CONSTRUCTION INDUSTRY FEDERATION

CIF Construction Outlook Survey

Review Q2 & Outlook Q3 2024

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 (Q2: April - June 2024) and the likely future performance of the sector in the next 3-month period (Q3: July - September 2024)

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
- Public works projects

In addition, the survey examined members attitudes towards several issues impacting the sector

Methodology

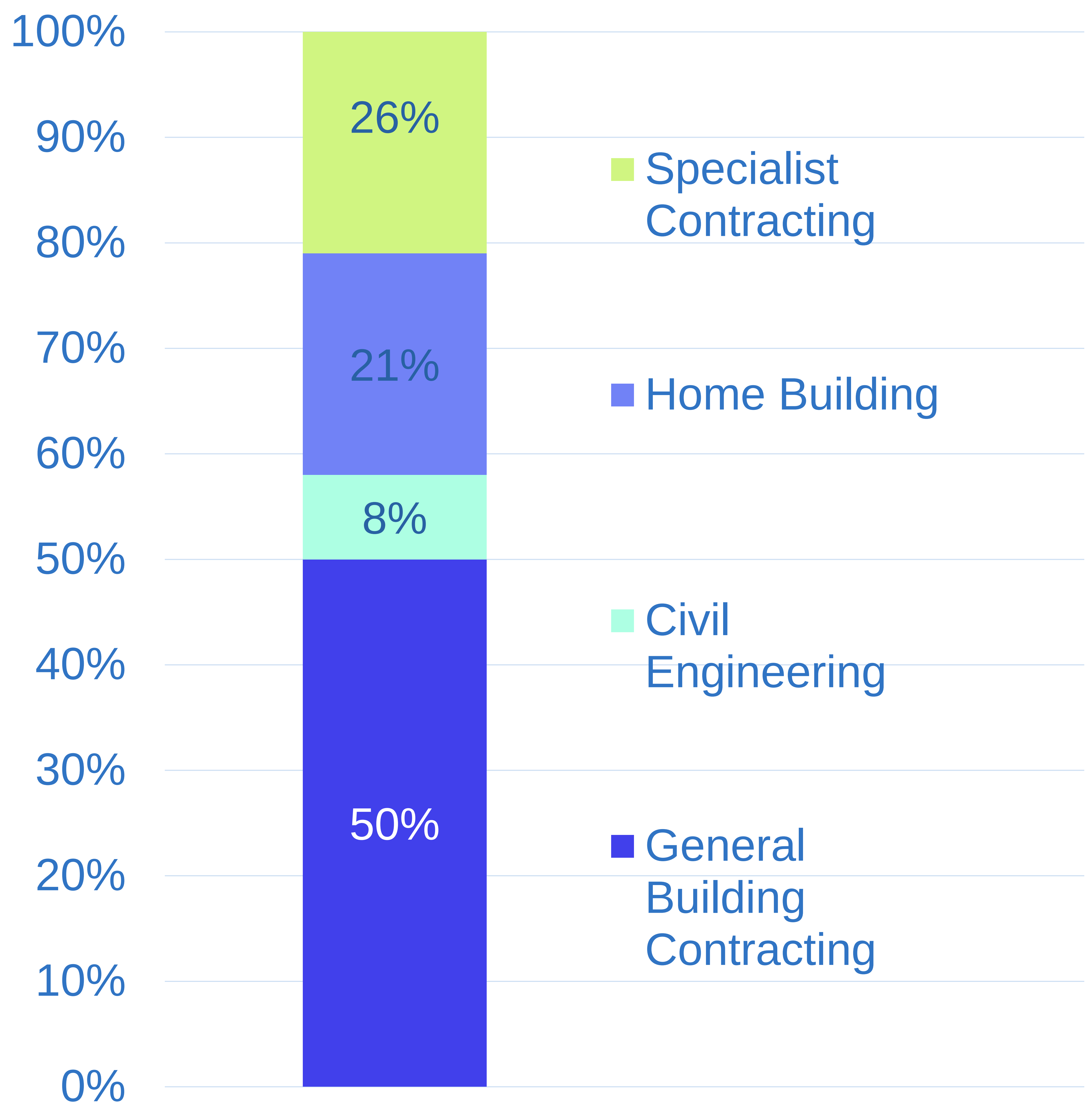
- Research was conducted via an online survey with 231 CIF members

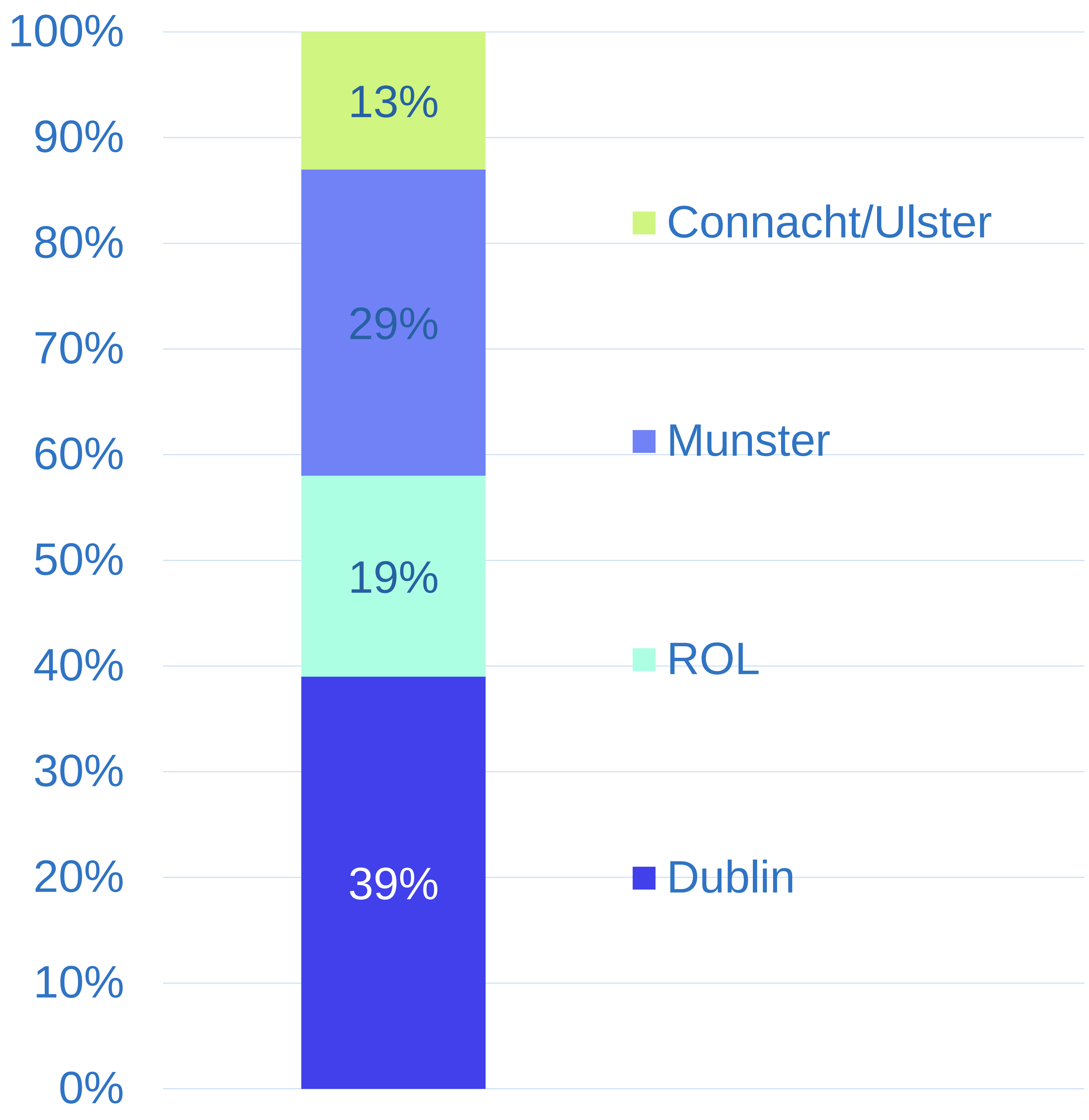
- A sample of 231 companies was achieved which delivers a margin of error of approximately (+ or – 6.5%)

- All surveys were conducted between 11th – 22nd July 2024

Key Findings

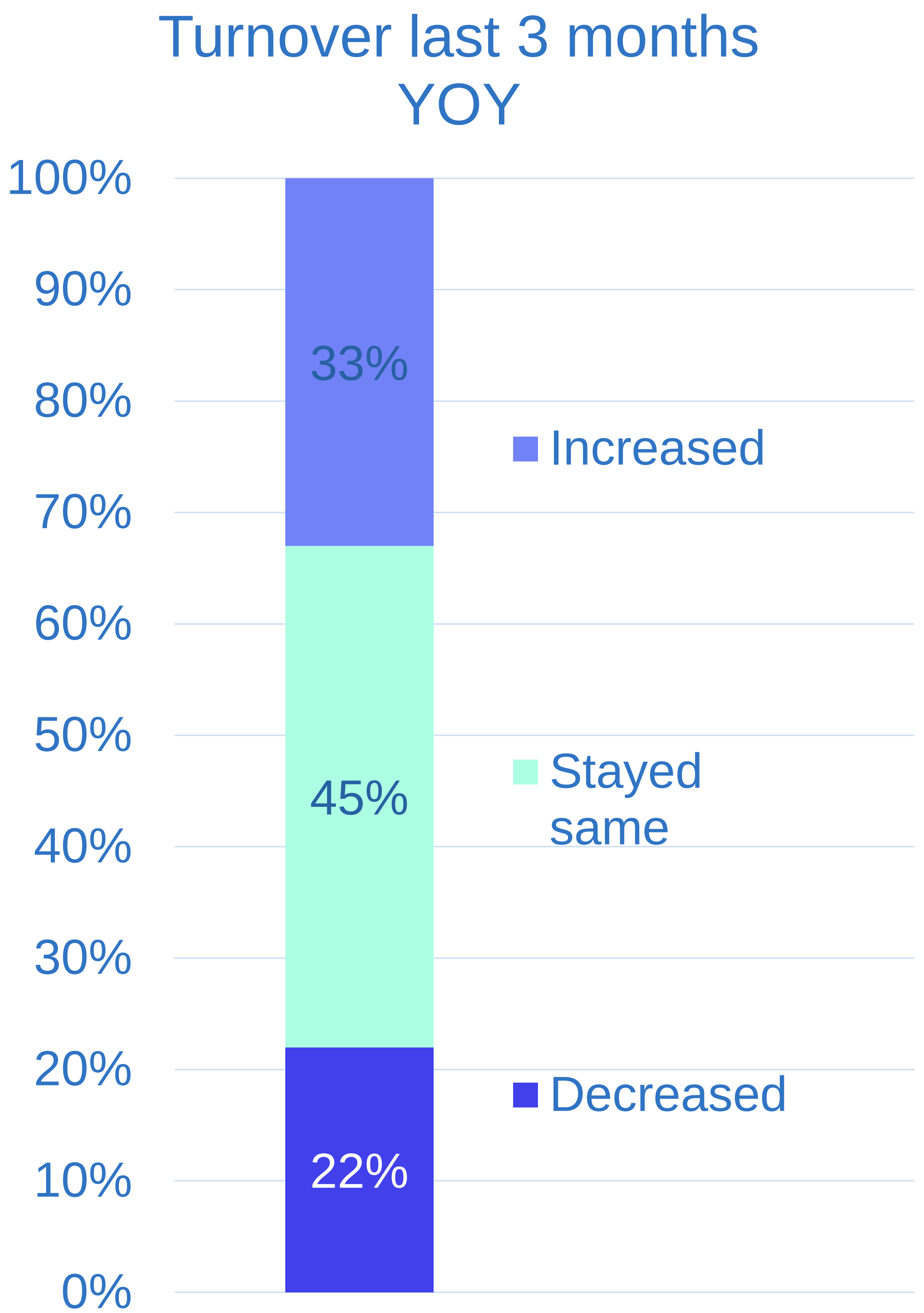
Sample Breakdown by Company Category

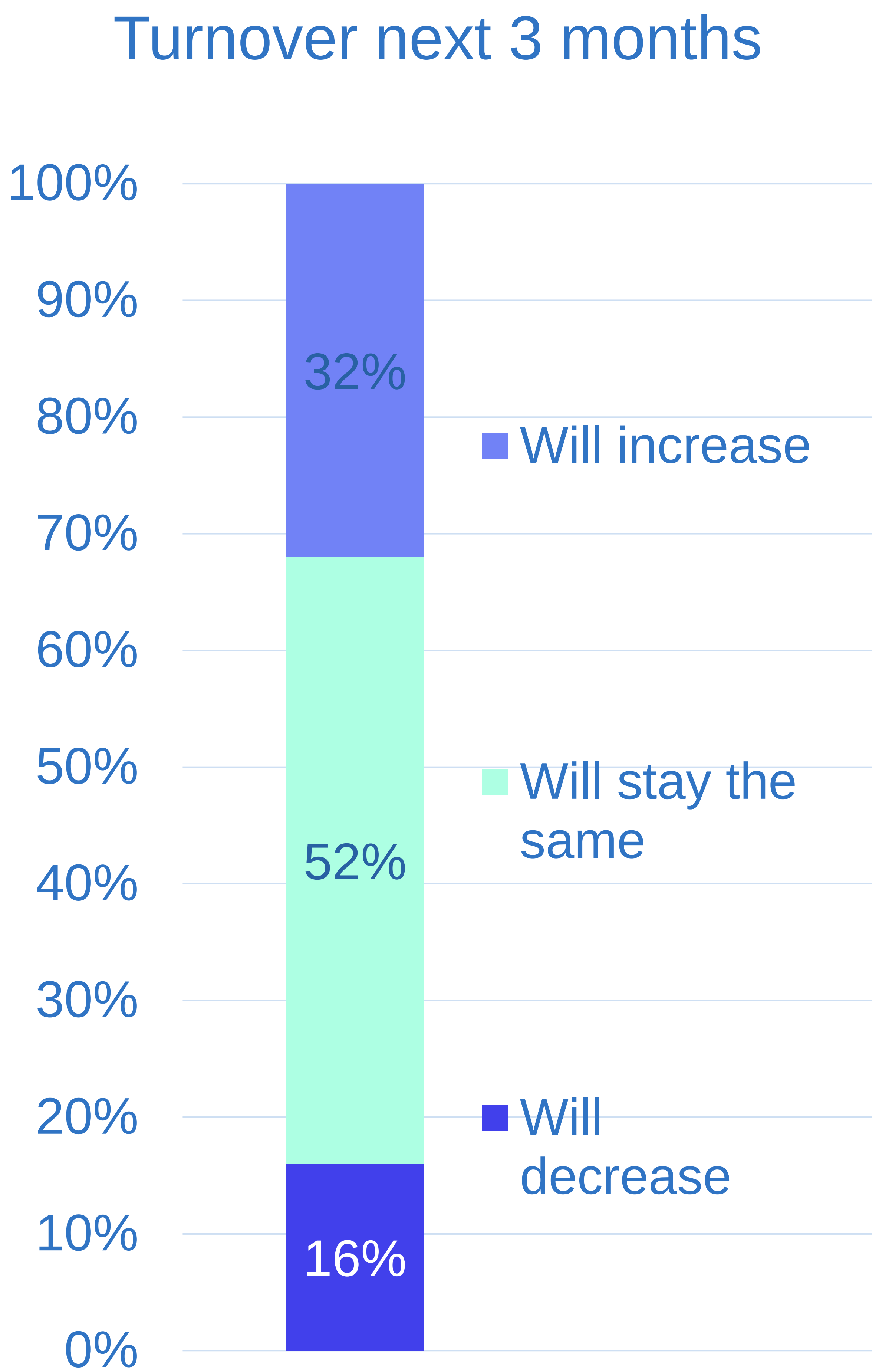




(Base: All respondents = 231)

Business Turnover Last 3 Months v Next 3 Months





33%

of companies report a YOY increase in turnover in Q2 2024

32%

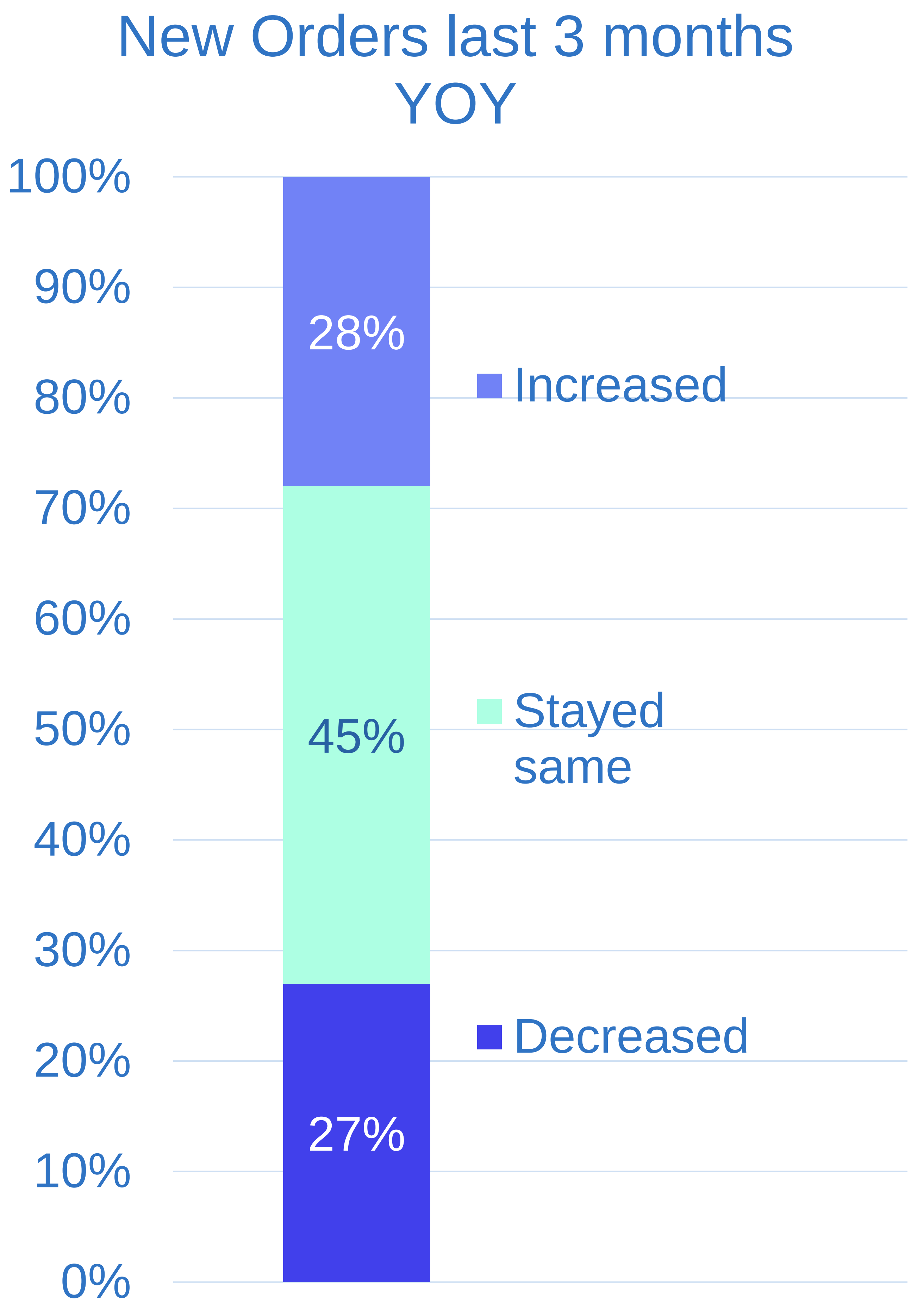
of companies anticipate turnover continuing to increase in Q3 2024

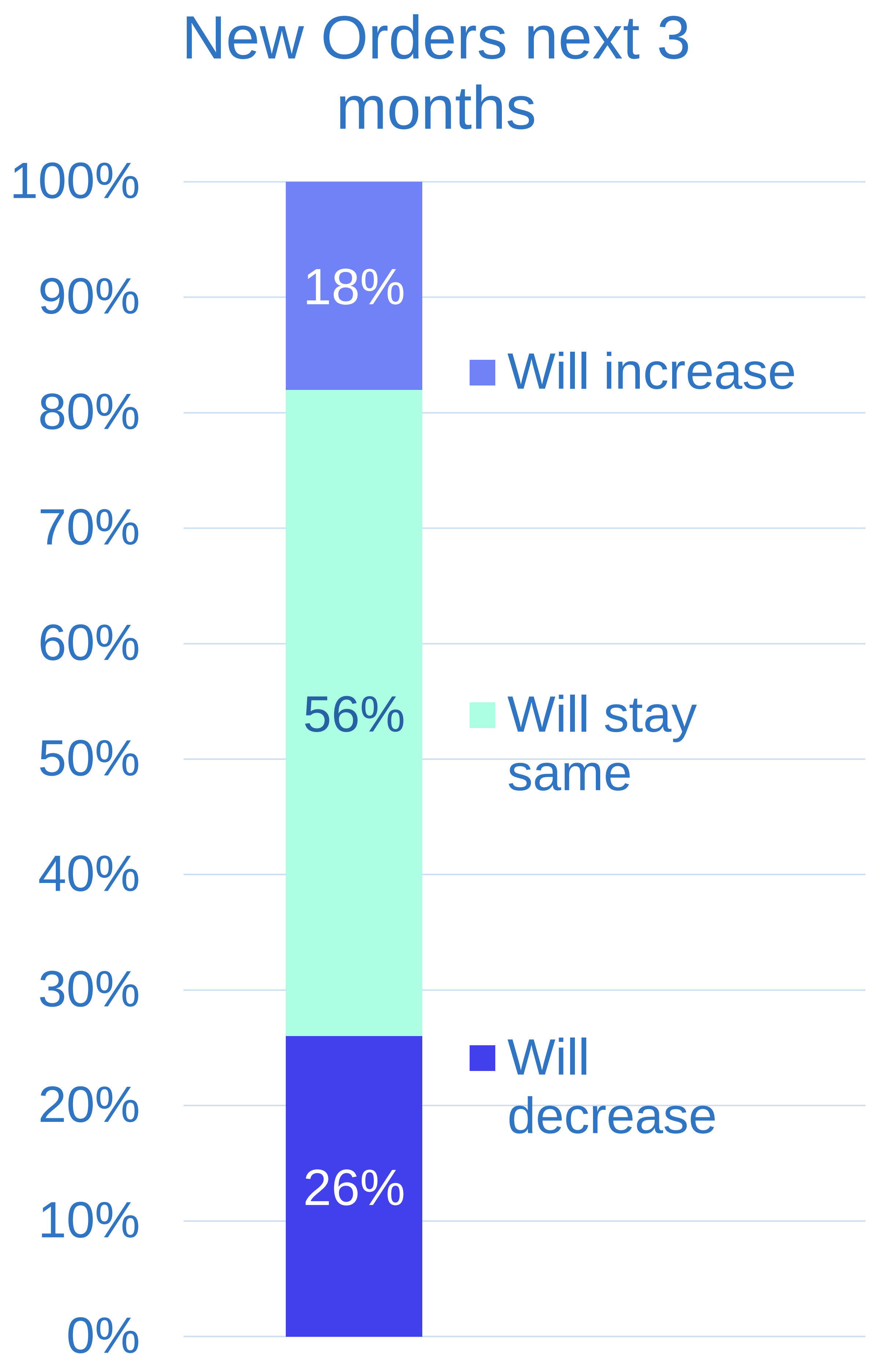
(Base: All respondents = 231)

Q3. In the last 3 months (Apr - Jun 2024) has the total business turnover for your company increased, decreased or stayed the same compared with the same period in 2023?

Q4. Thinking now about the next 3-month period (Jul - Sept 2024), do you expect total business turnover for your company to increase, decrease or stay the same compared with the last 3 months?

New Orders Last 3 Months v Next 3 Months





(Base: All respondents = 231)

Q5. In the last 3 months 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 2023?

Q6. In the next 3-month period (Jul - Sept 2024), do you expect the total revenue generated by new orders for your company to increase, decrease or stay the same compared with the last 3 months?

28%

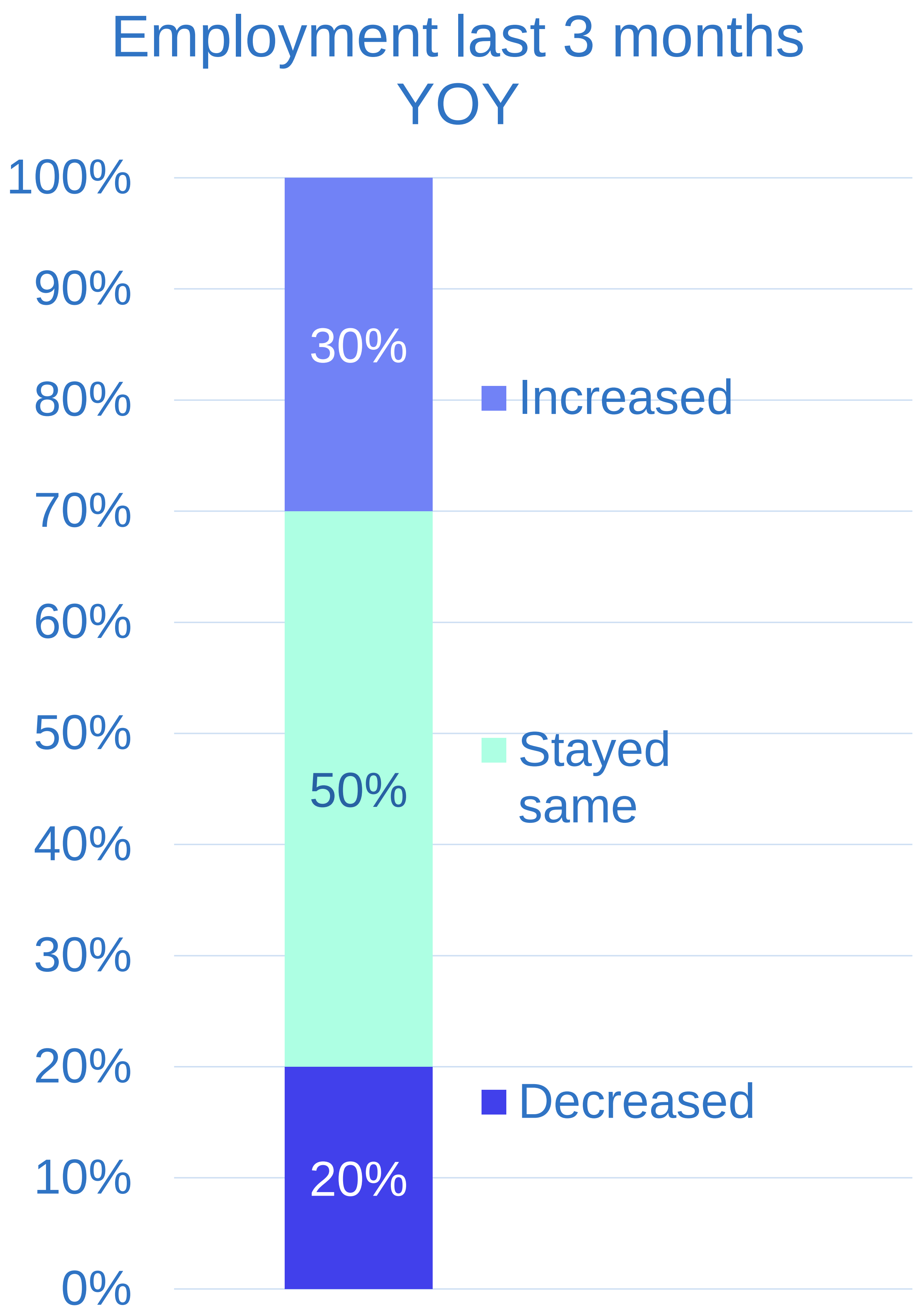
of companies report a YOY revenue increase from new orders in Q2 2024

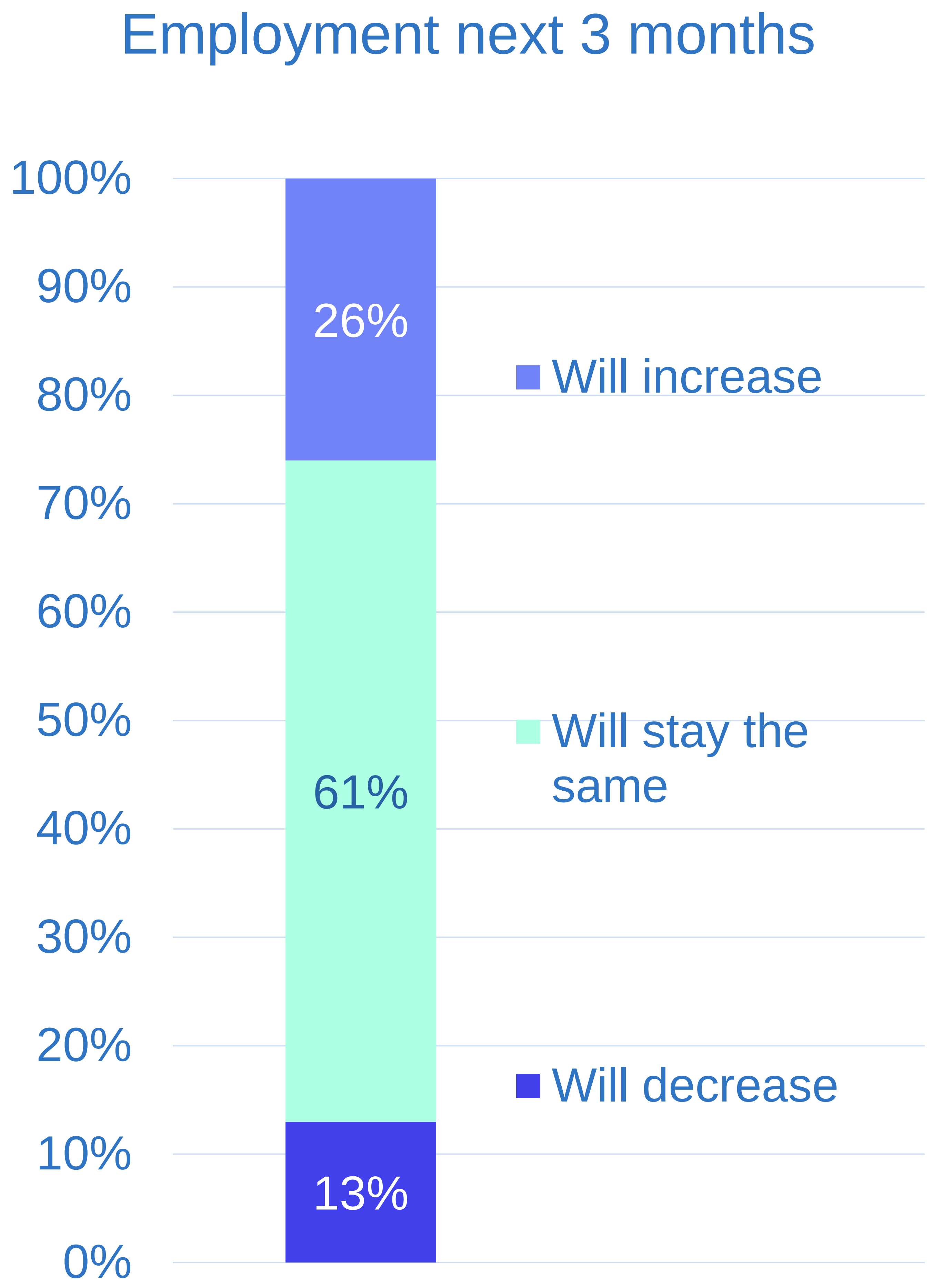
26%

of companies expect revenue from new orders to continue to increase in Q3 2024

There was a YOY increase in revenue from new orders across General Contracting and Home Building, but a decrease was evident in Civil Engineering and Specialist Contracting.
All sectors expect an uplift in Q3 except for Civil Engineering.

Employment Last 3 Months v Next 3 Months





30%

of companies report a YOY increase in the total number of people they employ in Q2 2023

26%

of companies expect to employ more staff in the coming months

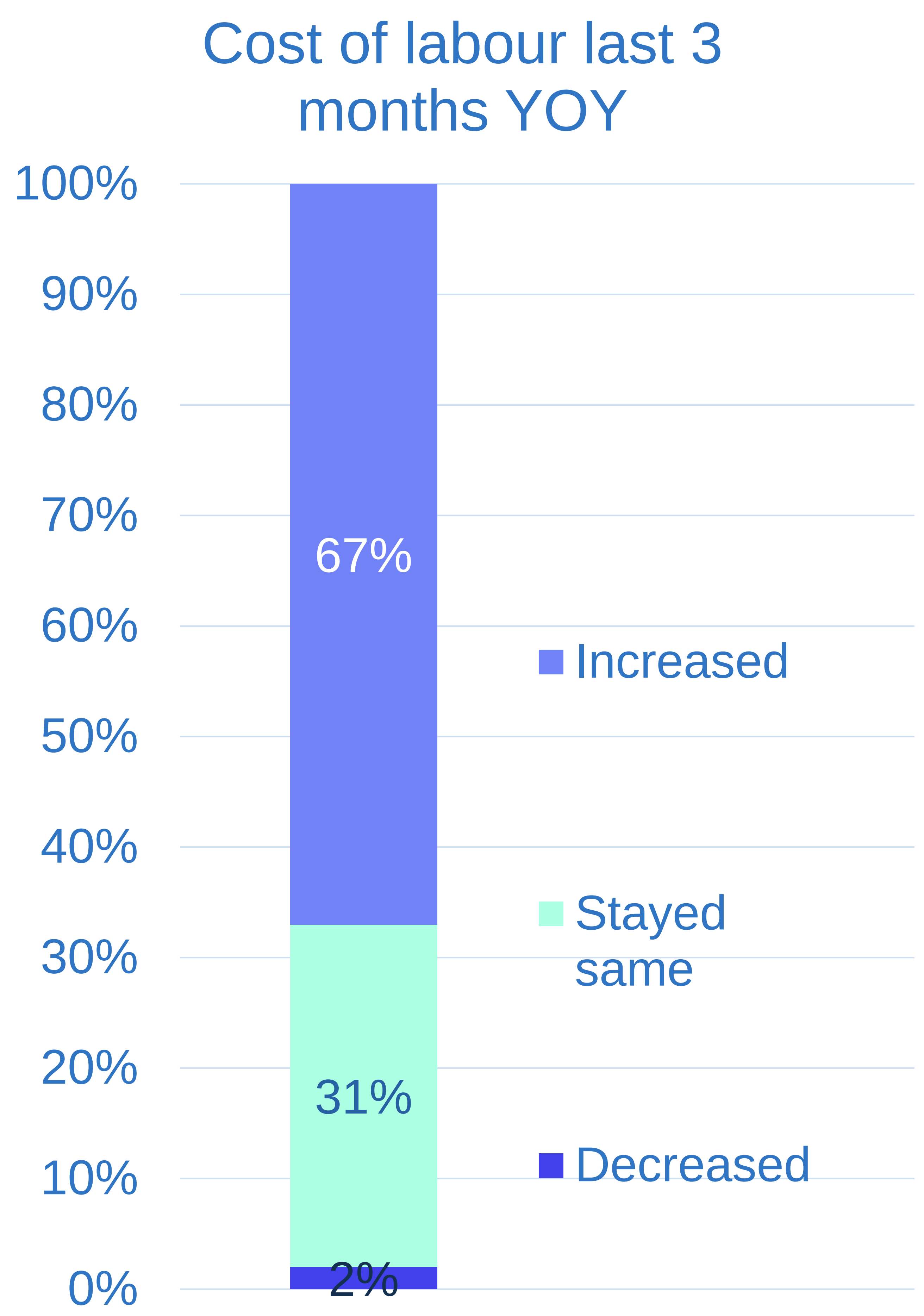
Employment levels remain positive YOY across all sectors and all company sizes except those with a turnover <€300k

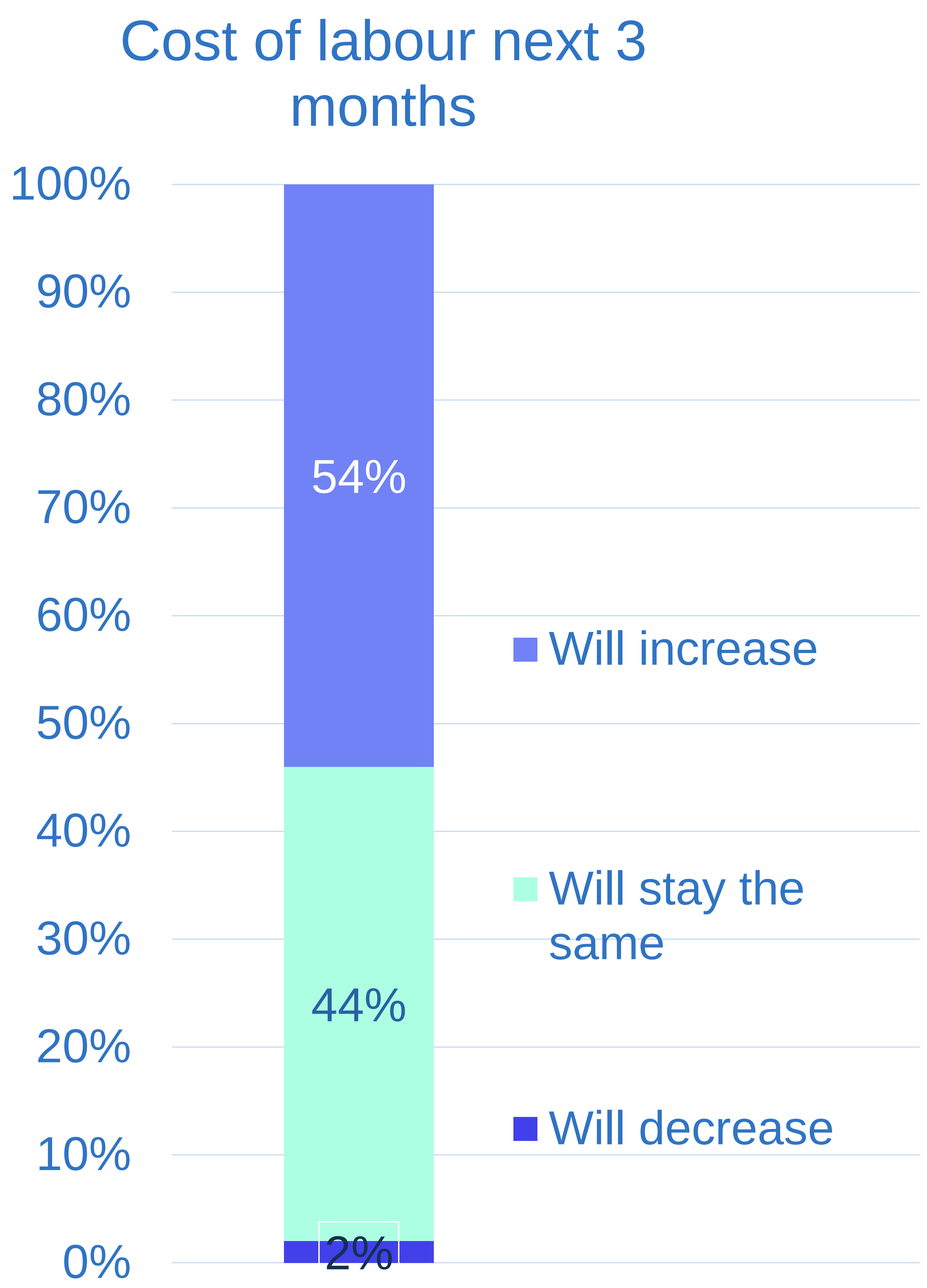
(Base: All respondents = 231)

Q7. In the past 3 months (Apr - June 2024) has the total number of people you employ (directly or indirectly) increased, decreased or stayed the same compared with the same period in 2023?

Q8. In the next 3-month period (Jul - Sept 2024), 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 last 3 months?

Cost of Labour Last 3 Months v Next 3 Months





67%

of companies acknowledge an increase in the cost of labour YOY in Q2 2024

54%

of companies expect the cost of labour to increase in Q3 2024

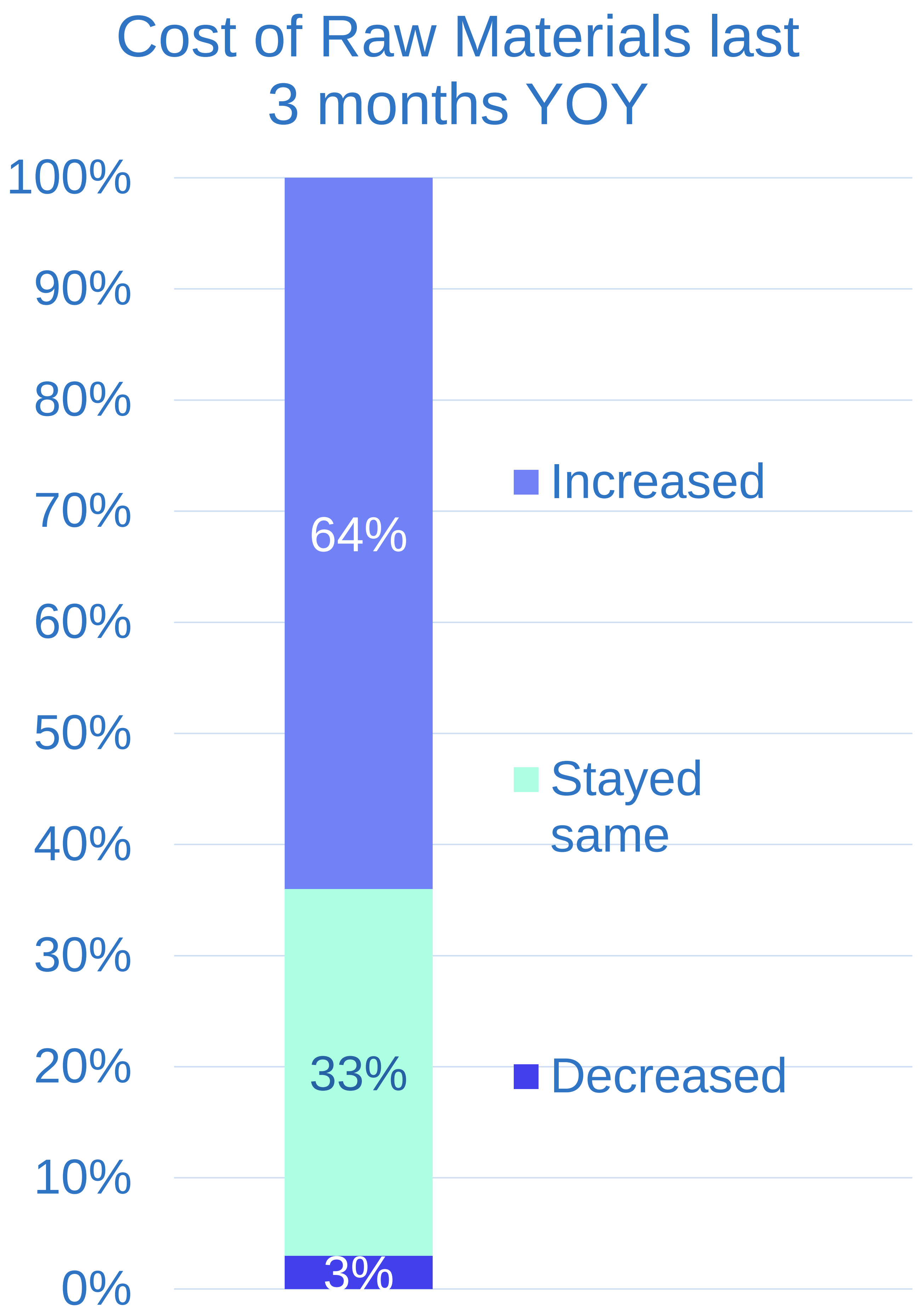
A significant number of companies across all sectors expect the cost of labour to continue to increase in Q3.

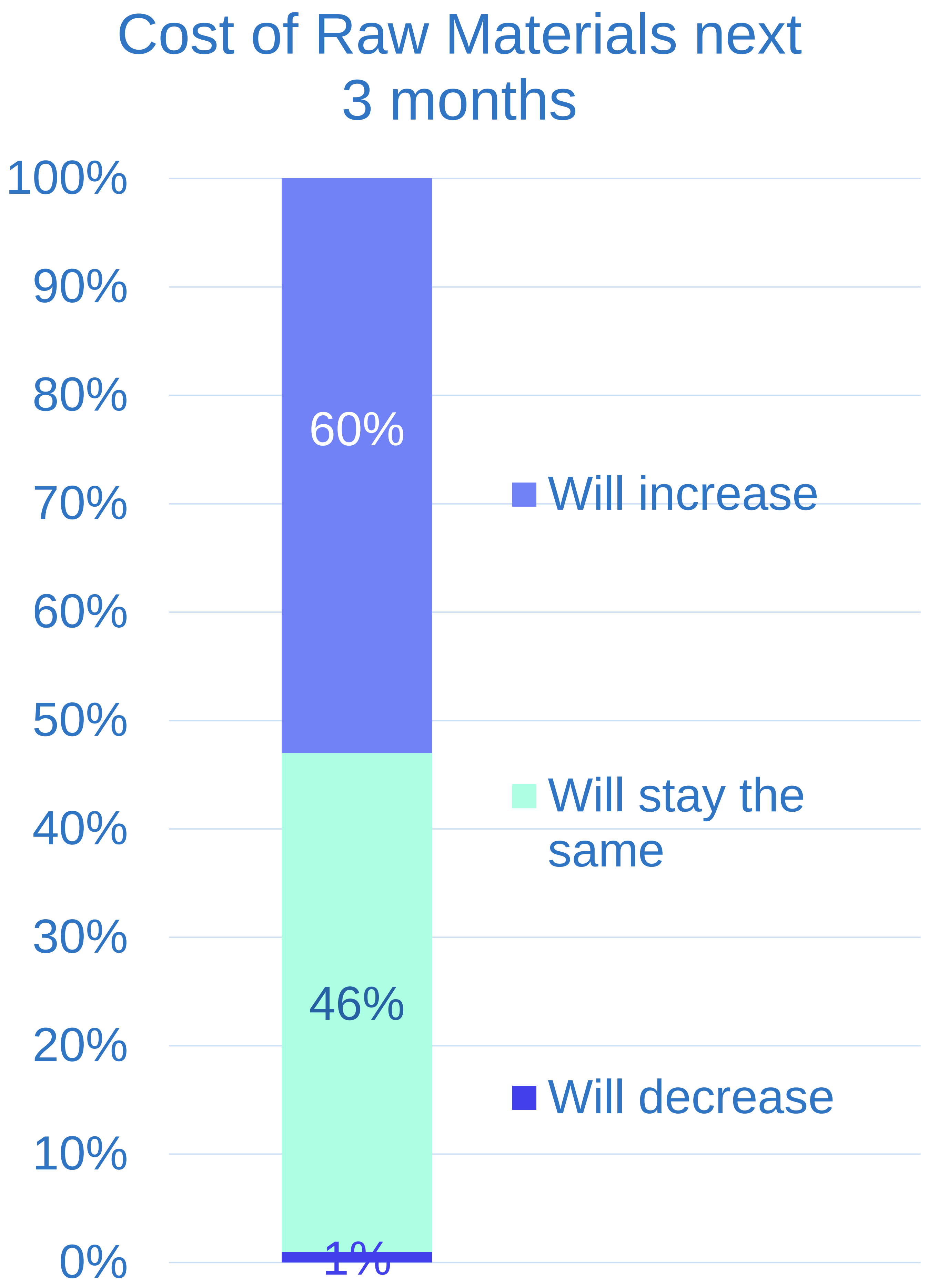
(Base: All respondents = 231)

Q9. In the past 3 months (Apr - Jun 2024) has the cost of labour in your company increased, decreased or stayed the same compared with the same period in 2023?

Q10. In the next 3-month period (Jul - Sept 2024), do you expect the cost of labour to increase, decrease or stay the same compared with the last 3 months?

Cost of Raw Materials Last 3 Months v Next 3 Months





(Base: All respondents = 231)

Q11. In the past 3 months (Apr - Jun 2024) has the cost of raw materials for your company increased, decreased or stayed the same compared with the same period in 2023?

Q12. In the next 3-month period (Jul - Sept 2024), do you expect the cost of raw materials to increase, decrease or stay the same compared with the last 3 months?

64%

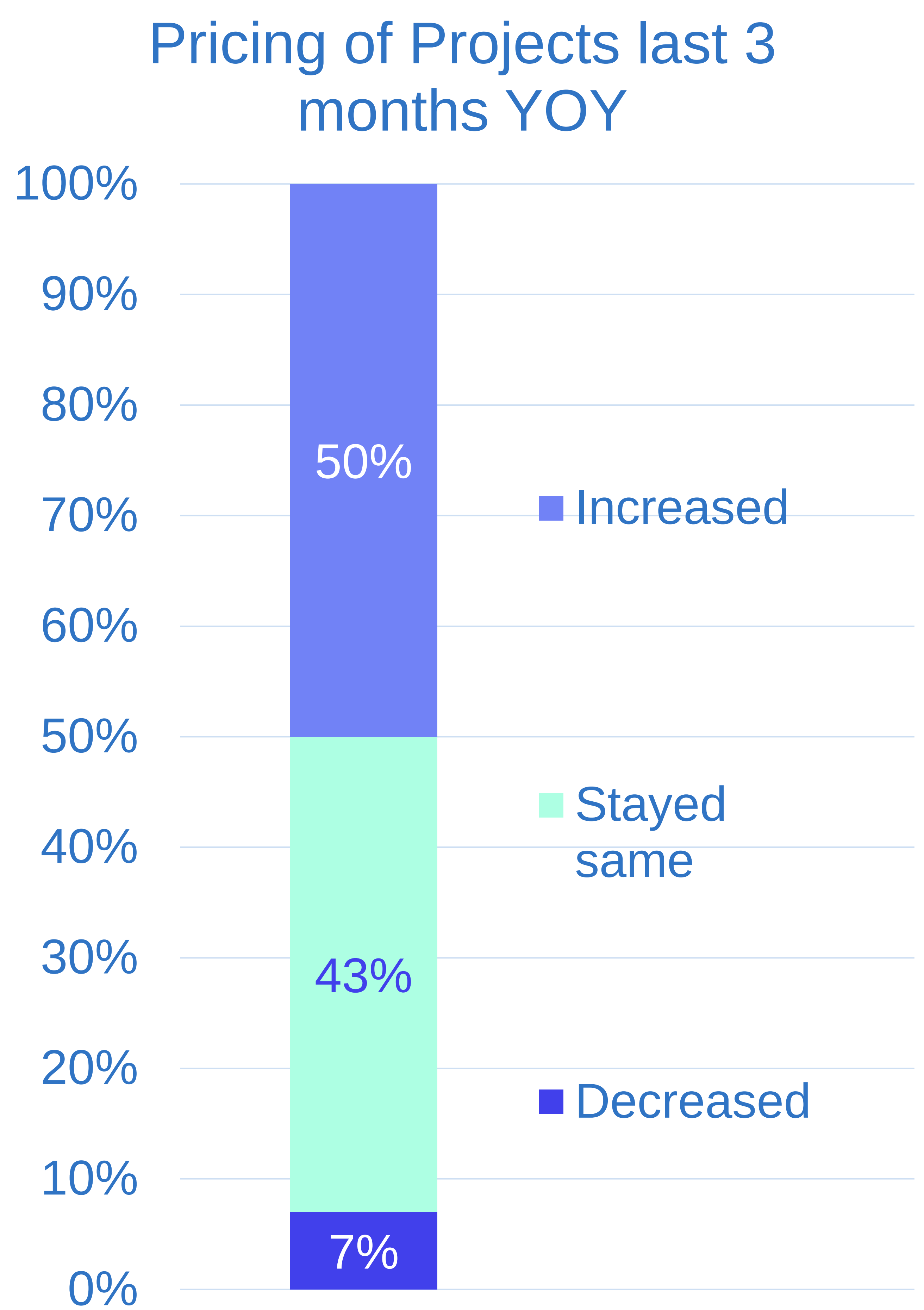
of companies report a YOY increase in the cost of raw materials in Q2 2024

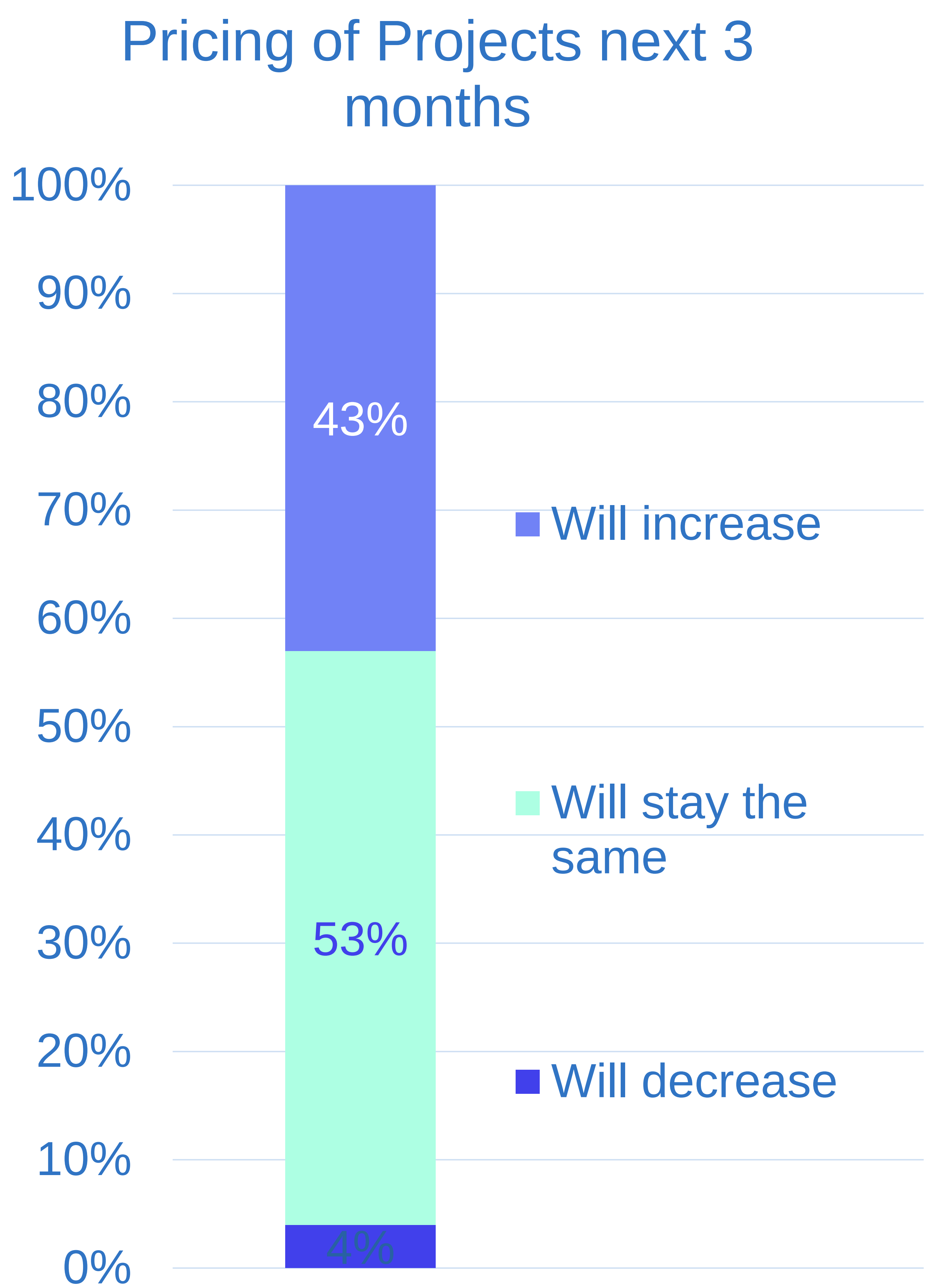
52%

expect the cost of raw materials to increase to continue to increase in Q3 2024

The YOY increase in the cost of raw materials was reported across all sectors. Most companies from General Contracting & Civil Engineering expect the cost of raw materials to continue to increase in Q3.

Pricing of Projects Last 3 Months v Next 3 Months





50%

acknowledge an increase in the pricing of projects compared with the same period in 2023

43%

expect the prices charged to increase in Q3 2024

A YOY increase in the pricing of projects features across all sectors, but less so in Specialist Contracting. The increase in pricing appears to be slowing somewhat as companies enter Q3 2024.

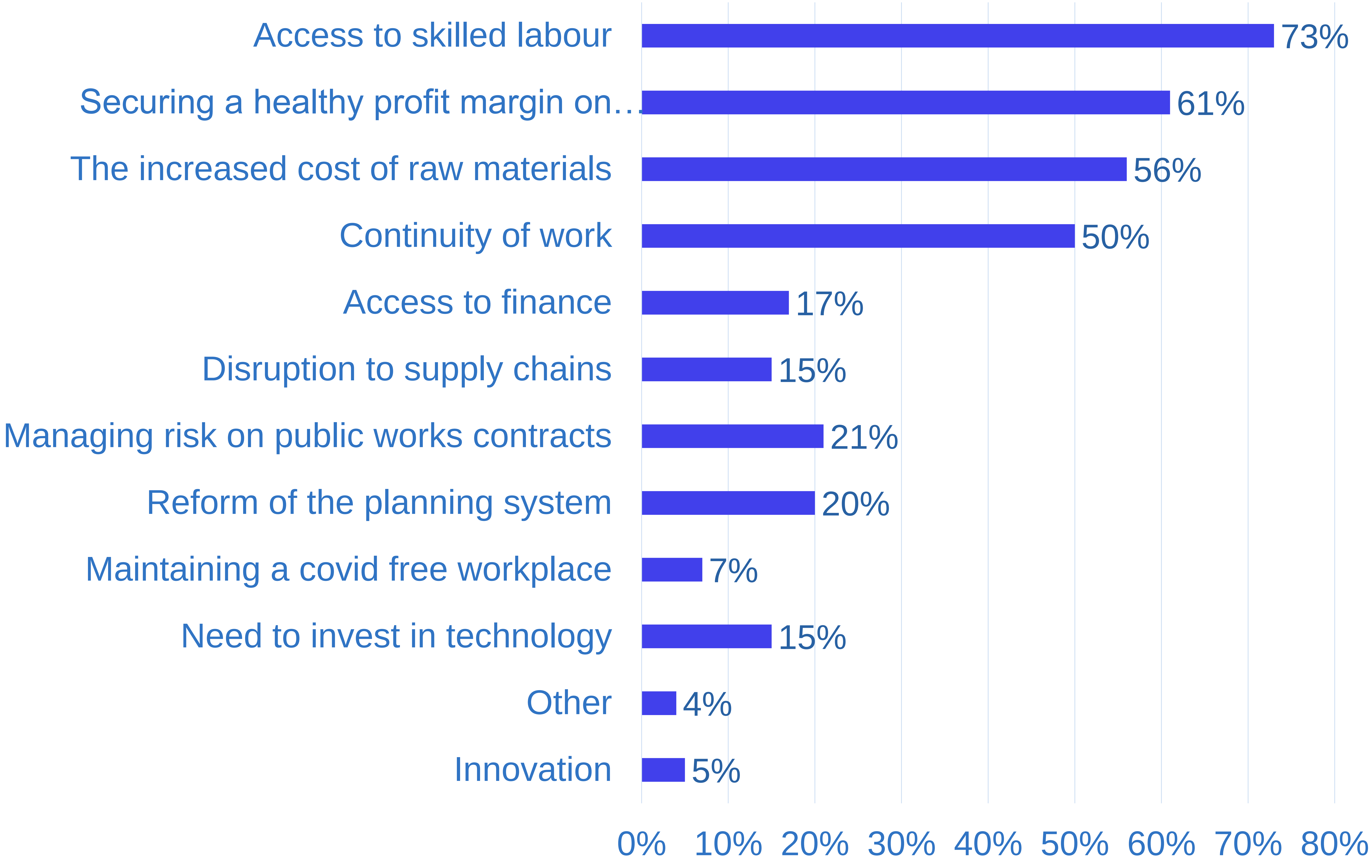
(Base: All respondents = 231)

Q13. In the past 3 months (Apr - Jun 2024) has the price you charge for goods and services for the period increased, decreased or stayed the same compared with the same period in 2023?

Q14. In the next 3-month period (Jul - Sept 2024), do you expect the price you charge for goods and services for your company to increase, decrease or stay the same compared with the last 3 months?

Key Challenges

Key Challenges



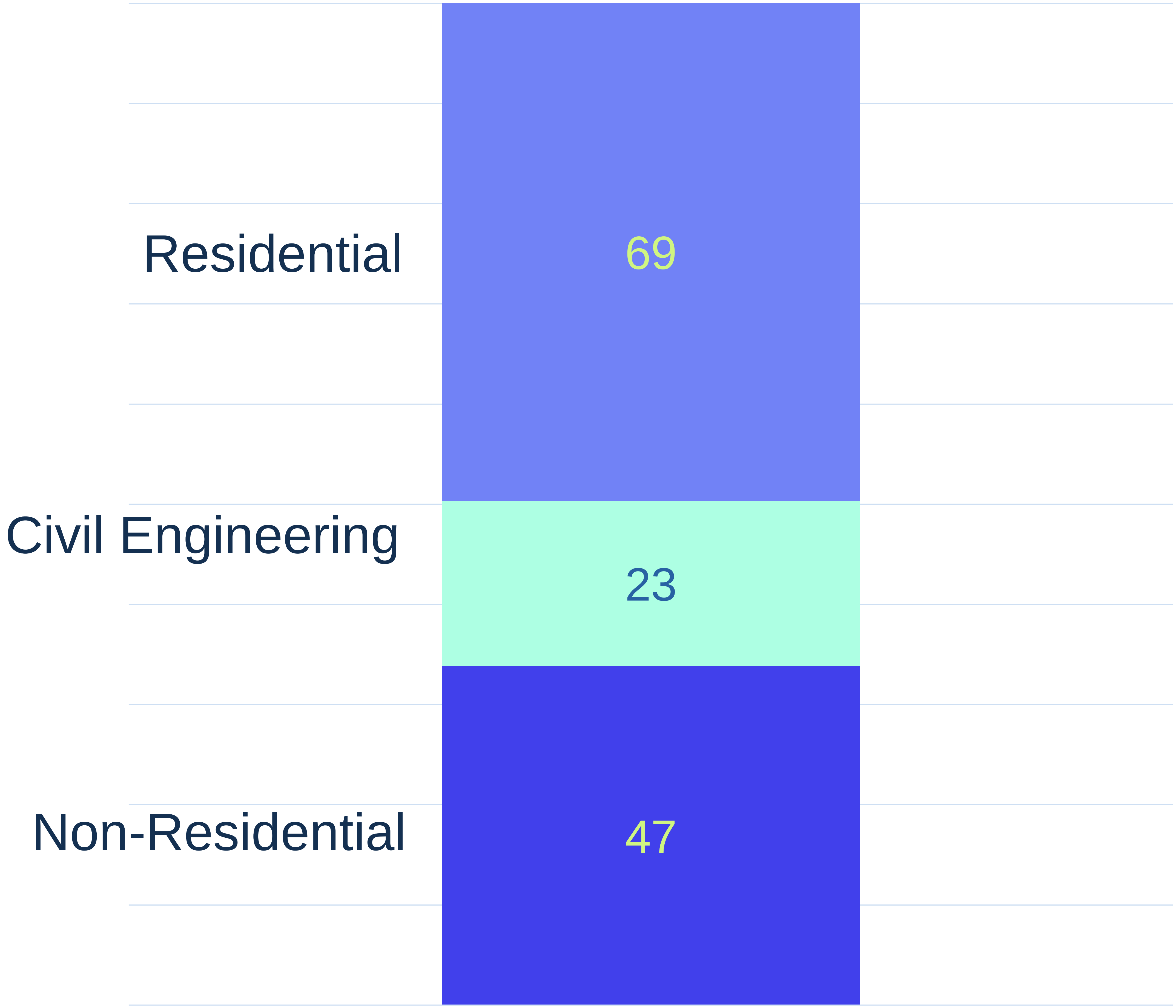
Access to skilled labour, securing a healthy profit margin on projects and the increased cost of raw materials remain the 3 most significant challenges

Q15. What if any, are the key challenges facing your business over the next 3-6 months? (Base: All respondents = 231)

Sectoral Activity

Which sectors do companies currently work in? (Percentage)

What sectors do construction companies export to?



There is a notable overlap in companies working in both the residential and non-residential.

In terms of exports, commercial office development, housing, healthcare facilities and data centres are the most exported construction services in the last 12 months.

(Base: All respondents = 231)

Q16. Which of the following sectors does your company work in? Note: tick all that apply.
Q17. Please select the type of construction project you delivered internationally in the last 12 months?

Conclusions

Conclusions

33%

acknowledge an increase in turnover YOY in Q2 2024 with 32% expecting turnover to increase in Q3 2024

30%

report an increase in the total number of people they employ, with 26% expecting the trend to continue over the next 3 months

67%

experienced a YOY increase in the cost of labour with 54% expecting the trend to persist in Q3 2024

Conclusions

64%

Report a YOY increase in the cost of raw materials with 52% anticipating the trend to continue into Q3 2024

Increasing costs continue to impact on the pricing of projects with

50%

acknowledging a YOY increase and 43% expecting continued increases in Q3 2024

Conclusions

Access to skilled labour (73%), securing a healthy profit margin on projects (61%) and the increased cost of raw materials (56%) remain the three most significant challenges facing the construction industry.

In terms of exports, commercial office development, housing, healthcare facilities and data centres are the most exported construction services amongst exporting companies.

Thank You

Get in Touch

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