next 3-month period (Jan - March 2023), do you expect total business turnover for your company to increase, decrease or stay the same compared with the previous 3 months of 2022? (Oct, Nov, Dec 2022).

**Turnover
Last 3 Months %**



Q2a

**Turnover
Next 3 Months %**



Q2b

40% of companies report turnover having increased in the last 3 months compared with the same period in 2021.

24% also anticipate an increase in turnover for the next quarter.

(Base: All Respondents = 288)



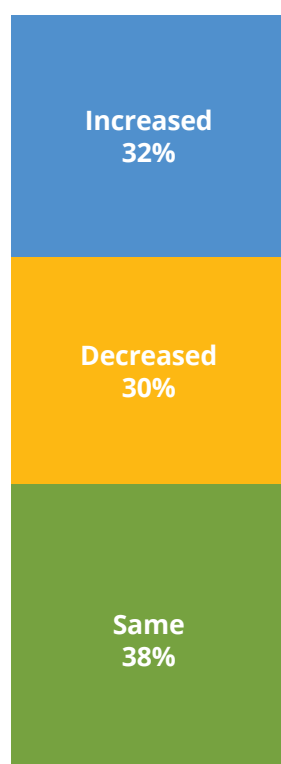
New Orders

Last 3 Months v Next 3 Months

Q3a. In the last 3 months (Oct, Nov, Dec 2022), has the total revenue generated by new orders for your company for the period increased, decreased or stayed the same compared with the same period in 2021?

Q3b. In the next 3 months (Jan-March 2023) do you expect the total revenue generated by new orders for your company to increase, decrease or stay the same compared with the previous 3 months? (Oct, Nov, Dec 2022).

**New Orders
Last 3 Months %**



Q3a

**New Orders
Next 3 Months %**



Q3b

32% of companies report a year on year revenue increase from new orders with 30% experiencing a YOY reduction.

28% expect revenue from new orders to continue to increase in the next 3 months, while 29% expect reduced revenue from new orders.

(Base: All Respondents = 288)



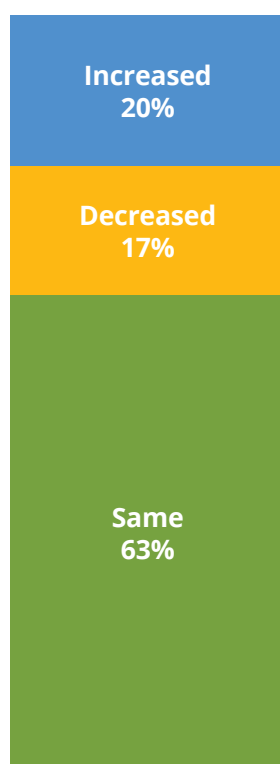
Employment

Last 3 Months v Next 3 Months

Q4a. In the last 3 months (Oct, Nov, Dec 2022), has the total number of people you employ (directly or indirectly) increased, decreased or stayed the same compared with the same period in 2021?

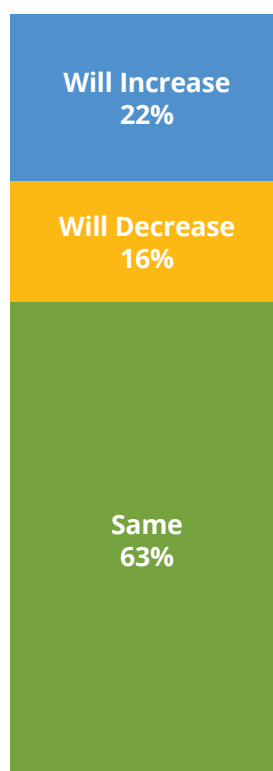
Q4b. In the next 3 months (Jan-March 2023) do you expect the total number of people you employ (directly or indirectly) in your company to increase, decrease or stay the same compared with the previous 3 months? (Oct, Nov, Dec 2022).

**Employment
Last 3 Months %**



Q4a

**Employment
Next 3 Months %**



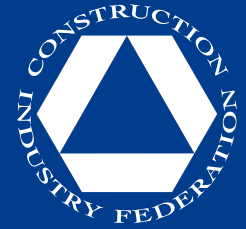
Q4b

20% report a year on year increase in the total number of people they employ, while 17% report a reduction in the number of people employed.

22% expect to employ more staff in the coming months.

Note: Figures may not always total to 100% due to rounding.

(Base: All Respondents = 288)



Cost of Raw Materials

Last 3 Months v Next 3 Months

Q6a. In the last 3 months, has the cost of raw materials for your company increased, decreased or stayed the same compared with the same period in 2021?

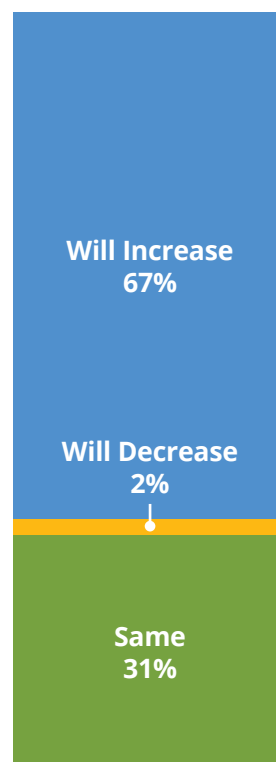
Q6b. In the next 3 months, do you expect the cost of raw materials for your company to increase, decrease or stay the same compared with the previous 3 months of last year (Oct, Nov, Dec 2022)?

**Cost of Raw Materials
Last 3 Months %**



Q6a

**Cost of Raw Materials
Next 3 Months %**



Q6b

88% report a year on year increase in the cost of raw materials.

67% expect the cost of raw materials to continue to increase.

(Base: All Respondents = 288)



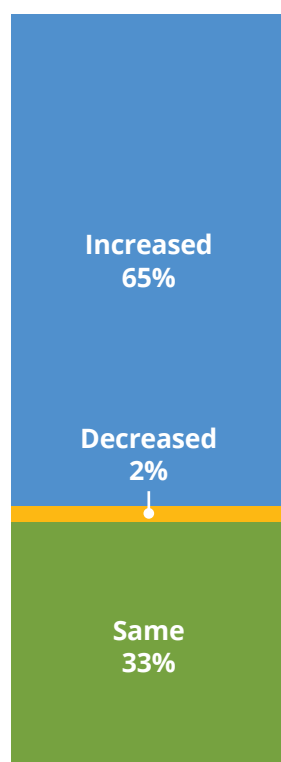
Pricing of Projects

Last 3 Months v Next 3 Months

Q7a. In the last 3 months, has the price you charge for goods and services for the period increased, decreased or stayed the same compared with the same period in 2021?

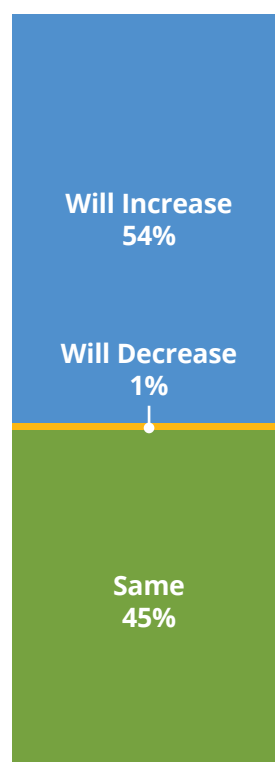
Q7b. In the next 3 months, do you expect the price you charge for goods and services for your company to increase, decrease or stay the same compared with the previous 3 months of last year? (Oct, Nov, Dec 2022).

**Pricing of Projects
Last 3 Months %**



Q7a

**Pricing of Projects
Next 3 Months %**

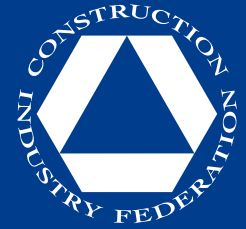


Q7b

65% acknowledge an increase in the pricing of projects compared with 2021.

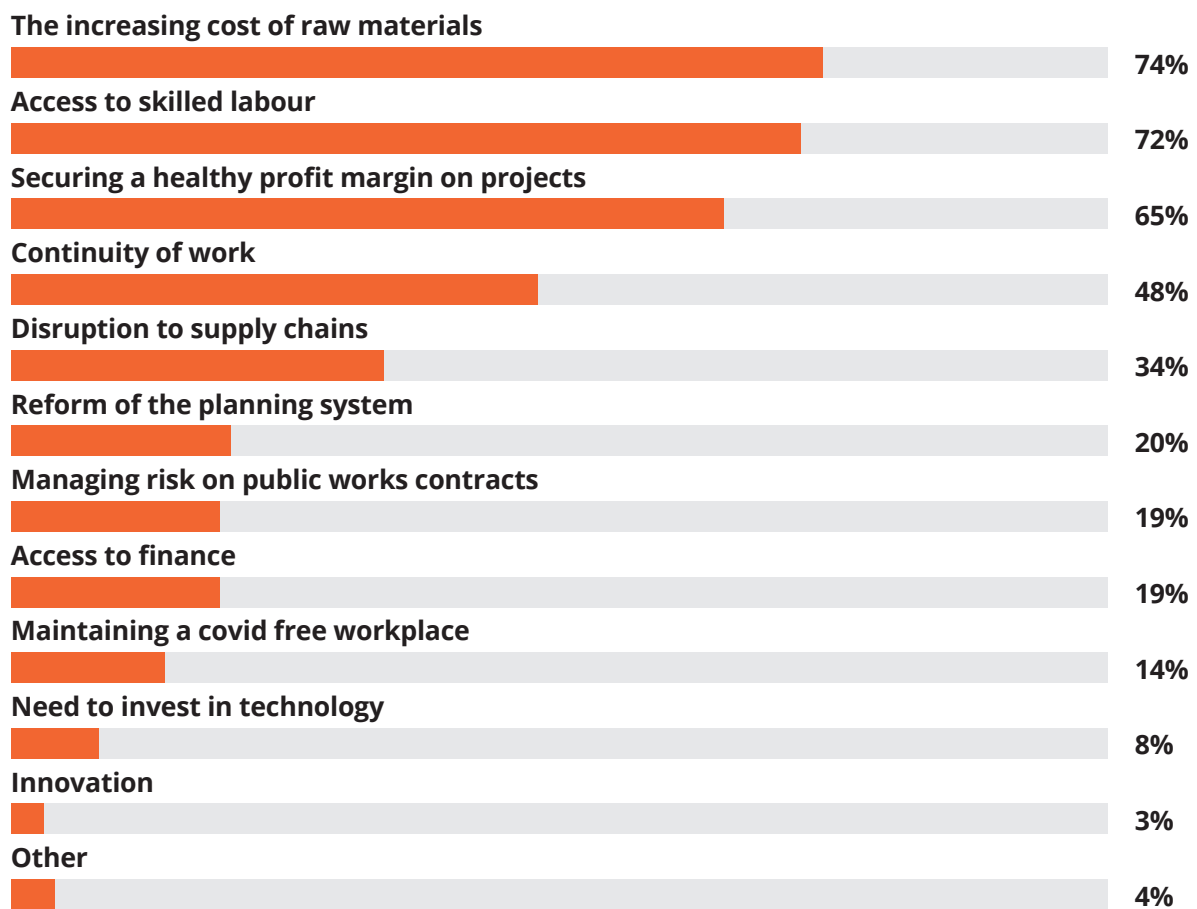
54% expect the prices charged to increase in the next 3 months.

(Base: All Respondents = 288)



Key Challenges

Q8. What if any, are the key challenges facing your business over the next 3-6 months?



The increased cost of raw materials, access to skilled labour and securing a healthy profit margin on projects are the three most significant challenges.

(Base: All Respondents = 288)

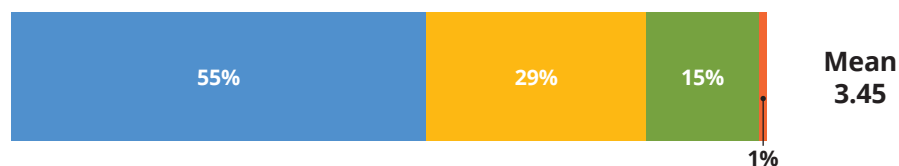


Attitudes Towards Key Sectoral Issues (Agree v Disagree)

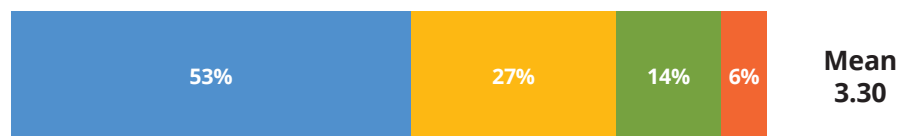
Sustainable construction is very important for our company.



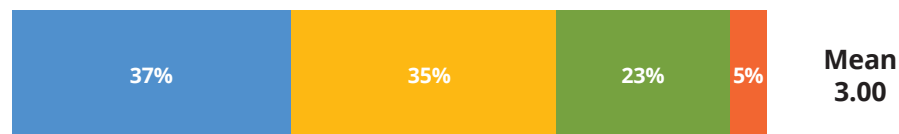
There is more demand from our clients for evidence of sustainable construction.



Our company knows how to measure its sustainability impact.



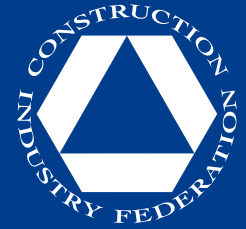
Sustainability is a key issue that new recruits look for before deciding to join our company.



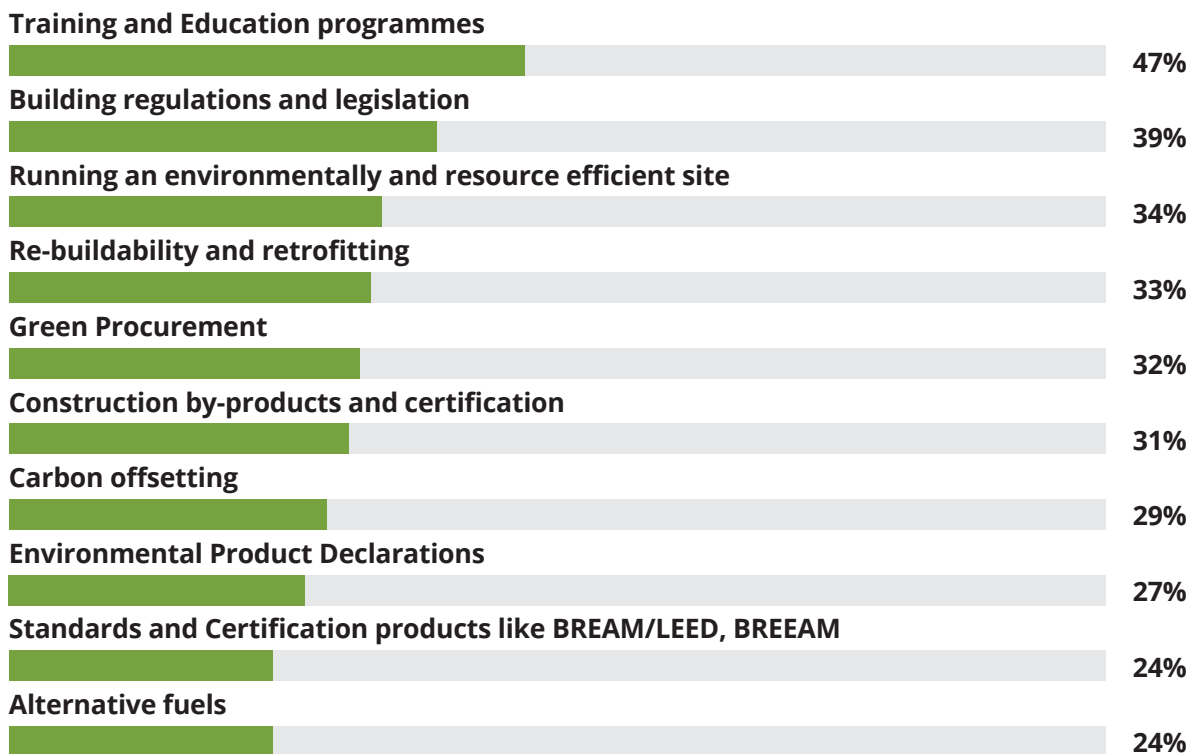
Agree Neither Disagree DK/NA

(Base: All Respondents = 288)

Sustainable Construction: Knowledge Gaps (1)



Q11. What does your company need to know more about to help it construct more sustainably?



- Training and Education programmes
- Building regulations and legislation
- Running an environmentally and resource efficient site

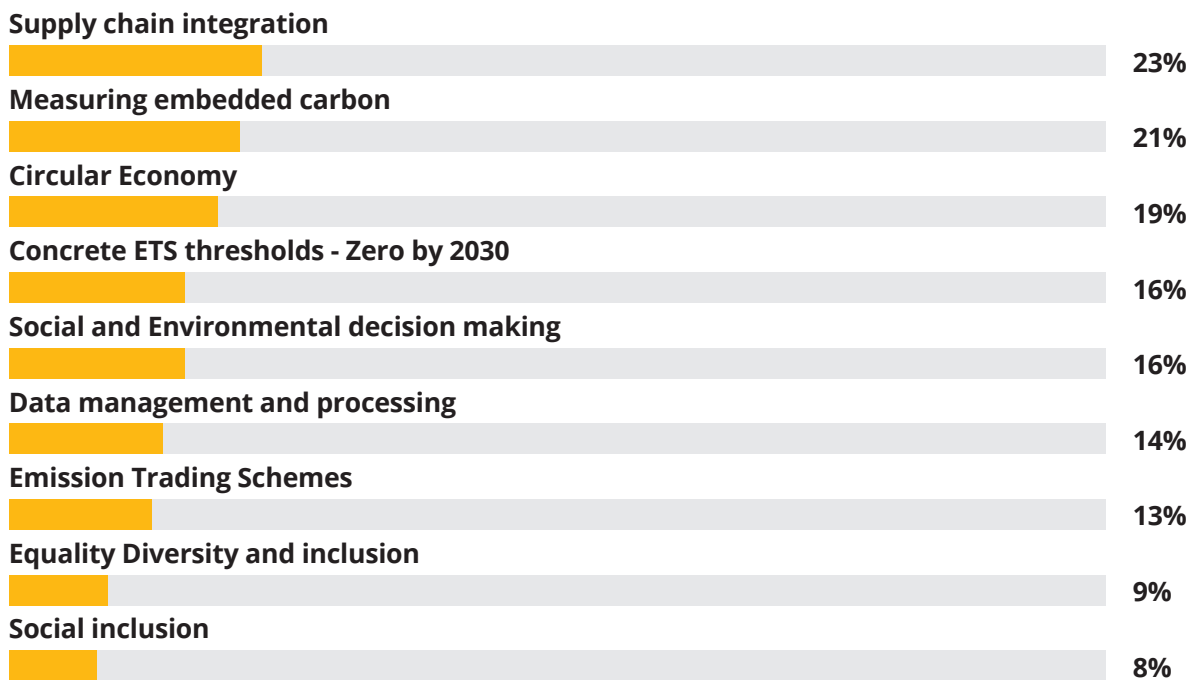
are cited as areas that companies need to gain knowledge about in order to construct more sustainably.

(Base: All Respondents = 288)

Sustainable Construction: Knowledge Gaps (2)



Q11. What does your company need to know more about to help it construct more sustainably?

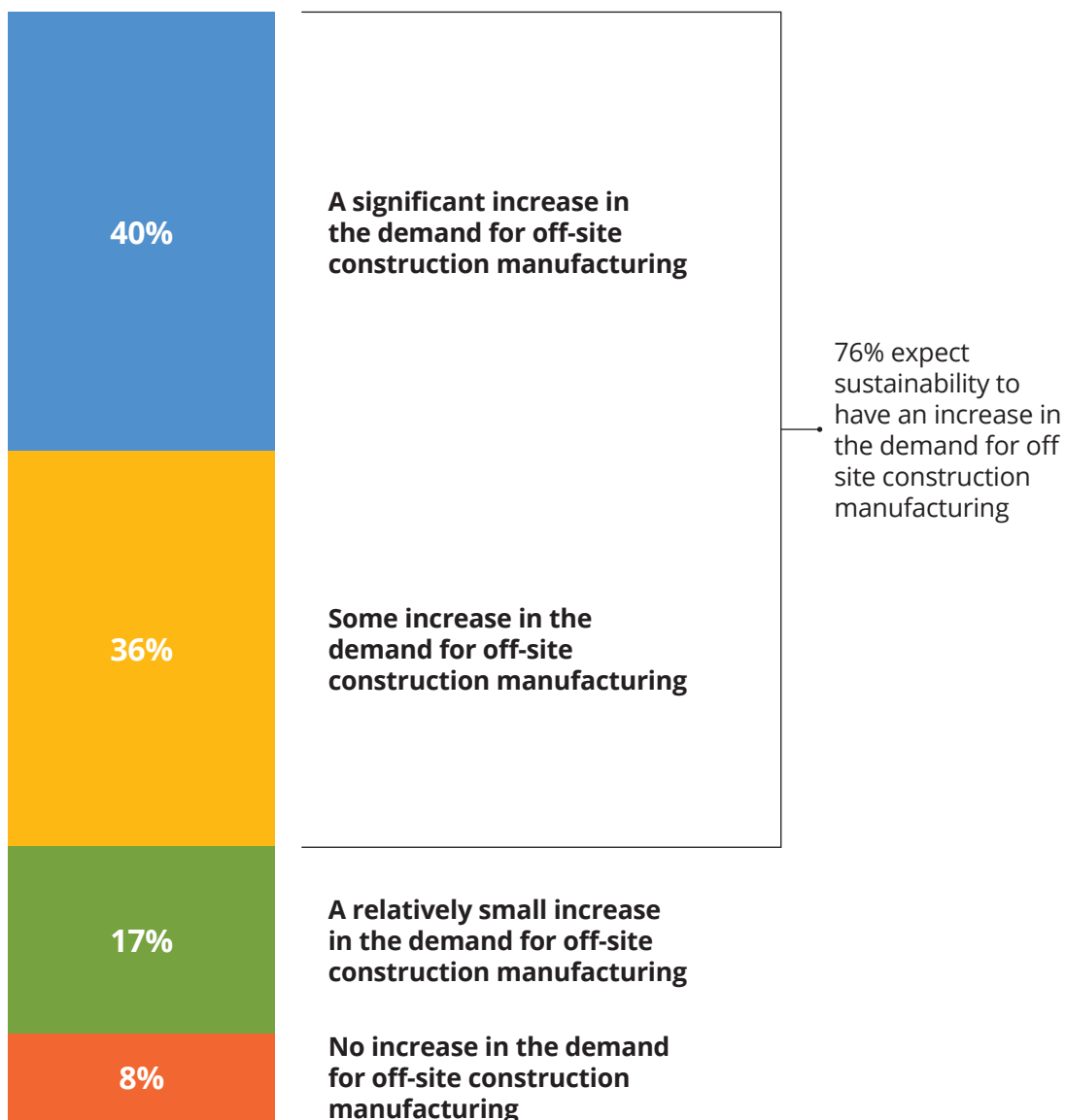


(Base: All Respondents = 288)

Impact of Sustainability on Off-Site Construction



Q12. What level of impact, if any, do you think sustainability will have on the demand for off-site construction manufacturers?

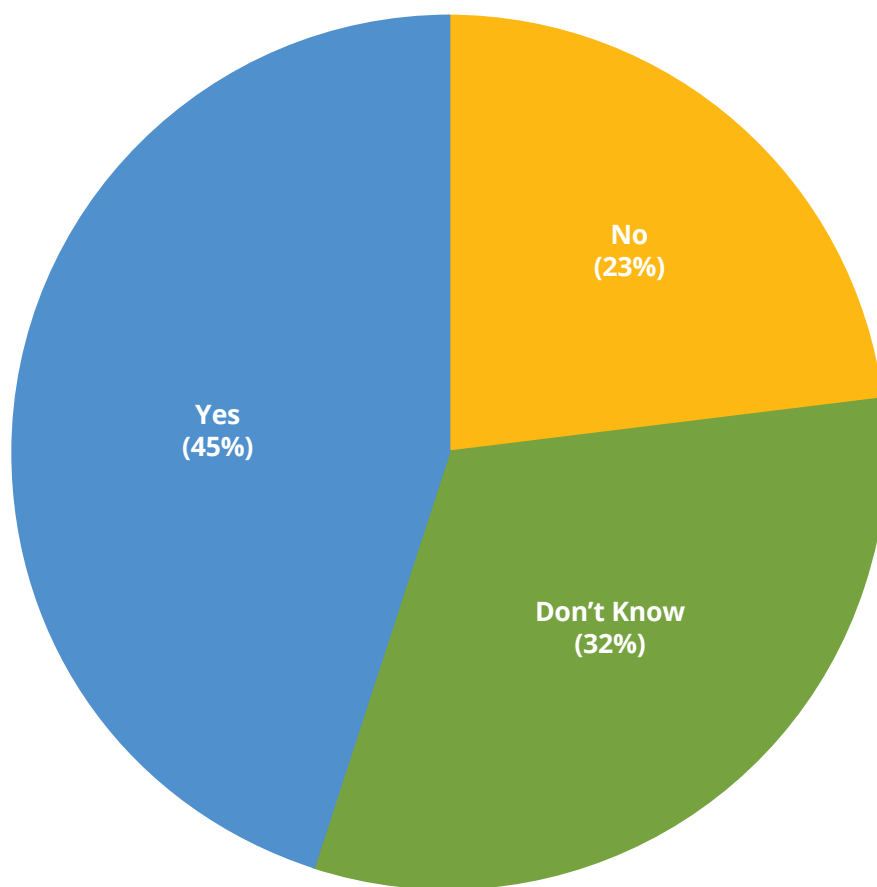


(Base: All Respondents = 288)

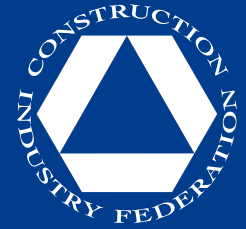
Impact of Sustainability on Off-Site Construction



Q13. Do you expect off-site construction to become more mainstream in the industry within the next 12 months?



(Base: All Respondents = 288)



Conclusions

- 40% report an increase in turnover YOY with 28% expecting turnover to continue to increase into 2023
- 20% report a year on year increase in the total number of people they employ with 22% expecting the trend to continue over the next 3 months
- 88% report a YOY increase in the cost of raw materials with just over 2/3 (67%) expecting the trend to persist
- Increasing costs have impacted the pricing on projects with 65% acknowledging a YOY increase & 54% expecting continued increases into 2023
- The increased cost of raw materials, access to skilled labour and securing a healthy profit margin on projects continue to be the 3 most significant challenges
- 77% acknowledge sustainable construction to be very important yet only 53% know how to measure it
- Training and Education programmes, building regulations and legislation and running an environmentally and resource efficient site are the key issues for companies to enable them construct more sustainably