



**CONSTRUCTION
INDUSTRY
FEDERATION**

CIF Construction Outlook Survey

Quarter 3 2026

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 2026) and the likely future performance of the sector in the next 3-month period (Q3 2026)

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 a number of issues impacting the sector

Methodology

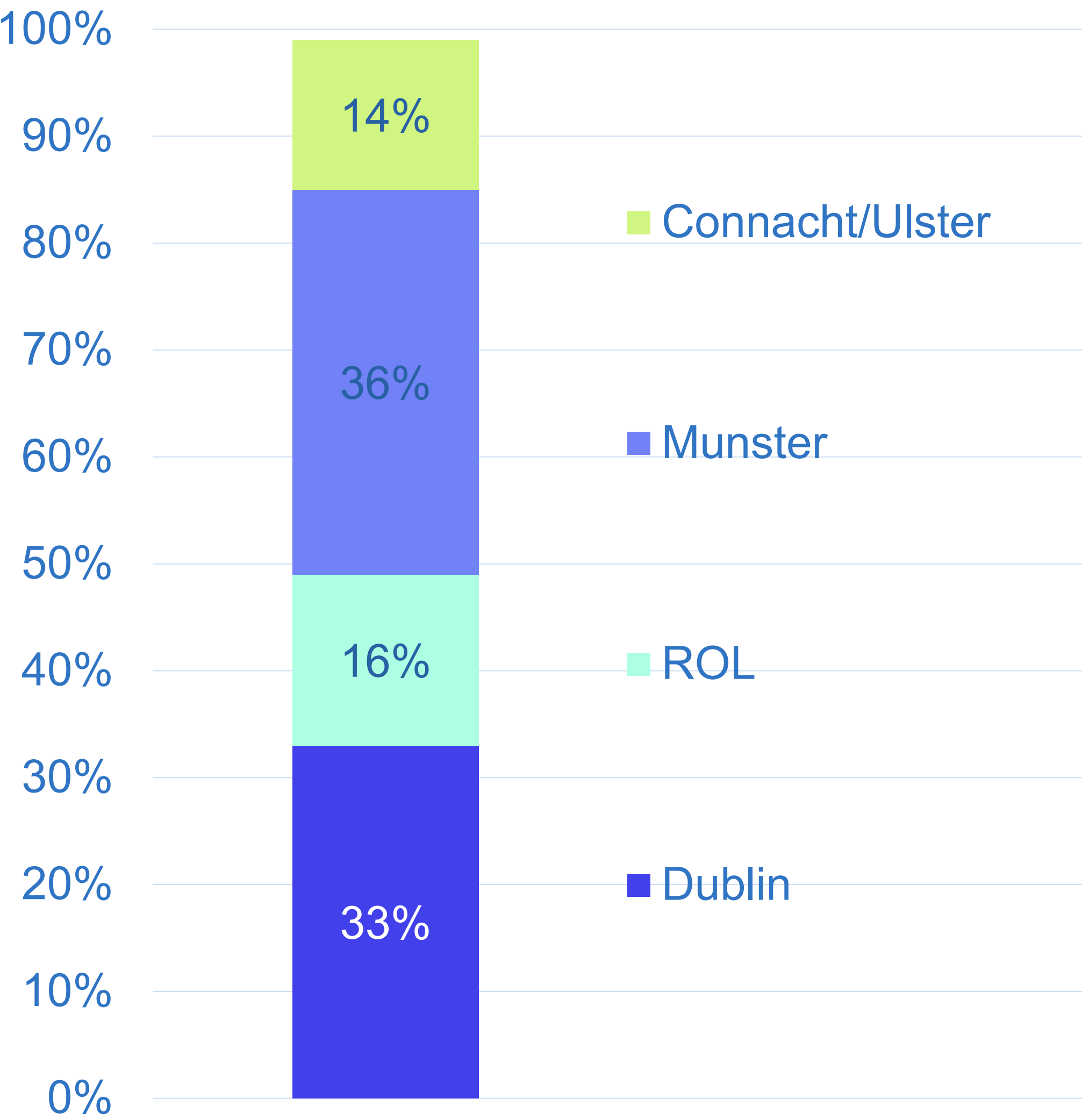
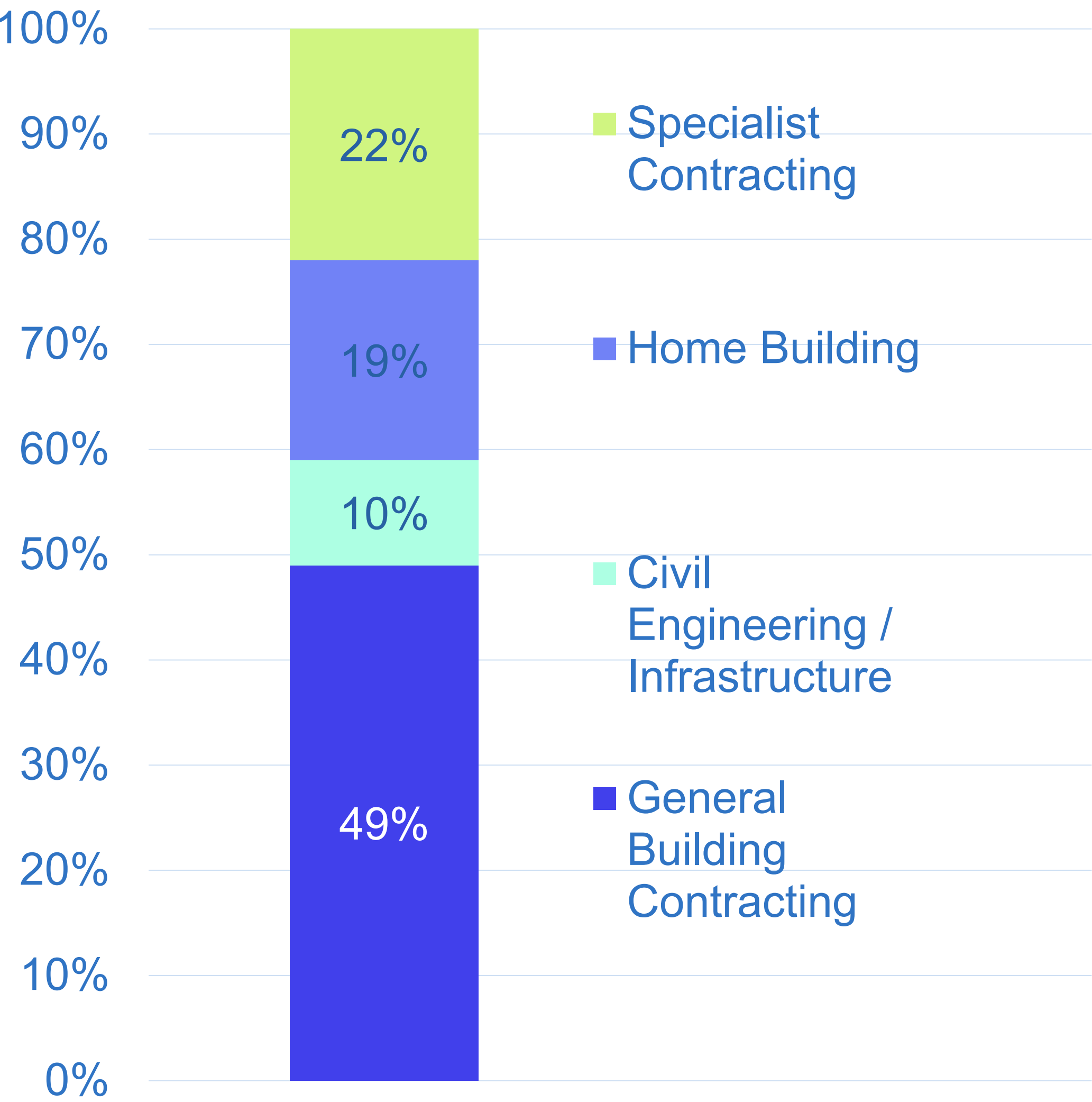
- Research was conducted via an online survey with CIF members.
- A sample of 159 companies was achieved, delivering a margin of error of approximately $\pm 8.5\%$.
- Fieldwork was conducted between 16 July and 17 August 2026.

** Note: owing to the rounding effects the % in each chart presented, the totals will not always sum to 100*

Key Findings

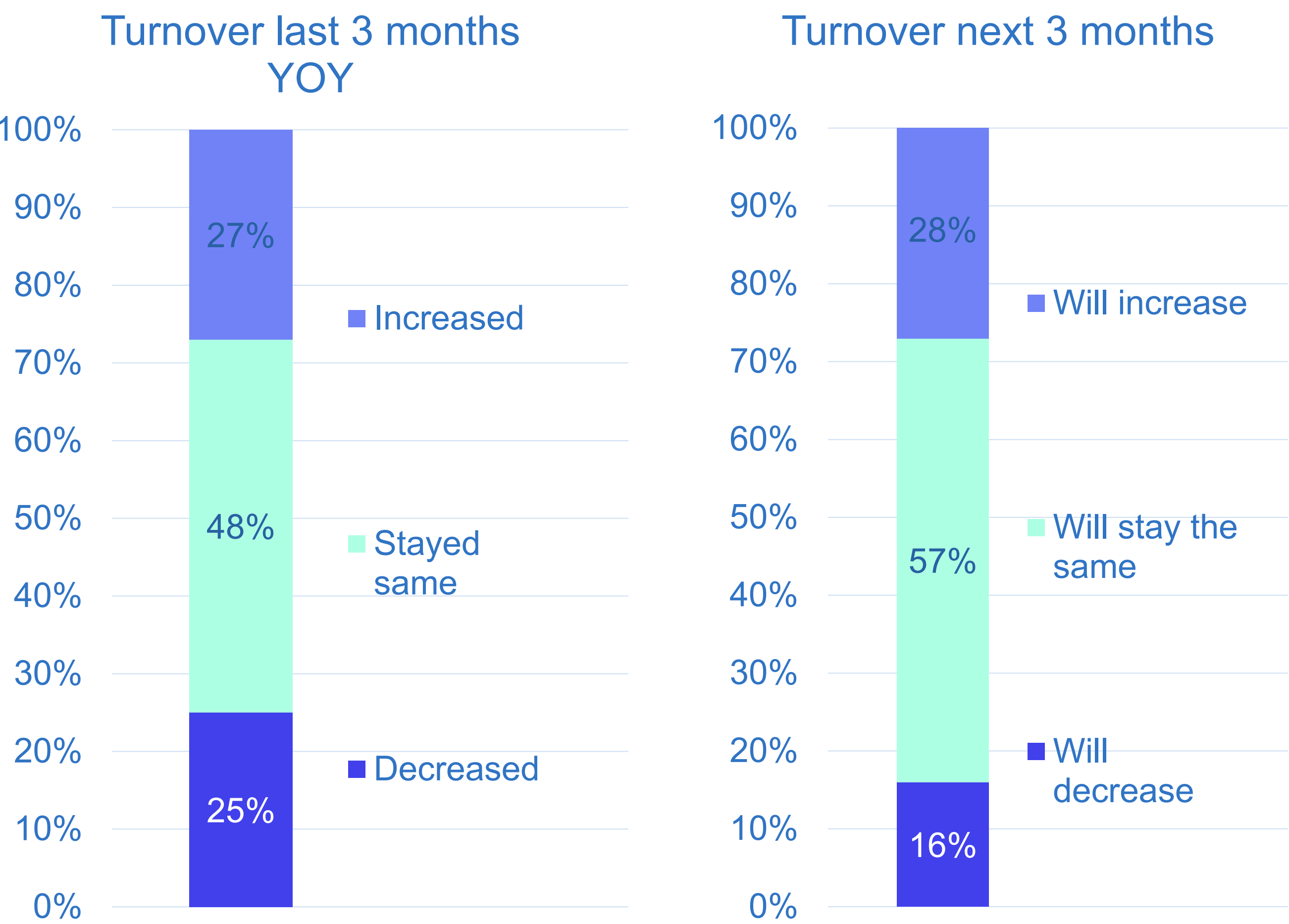
The background of the slide is composed of several overlapping, semi-transparent geometric shapes. On the left, there is a solid blue vertical rectangle. To its right, there are various polygons in shades of teal and light green. A large, light green trapezoid is positioned in the lower center, overlapping with a darker teal shape above it and another teal shape to its right. The overall design is modern and minimalist.

Sample Breakdown by Company Category



(Base: All respondents = 159)

Business Turnover Last 3 Months v Next 3 Months



27%
of companies report a YOY increase in turnover in Q2 2026

28%
of companies anticipate turnover will increase in Q3 2026

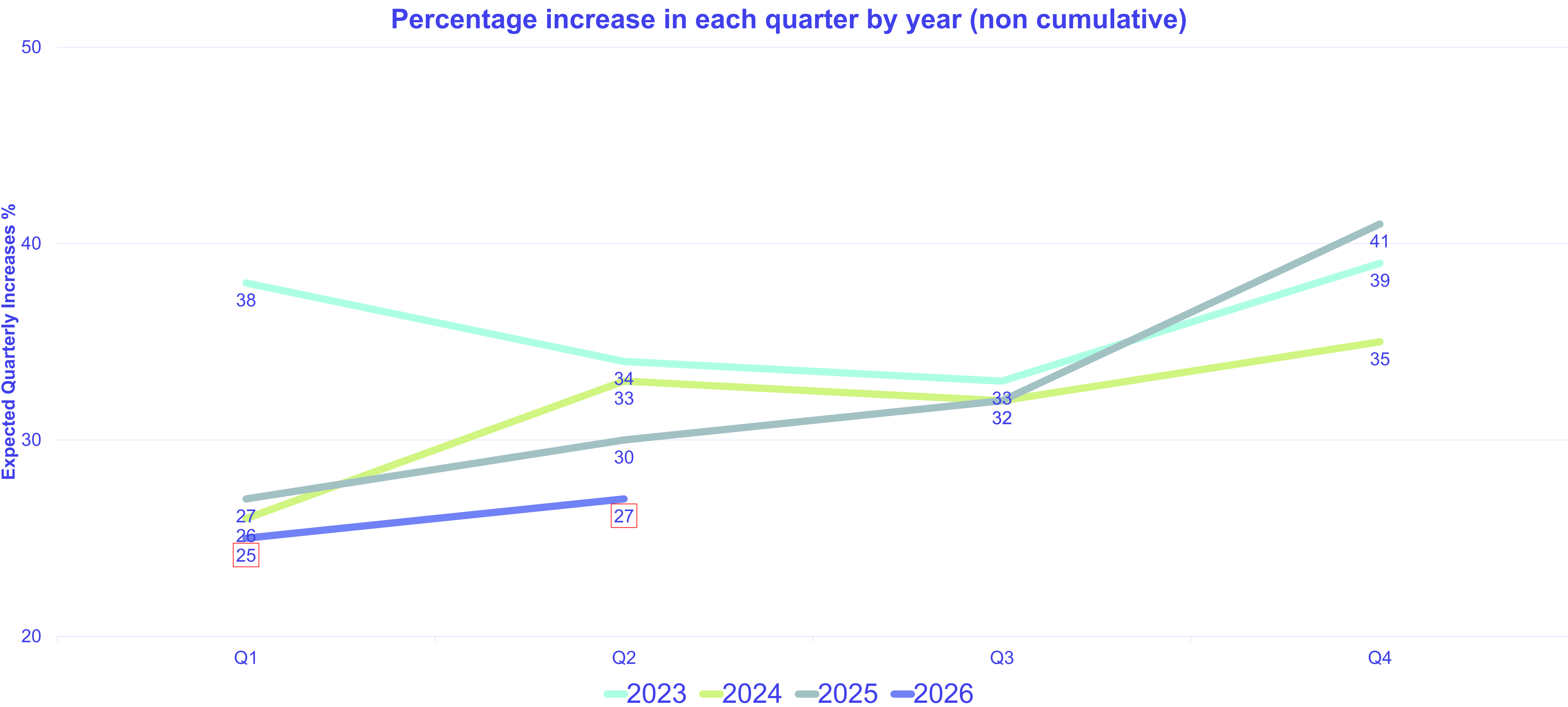
Business turnover remained broadly stable in Q2 2026, although General Building Contracting and Home Building recorded modest net growth. Expectations for the next three months are positive across the industry, with more firms anticipating growth than decline in every sector.

(Base: All respondents = 159)

Q3. In the last 3 months (April - June 2026) has the total business turnover for your company increased, decreased or stayed the same compared with the same period in 2025?

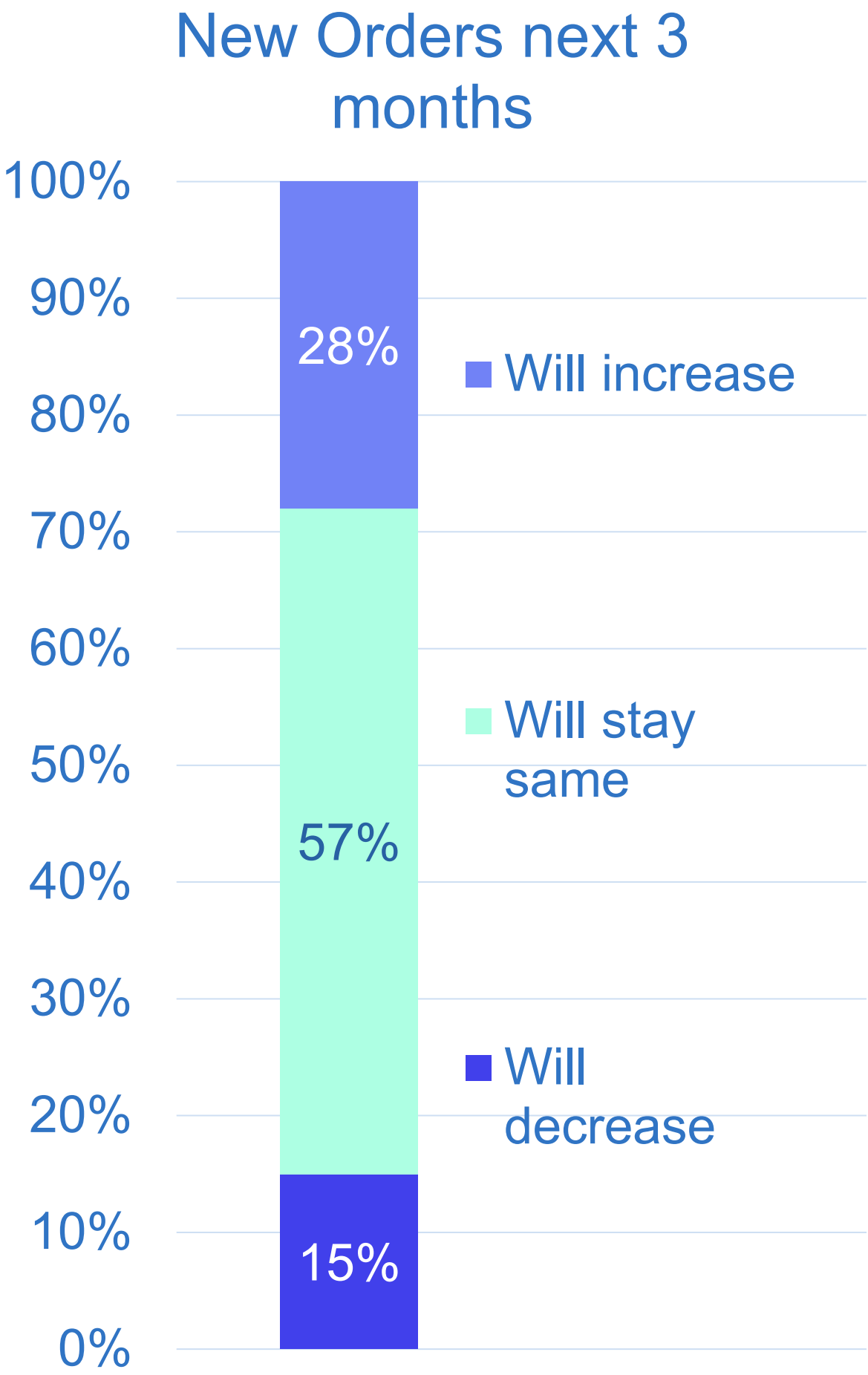
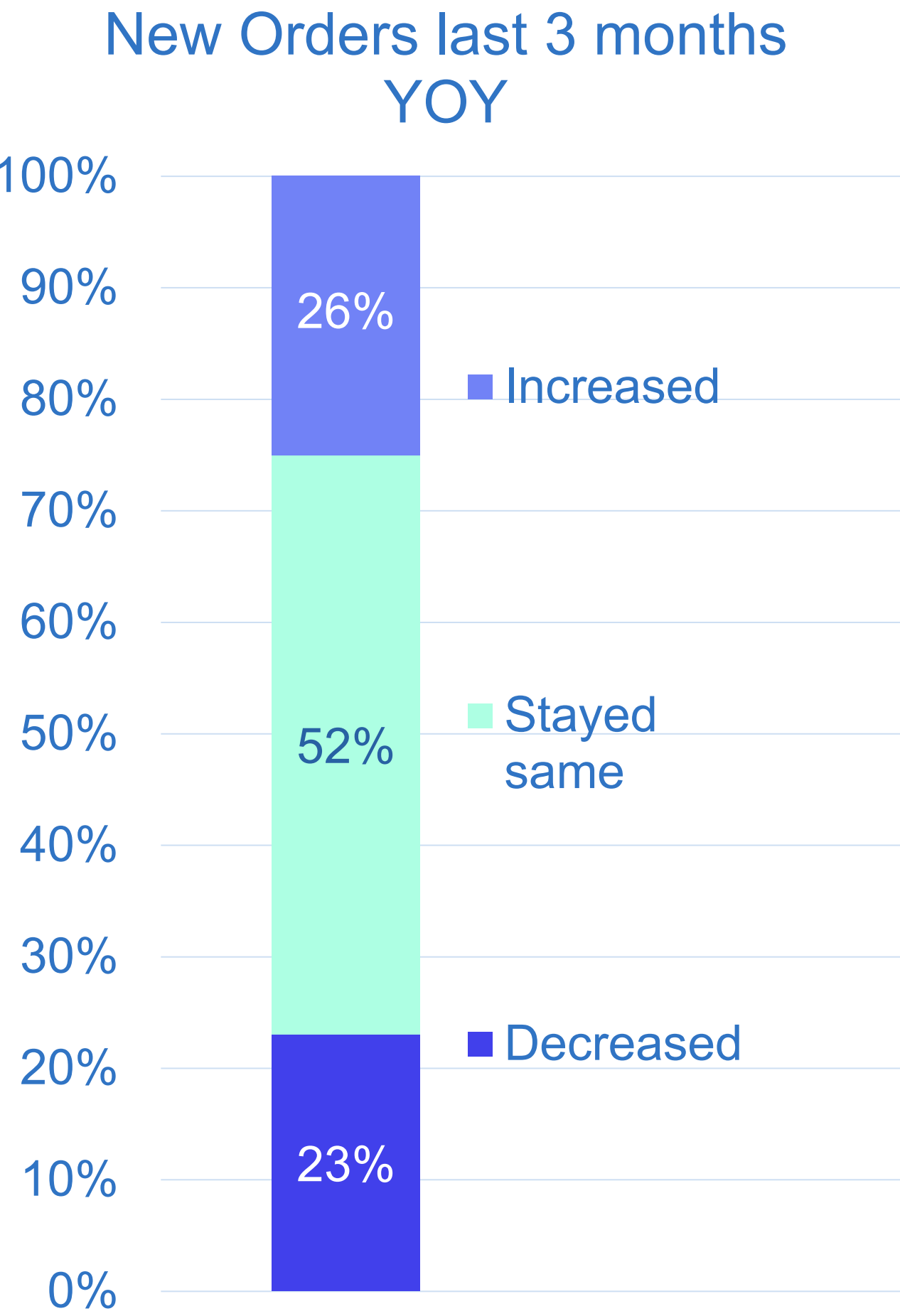
Q4. Thinking now about the next 3-month period (July - Sept 2026), do you expect total business turnover for your company to increase, decrease or stay the same compared with the previous 3 months?

Business Turnover Growth by Quarter (Survey Results)



Each data point reflects respondents' expected percentage increase for that quarter only; values do not compound across quarters.

New Orders Last 3 Months v Next 3 Months



26%

of companies report a YOY revenue increase from new orders in Q2 2026

28%

of companies expect revenue from new orders to increase in Q3 2026

New orders were broadly stable over the last three months, with strongest growth reported in Civil Engineering/Infrastructure and Specialist Contracting, while Home Building saw a net decline.

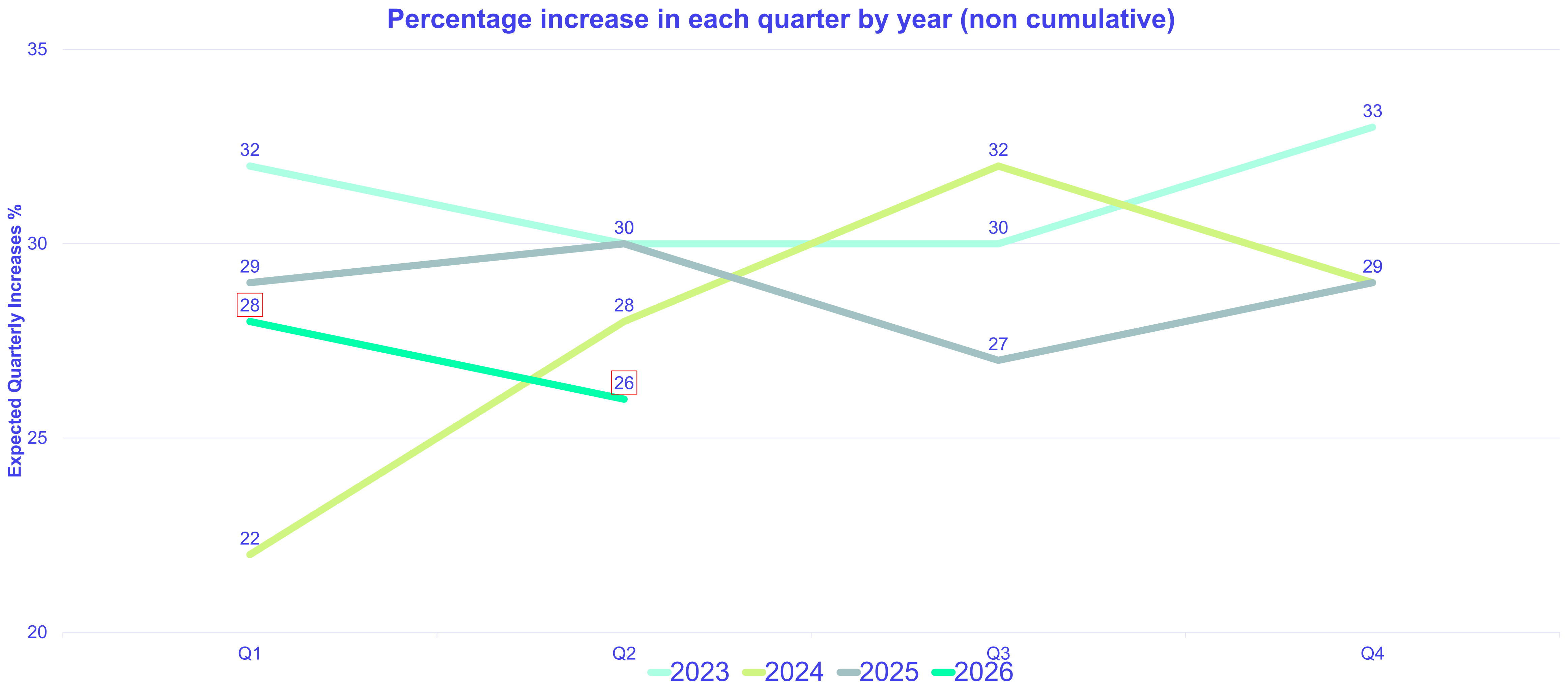
The outlook is positive across all sectors, with Specialist Contracting showing the strongest expected increase in new orders over the next three months.

(Base: All respondents = 159)

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 2025?

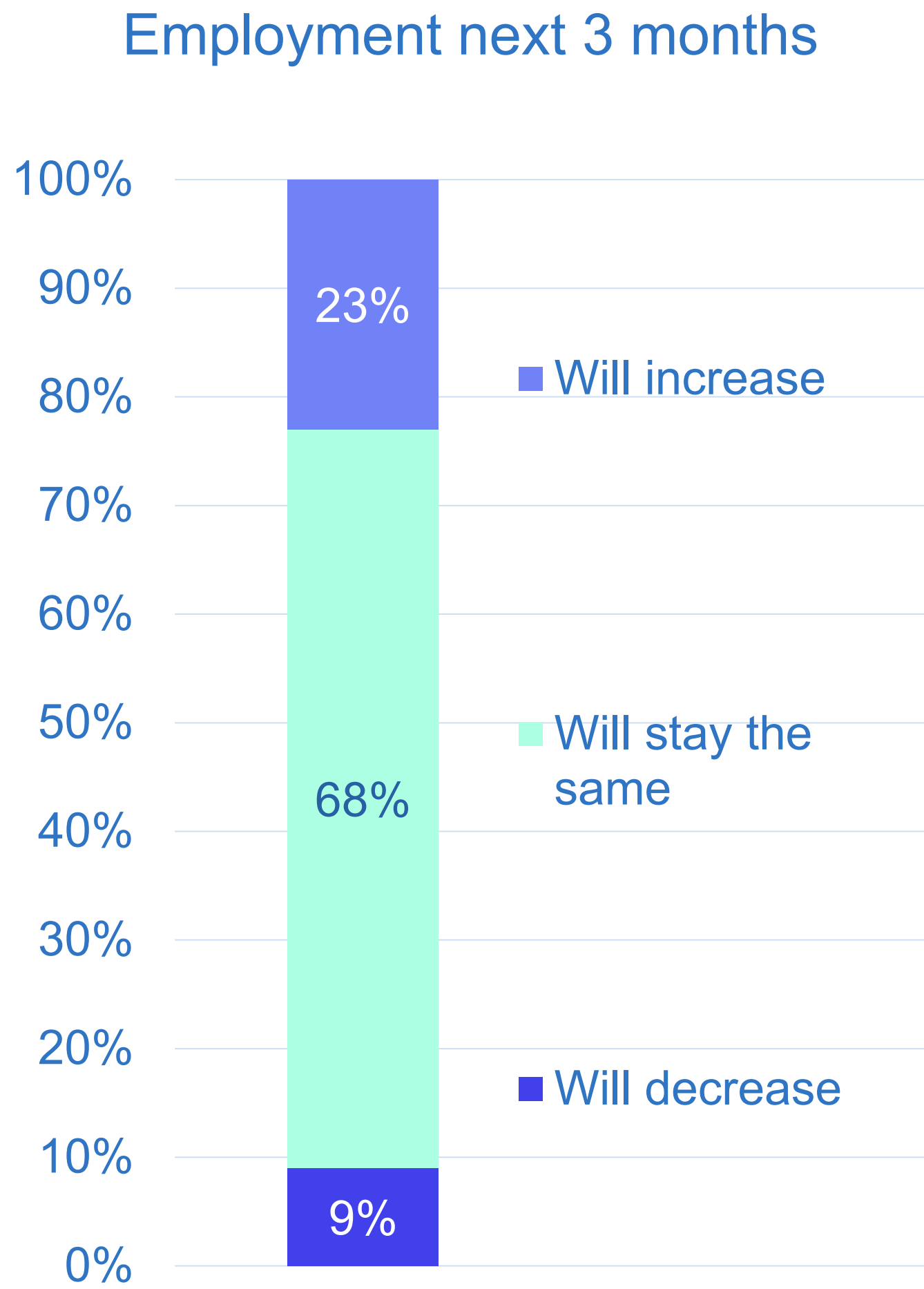
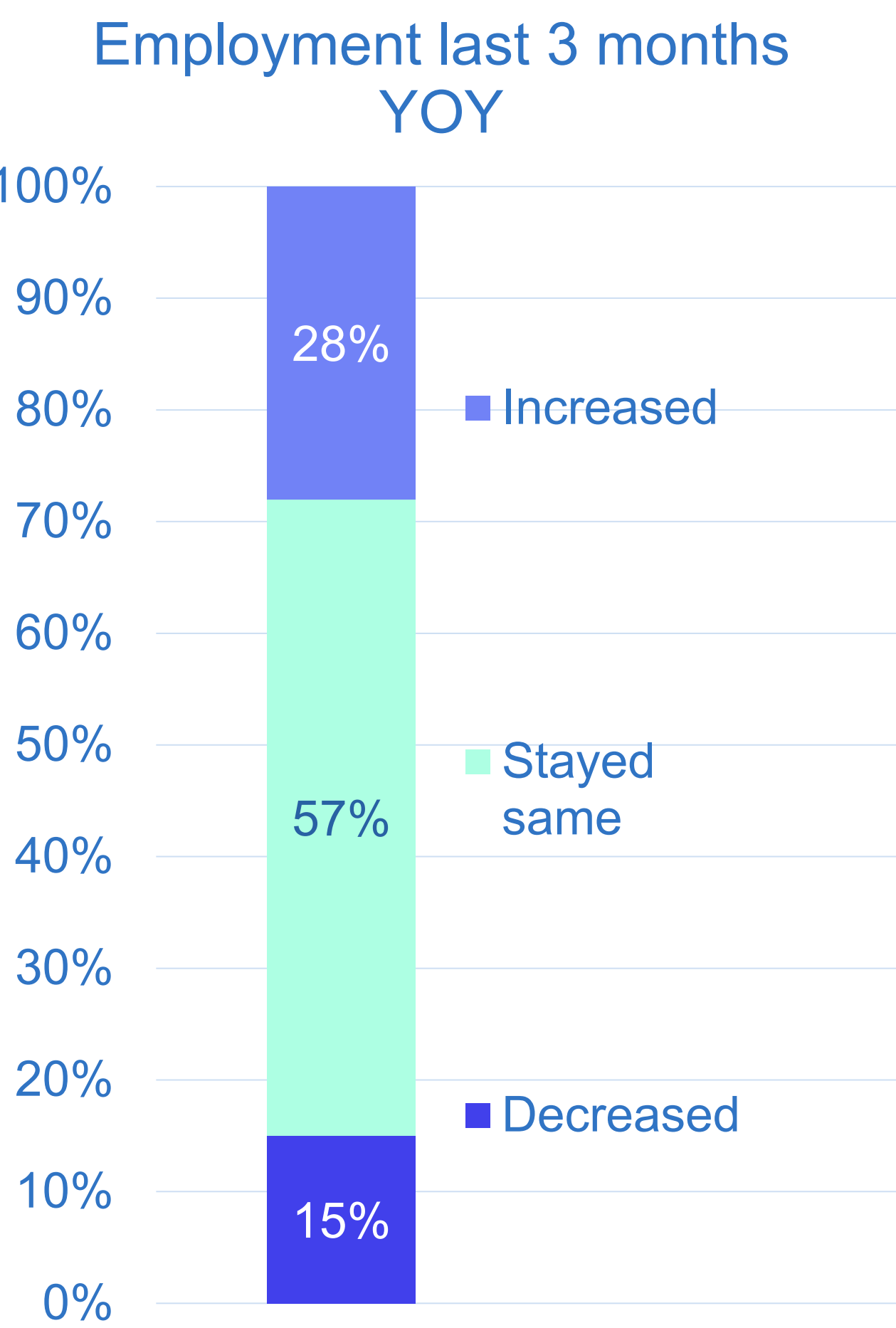
Q6. In the next 3-month period (July - Sept 2026), do you expect the total revenue generated by new orders for your company to increase, decrease or stay the same compared with the last 3 months?

New-Order Growth by Quarter (Survey Results)



Each data point reflects respondents' expected percentage increase for that quarter only; values do not compound across quarters.

Employment Last 3 Months v Next 3 Months



28%
of companies report a YOY increase in the total number of people they employ

23%
of companies also expect to employ more staff in the coming months, with 68% expecting no change

Construction employment continued to strengthen in Q2, with net increases recorded across all sectors and the strongest gains reported by larger firms.

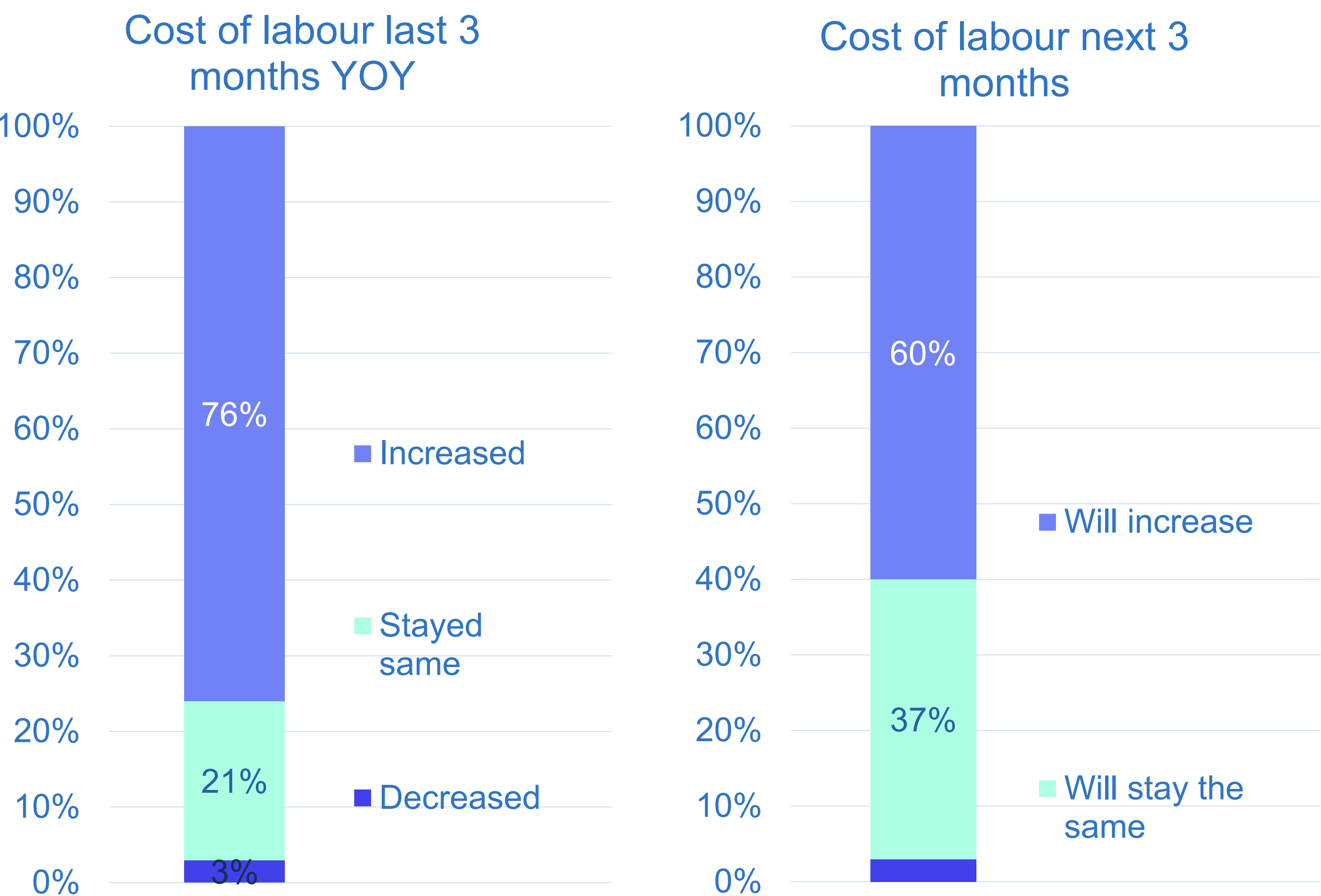
Hiring intentions for the next quarter remain broadly positive, led by larger firms (€4.5m+ turnover), while smaller firms (<€300k) expect employment levels to remain flat.

(Base: All respondents = 159)

Q7. In the past 3 months has the total number of people you employ (directly or indirectly) increased, decreased or stayed the same compared with the same period in 2025?

Q8. In the next 3-month period (July - Sept 2026), 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



76%

of companies acknowledged an increase in the cost of labour YOY in Q2 2026

60%

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

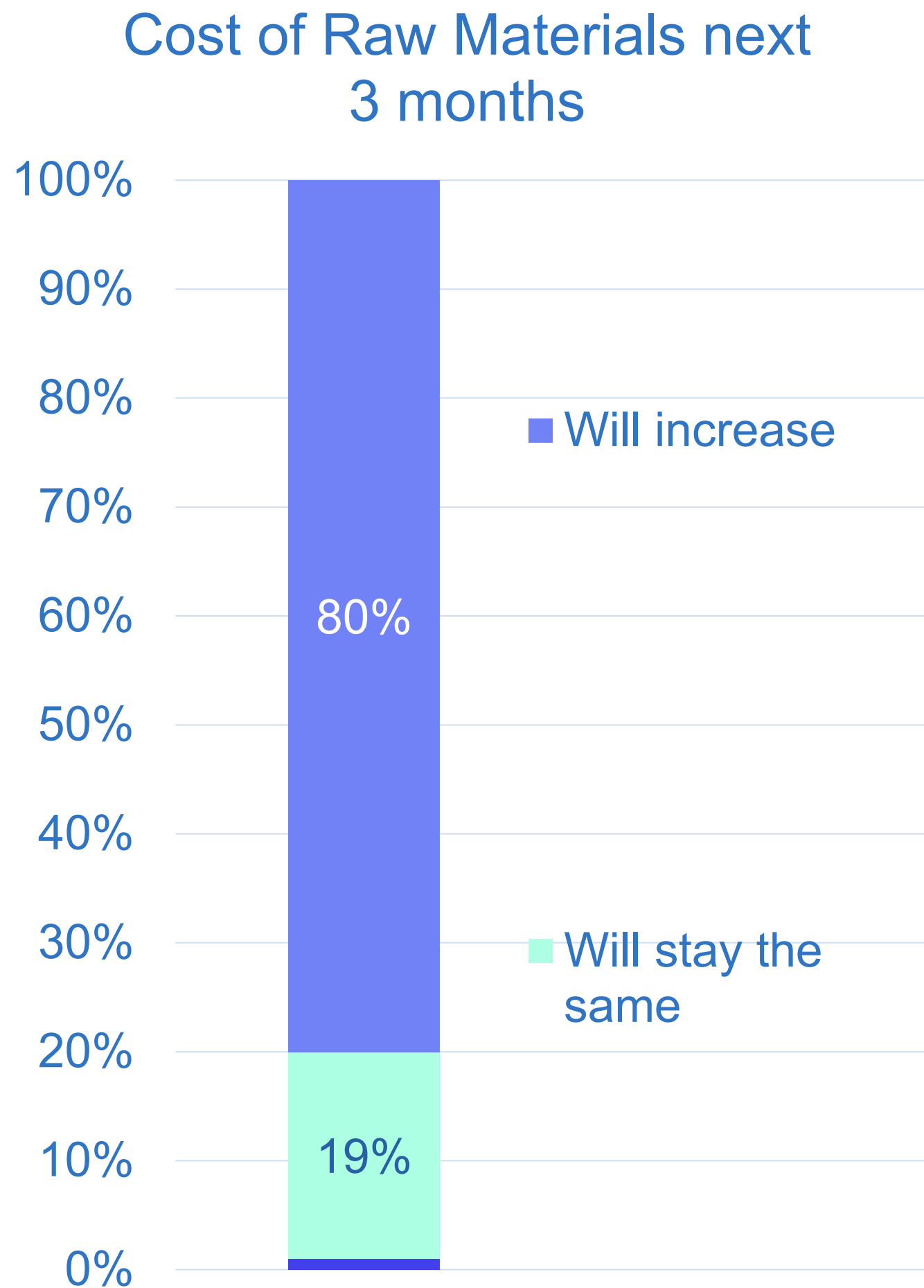
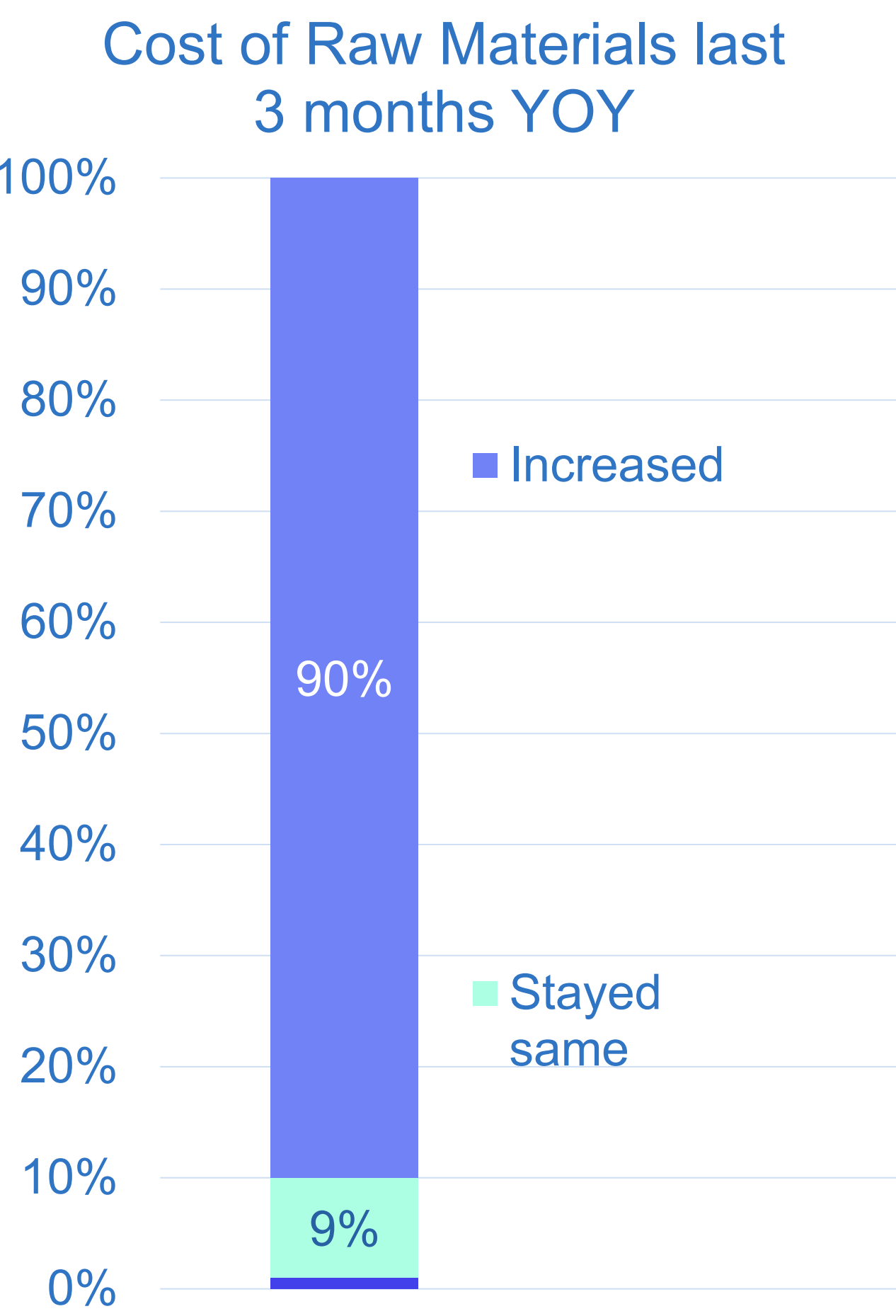
Labour cost inflation remains widespread, affecting all sectors and business sizes, with very few firms reporting any reduction in costs. Expectations point to continued upward pressure on labour costs over the next three months, particularly among Home Building firms and larger contractors.

(Base: All respondents = 159)

Q9. In the past 3 months has the cost of labour in your company increased, decreased or stayed the same compared with the same period in 2025?

Q10. In the next 3-month period (July - Sept 2026), 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



nine in ten firms

reported a YOY increase in the cost of raw materials in Q2 2026

80%

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

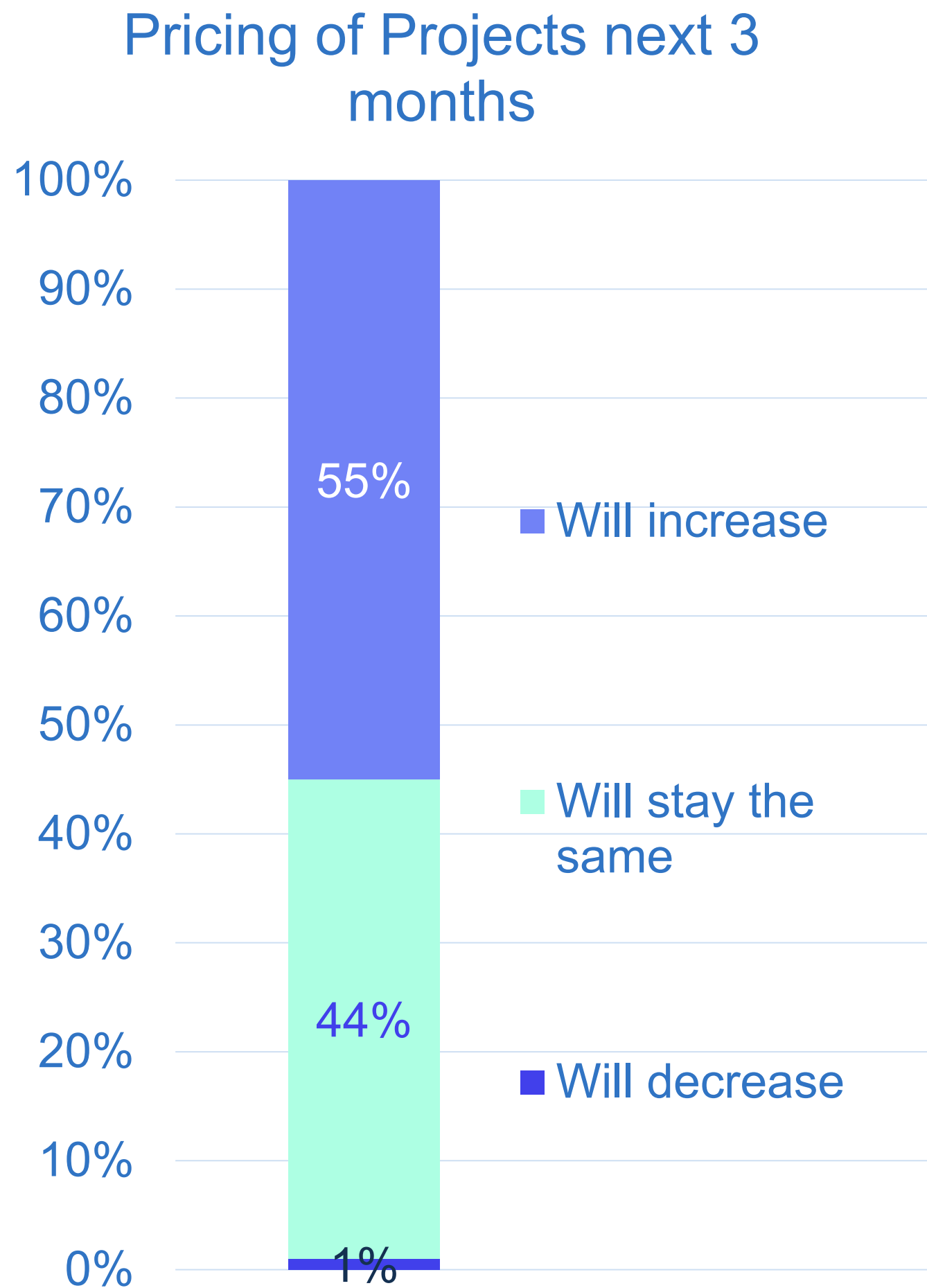
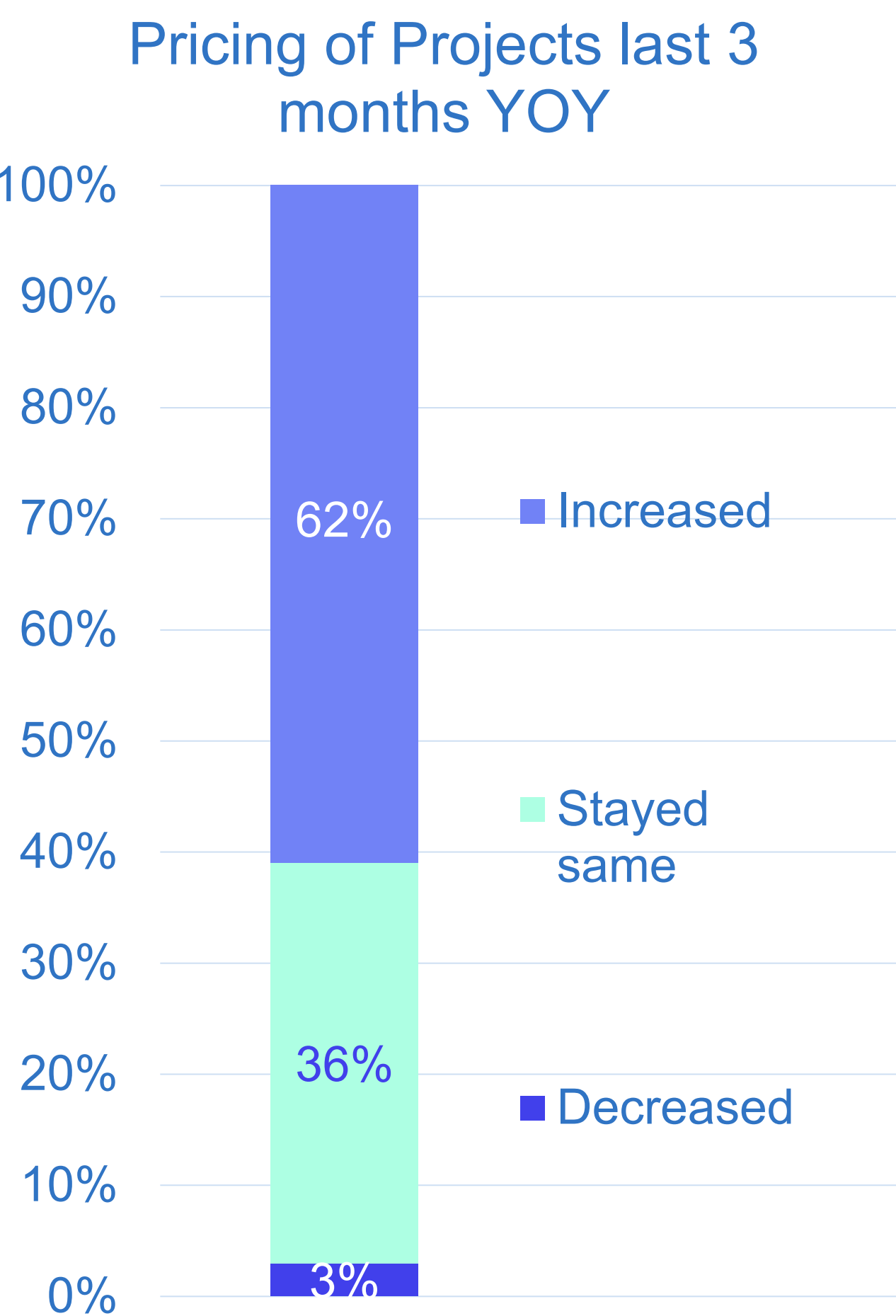
Raw material cost inflation remains a significant challenge, with around 90% of firms reporting increases over the past three months across all sectors and company sizes. Cost pressures are expected to persist, with four in five firms anticipating further increases over the next three months, particularly in Home Building.

(Base: All respondents = 159)

Q11. In the past 3 months has the cost of raw materials for your company increased, decreased or stayed the same compared with the same period in 2025?

Q12. In the next 3-month period (July - Sept 2026), do you expect the cost of raw materials to increase, decrease or stay the same compared with the last 3 months?

Pricing of Projects Last 3 Months v Next 3 Months



62%

acknowledge a YOY increase in Q2 in the pricing of projects compared with the same period in 2025

55%

expect pricing to increase in Q3

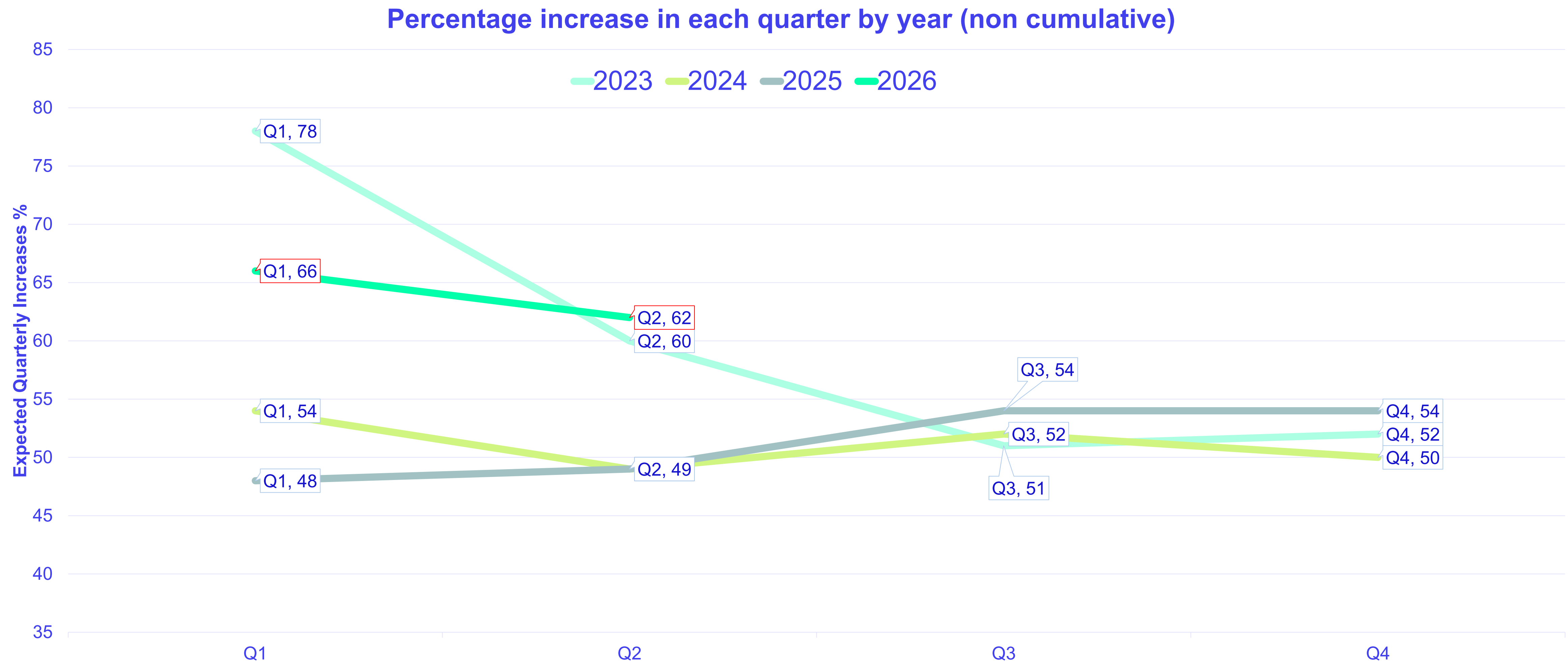
Project pricing continued to increase across all sectors and project sizes, highlighting ongoing inflationary pressures throughout the construction industry. Looking ahead, firms expect pricing growth to continue, although at a slightly more moderate pace than that experienced over the past three months.

(Base: All respondents = 159)

Q13. In the past 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 2025?

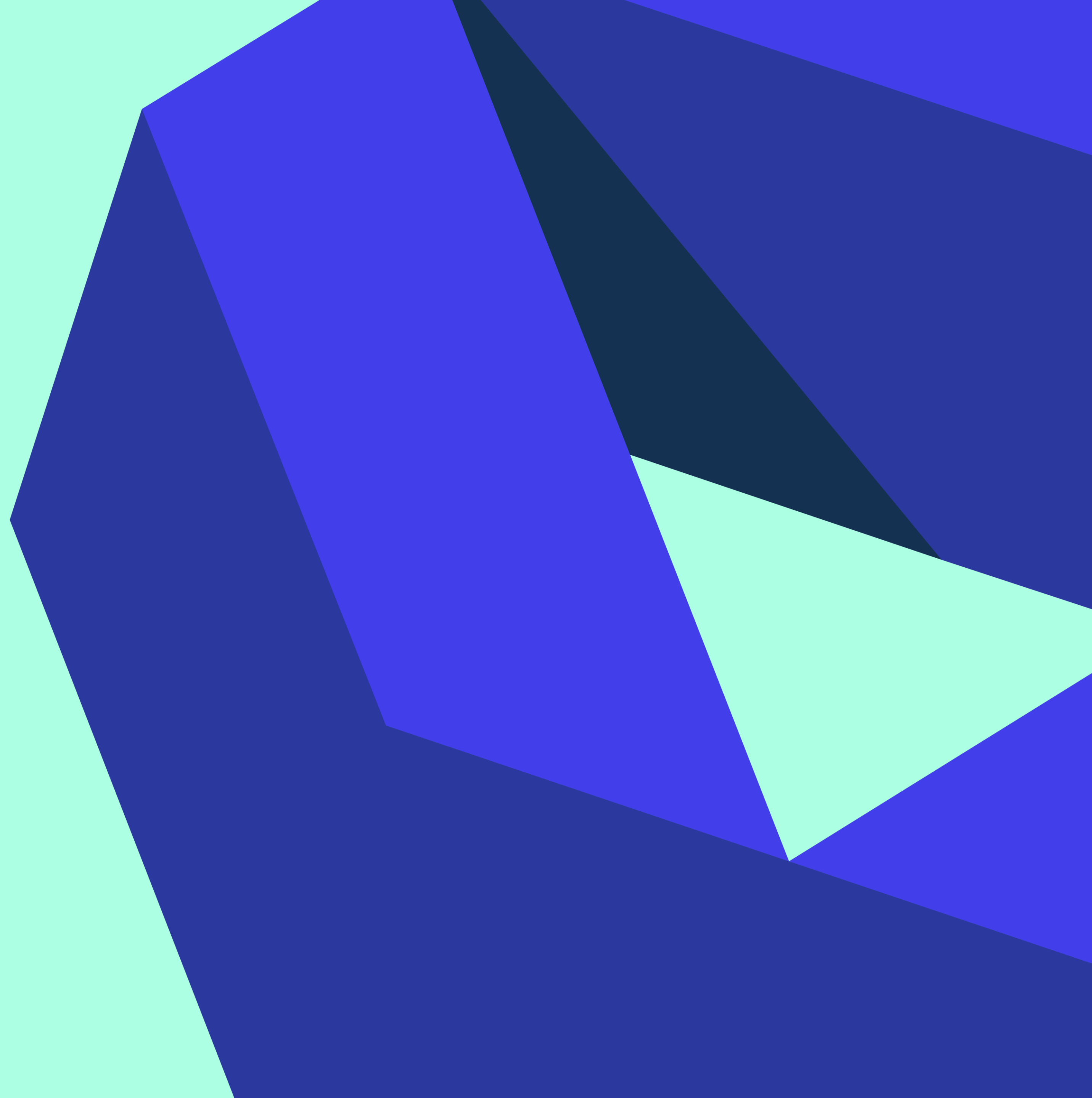
Q14. In the next 3-month period (July - Sept 2026), do you expect the price you charge for goods and services for your company to increase, decrease or stay the same compared with the last 3 months?

Pricing Growth by Quarter (Survey Results)

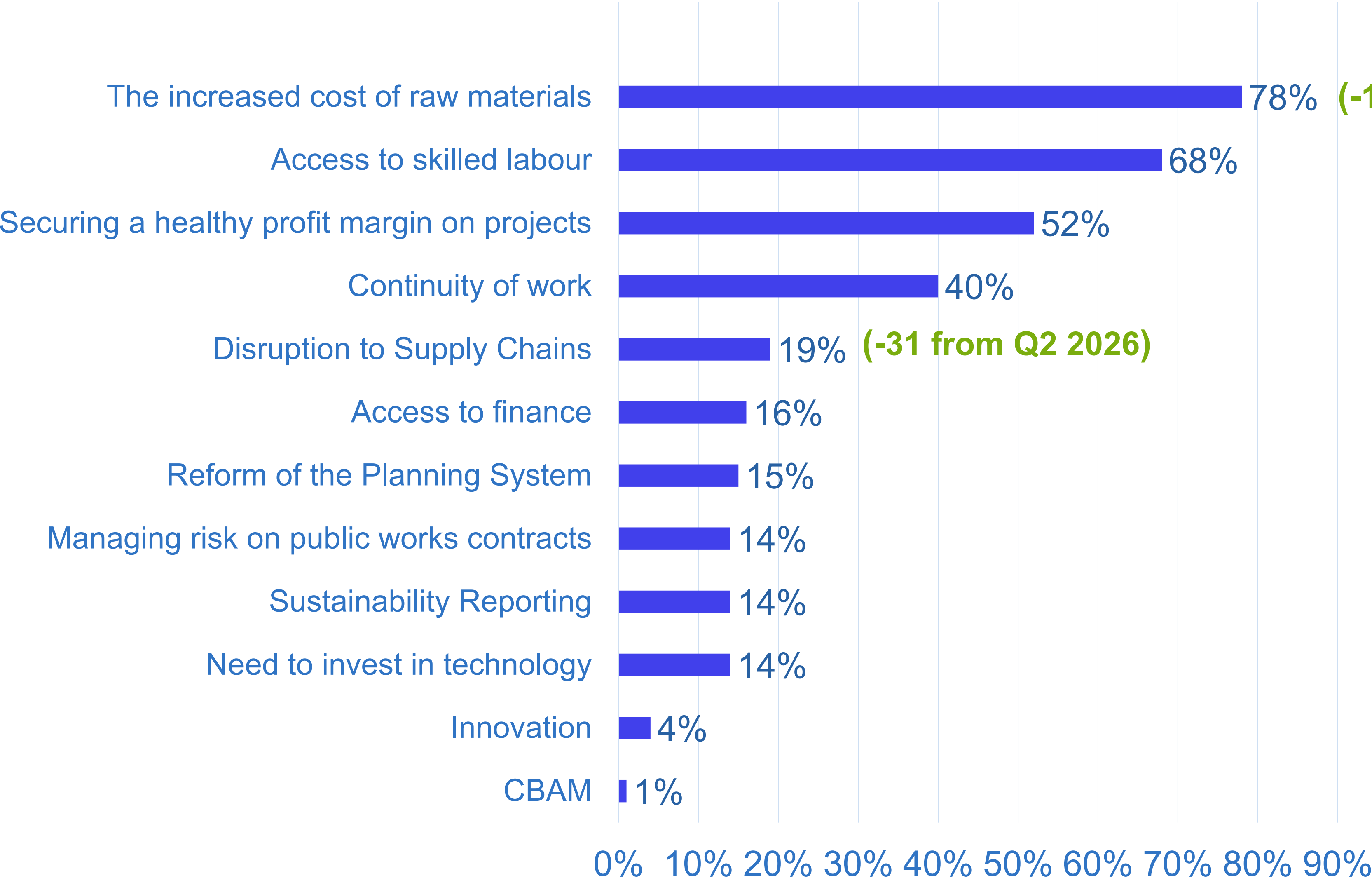


Each data point reflects respondents' expected percentage increase for that quarter only; values do not compound across quarters.

Key Challenges



Key Challenges



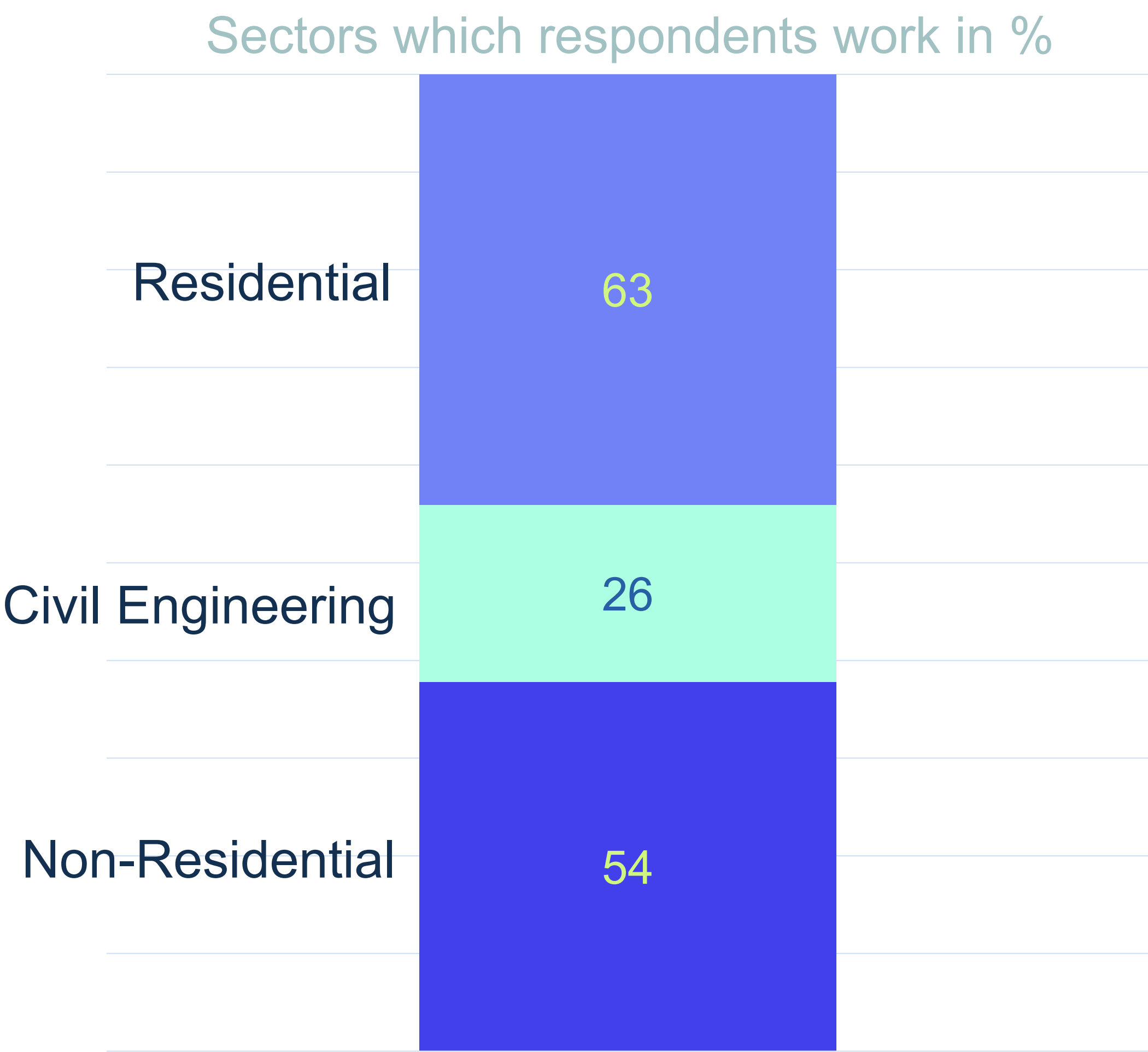
The increased cost of raw materials is the most significant issue facing companies in the short term.

While supply chain disruption has eased significantly, pressure on margins remains high, with over half of firms concerned about maintaining profitability on projects.

Sectoral Activity



Which sectors do companies currently work in? (Percentage)



(Base: All respondents = 159)

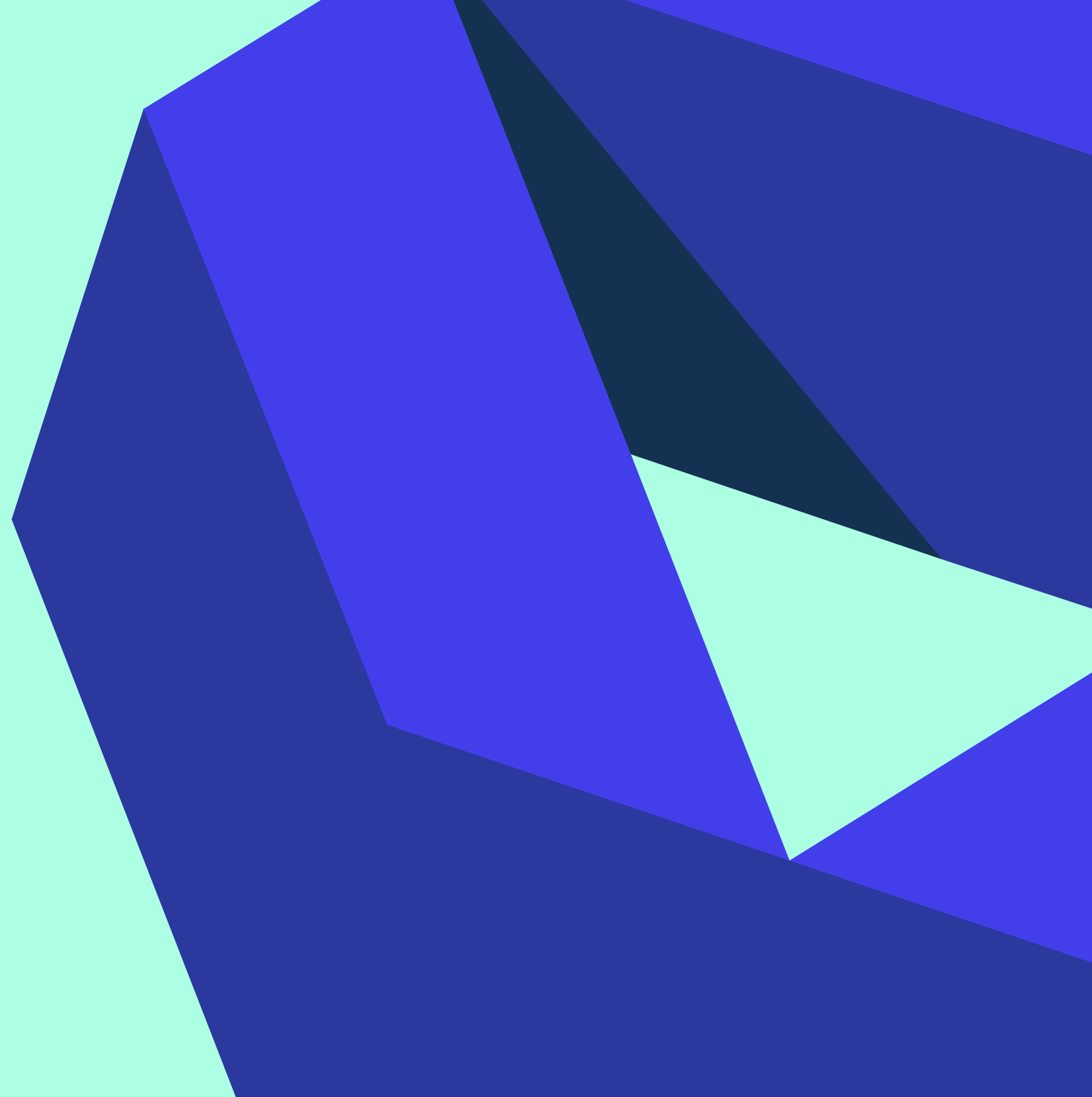
Q16. Which of the following sectors does your company work in? Note: tick all that apply.

Construction activity varies significantly by sector, with General Contractors maintaining the broadest market exposure across residential, non-residential and infrastructure work.

Home Building and Civil Engineering/Infrastructure remain highly specialised, while Specialist Contractors are mainly concentrated in the non-residential sector.

Which sectors do companies work in?				
Sector	General Contracting	Civil Engineering / Infrastructure	Home Building	Specialist Contracting
Residential	72%	6%	100%	38%
Non-Residential	59%	25%	21%	85%
Civil Engineering	25%	100%	3%	12%

Public Works Contracts

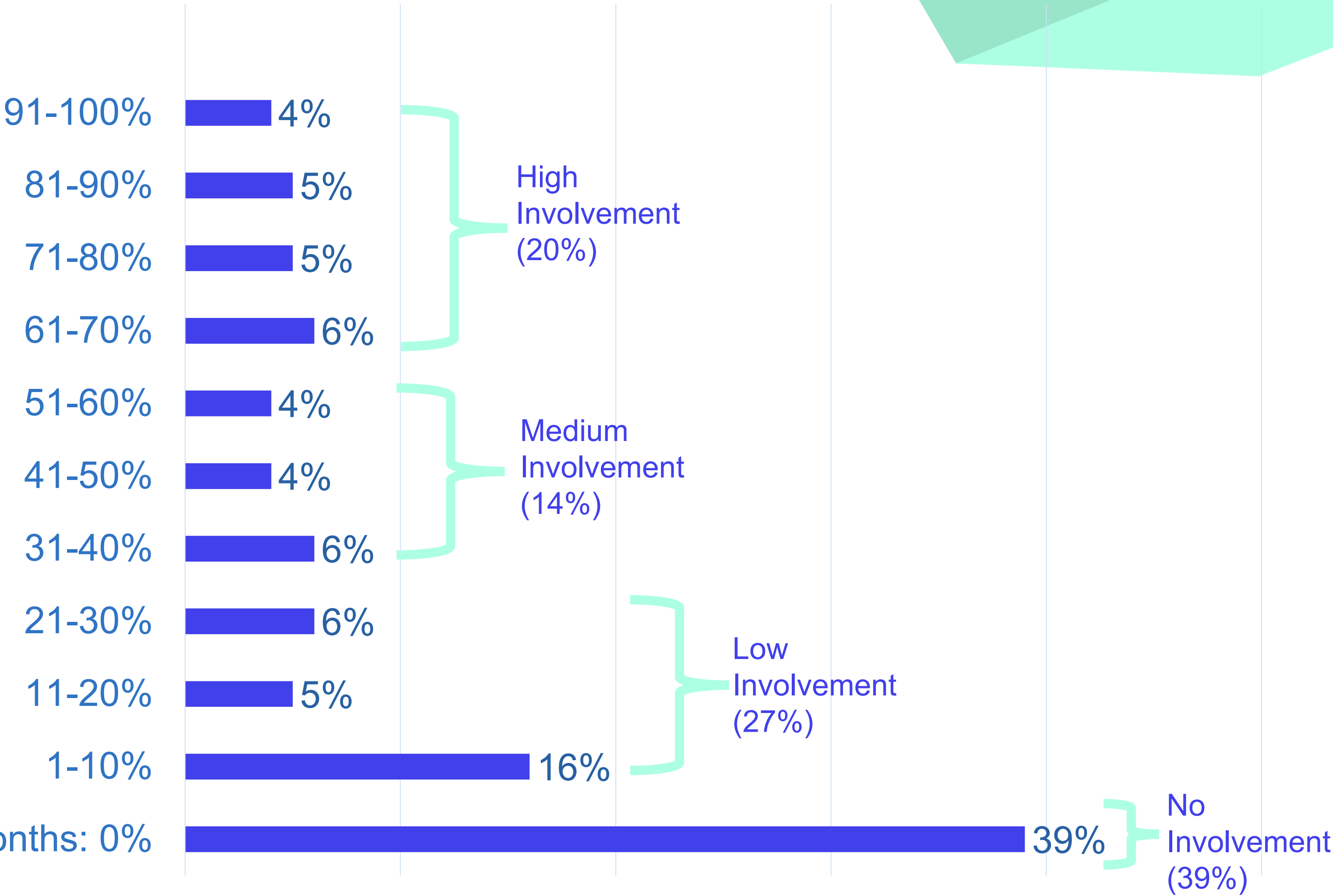


Public Works Contracts as a % of Turnover Q2 2026

Public sector work remains concentrated among a relatively small group of firms, with one in five companies deriving more than 60% of turnover from public works contracts.

However, the largest share of businesses (39%) generate less than 1% of turnover from public works, highlighting the sector's limited reach across much of the industry.

Did not carry out any public works in the last 3 months: 0%

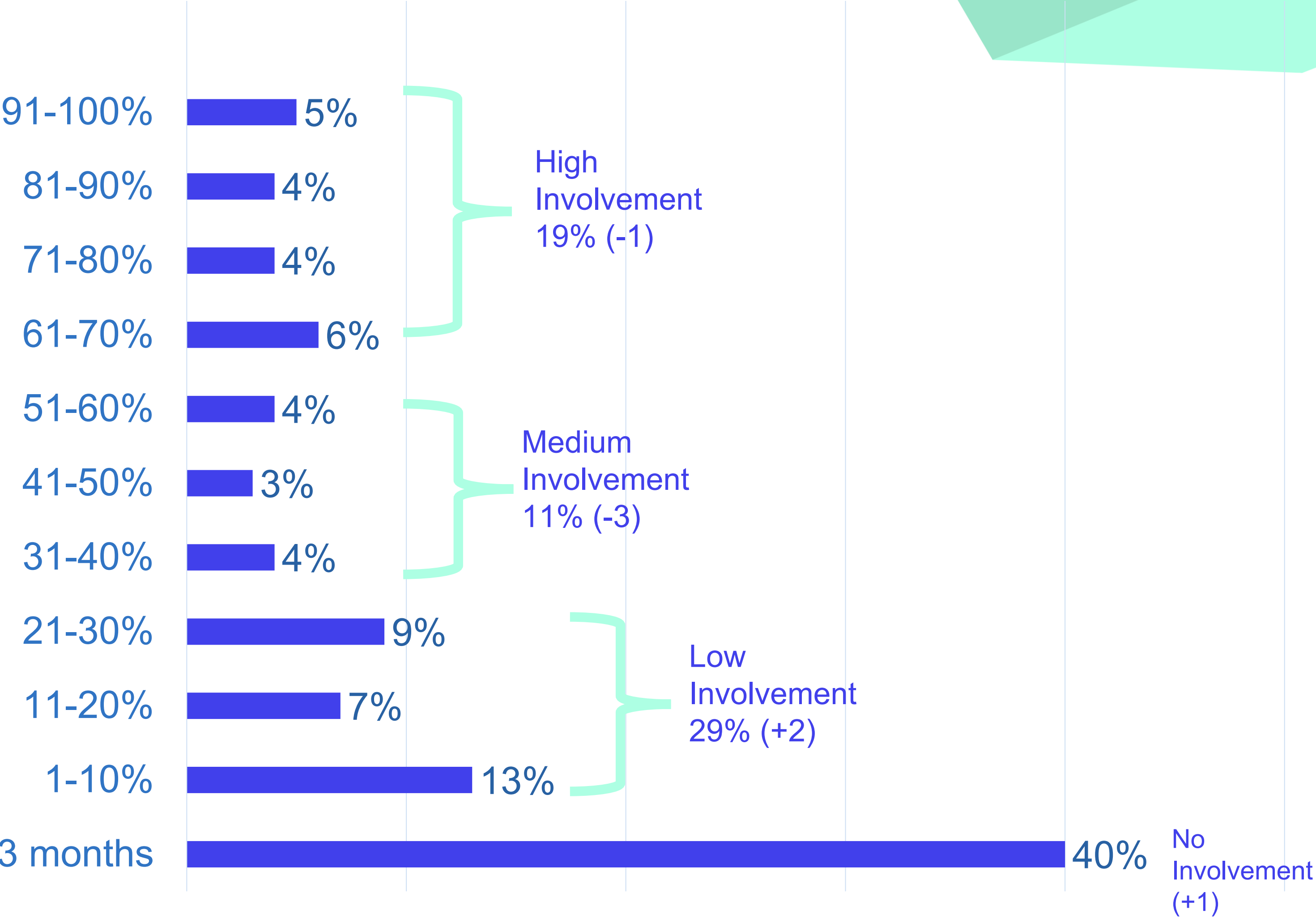


Public Works Contracts projected as a % of Turnover Q3 2026

Public works contracts remain a relatively small component of activity for most firms, with 40% expecting no public sector projects over the next three months.

High levels of public works involvement are limited, suggesting capacity for greater public sector engagement across the industry.

Will not carry out any public works in the next 3 months



Expected level of Public Works Contracts in the next 12 months



(Base: All respondents = 159)

21%

of companies expect the level of their involvement in Public Works Contracts to increase in the next 12 months, of which: 22% General Contracting, 19% Civil Engineering, 13% Home Building, 29% Specialist Contracting

Around 7% expect a decline, with low margins, price-based tendering, and bureaucracy cited as key constraints.

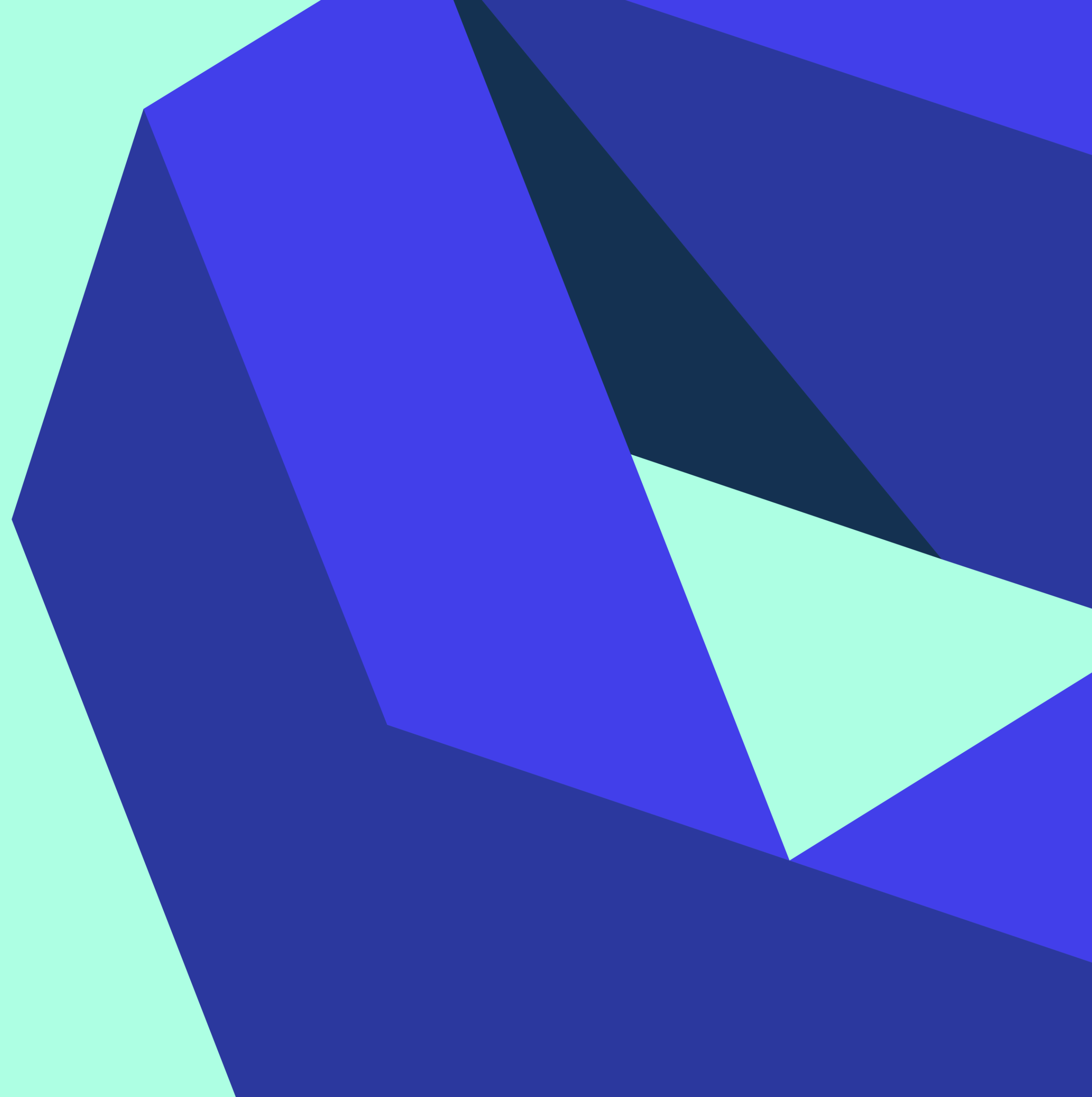
Key Factors Influencing Reduction in Public Works Contracts (raw numbers)



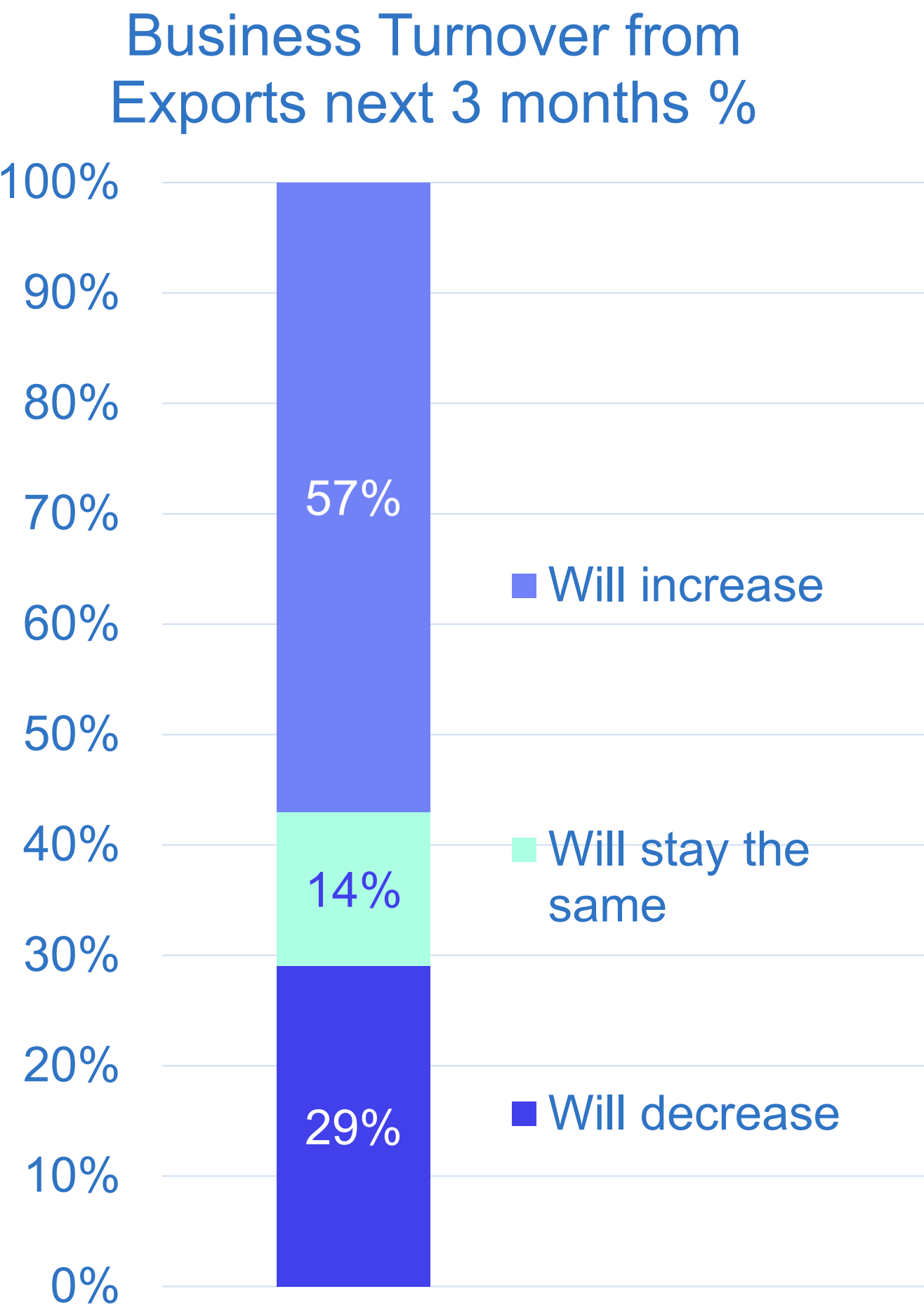
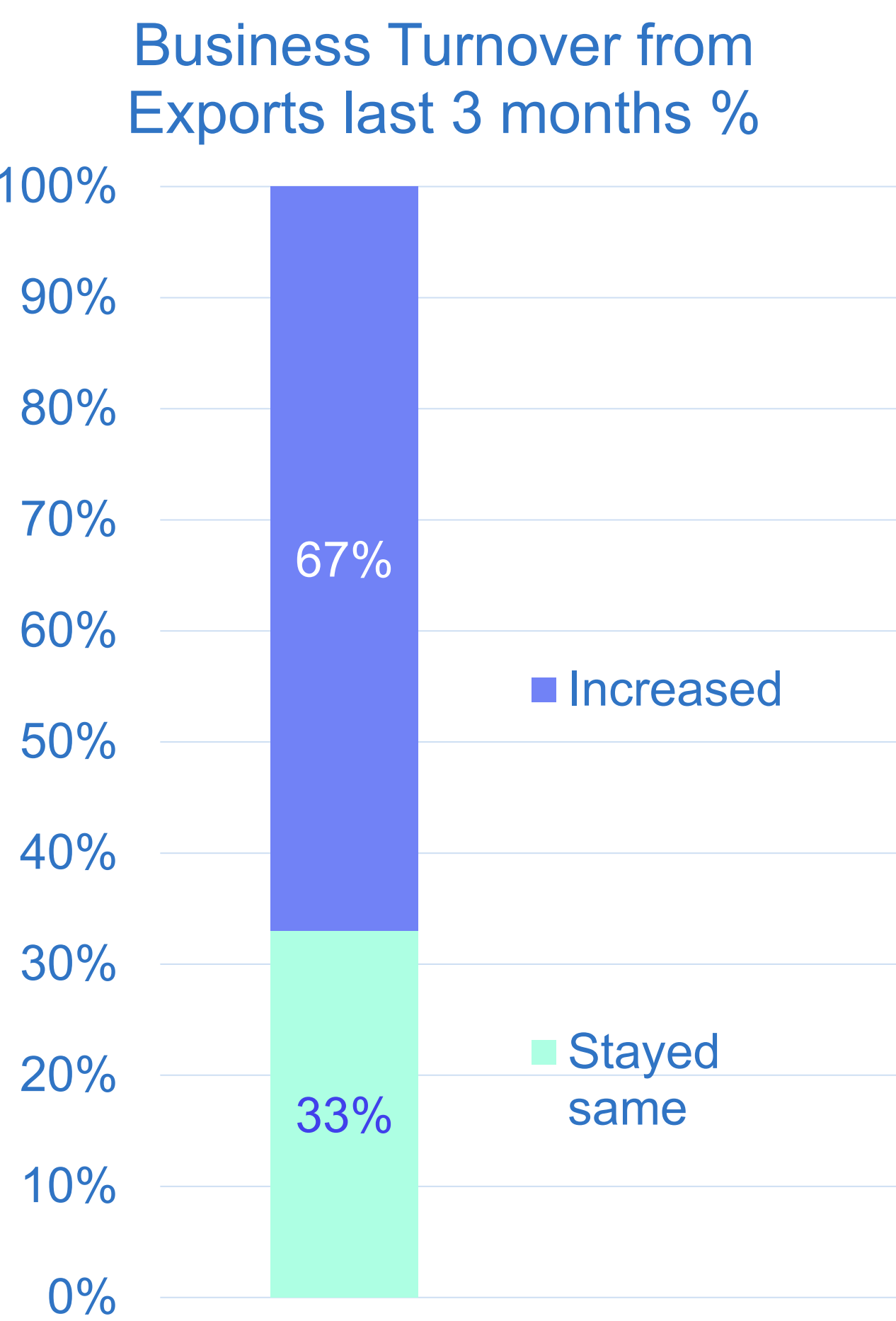
Low margins and excessive bureaucracy are the main barriers to greater participation in public works contracts, with tendering costs and administrative requirements also frequently cited.

The findings suggest that improving commercial viability and streamlining procurement processes could help increase industry engagement in public sector projects.

Exporting Construction Services



Total Business Turnover generated from Exports



67%

Report a YOY increase in business turnover from exports in Q2 2026

57%

expect turnover from exports to increase in Q3 2026

Data centres, Pharmaceutical Plants, Roads and Transport projects were the most common projects delivered internationally in Q2 and are expected to dominate international project delivery over the next 3-6 months.

Q34. Over the last 3 months, has the total business turnover for your company generated from exports increased, decreased or stayed the same compared with the same period in 2025?

Q35. Over the next 3 months (July - Sept 2026), do you expect the total business turnover for your company generated from exports to increase, decrease or stay the same compared with Q2 2026?

Conclusions

Industry Outlook Remains Positive Despite Cost Pressures

- Construction activity remains resilient, with turnover, new orders and employment all showing stable to modest growth.
 - Firms are generally optimistic about the next three months, with more businesses expecting growth than decline across key indicators.
 - Export activity continues to strengthen, supported by international demand in sectors such as data centres, pharmaceuticals and transport infrastructure.
 - However, cost inflation remains the defining challenge facing the industry.
 - Four in five firms expect raw material costs to rise further, while labour costs are expected to continue increasing across all sectors.
- As a result, maintaining profitability remains a major concern despite healthy levels of activity.

Overall Assessment

The construction sector enters Q3 2026 with positive momentum, but growth continues to be constrained by sustained cost pressures and margin erosion.

Policy and Industry Implications

Public Works

- Public sector activity remains concentrated among a relatively small cohort of contractors.
- Low margins, bureaucracy and procurement processes continue to act as barriers to participation.
- Addressing these issues could broaden industry engagement and improve delivery capacity.

Capability and Productivity

- Greater awareness of available supports and training could accelerate productivity improvements.

Industry Development

- Firms increasingly recognise the value of professional standards, capability development and industry modernisation.

Final Message

The survey points to a sector that remains confident about future demand but requires action on cost competitiveness, workforce capability and procurement reform to support sustainable long-term growth.

Thank You

Economic Policy and
Research

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