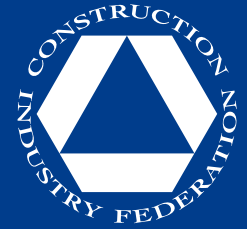


Construction Outlook Survey

Key Findings



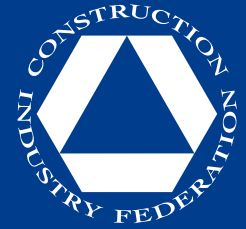
"Accurate information is central to all decision making"

Oct 2022



Background & Objectives

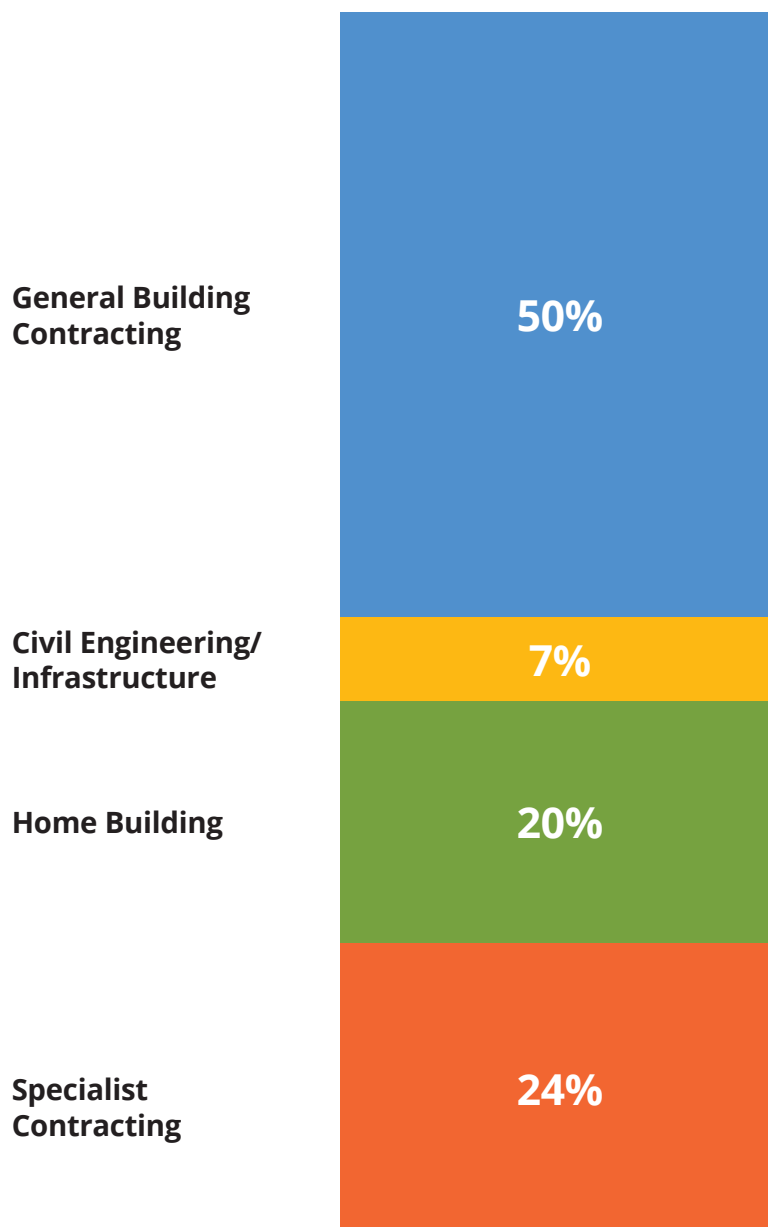
- To provide the CIF with an ongoing tracker of members' sentiment towards the current and future performance of the construction sector
- The survey measures **the performance of the sector in the previous quarter and the likely future performance of the sector in the next 3-month period**
- Key sectoral 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 impacting the sector



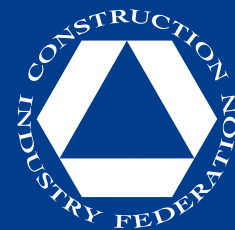
Methodology

- Research was conducted via an online survey with 202 CIF members
- A sample of 202 companies was achieved which delivers a margin of error of approximately (+ or -6%)
- All surveys were conducted between 2nd – 9th September 2022

Sample Breakdown by Company Category

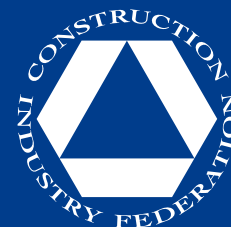


(Base: All Companies: 202)



Key Findings





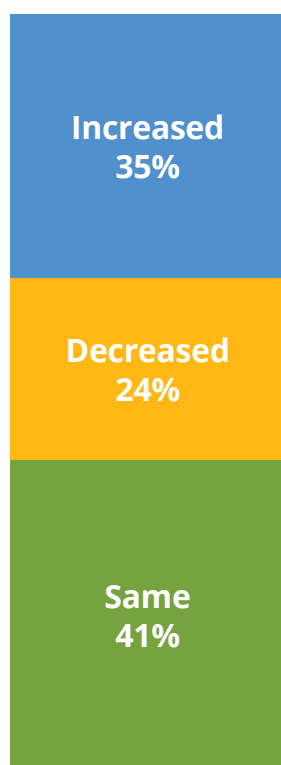
Business Turnover

Last 3 Months v Next 3 Months

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

Q2b. In next 3 months (September - November) 2022 will the the total business turnover for your company increase, decrease or stay the same compared with the previous 3 months (June, July, August 2022) of this year?

**Turnover
Last 3 Months %**



Q2a

**Turnover
Next 3 Months %**

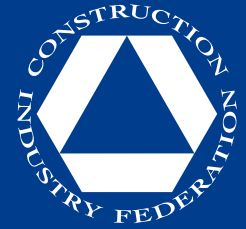


Q2b

76% of companies report turnover having either stayed the same or increased in the last 3 months compared with the same period in 2021.

67% expect turnover to continue to increase or stay the same in the next 3 months

(Base: All Companies: 202)



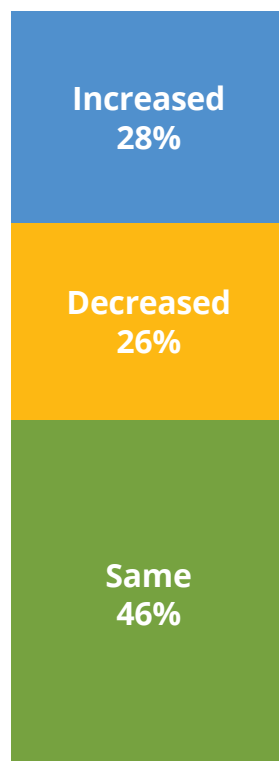
New Orders

Last 3 Months v Next 3 Months

Q3a. 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?

Q3b. In next 3 months, do you expect the total revenue generated by new orders for your company to increase, decrease or stay the same?

**New Orders
Last 3 Months %**



Q3a

**New Orders
Next 3 Months %**



Q3b

74% of companies report that total revenue from new orders has either stayed the same or increased YOY.

69% expect this trend to continue over the next 3 months.

(Base: All Companies: 202)

Employment

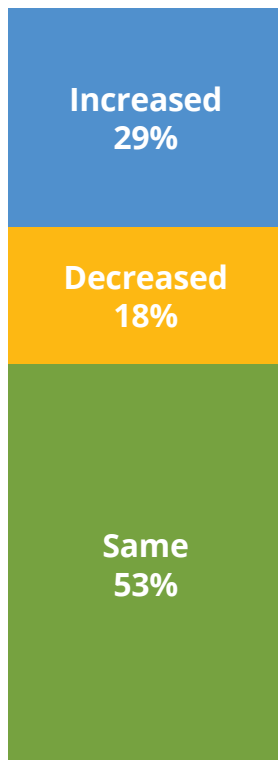
Last 3 Months v Next 3 Months



Q4a. In the last 3 months, has the total number of people you employ (directly or indirectly) increased, decreased or stayed the same?

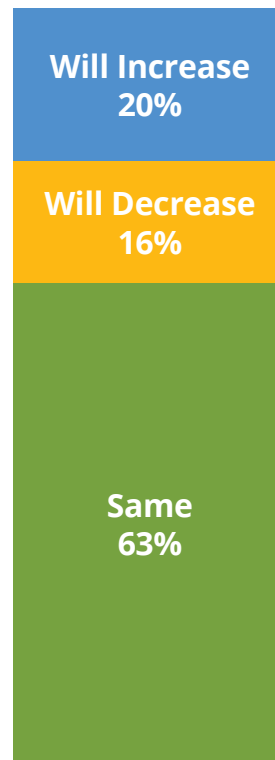
Q4b. In next 3 months, do you expect the total number of people you employ (directly or indirectly) to increase, decrease or stay the same?

**Employment
Last 3 Months %**



Q4a

**Employment
Next 3 Months %**



Q4b

82% report that staffing levels had increased or stayed the same YOY.

While 83% expect the trend to continue towards the end of the year.

(Base: All Companies: 202)



Cost of Labour

Last 3 Months v Next 3 Months

Q5a. In the last 3 months, has the cost of labour for your company increased, decreased or stayed the same?

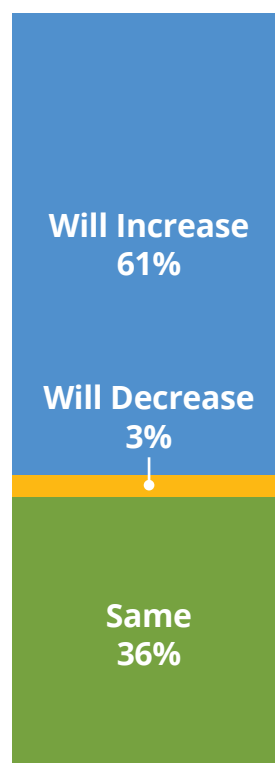
Q5b. In the next 3-month, period, do you expect the cost of labour to increase, decrease or stay the same?

**Cost of Labour
Last 3 Months %**



Q5a

**Cost of Labour
Next 3 Months %**

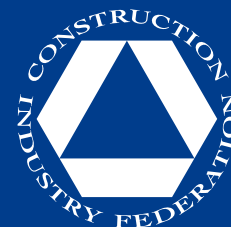


Q5b

86% acknowledge an increase in the cost of labour YOY.

61% expect the cost of labour to increase in the next 3 months.

(Base: All Companies: 202)



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?

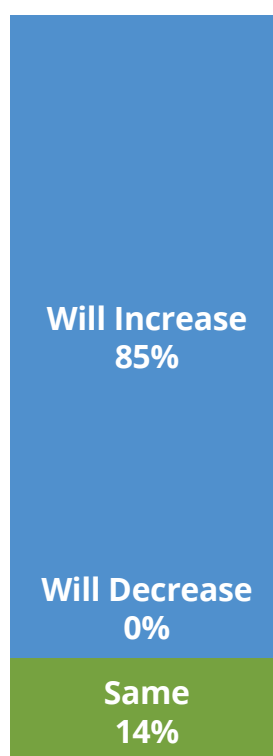
Q6b. In next 3 months, do you expect the cost of raw materials for your company to increase, decrease or stay the same?

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



Q6a

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

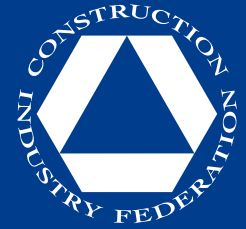


Q6b

96% report a year on year increase in the cost of raw materials.

85% expect the cost of raw materials to continue to increase.

(Base: All Companies: 202)



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 this period increased, decreased or stayed the same compared with the same period in 2021?

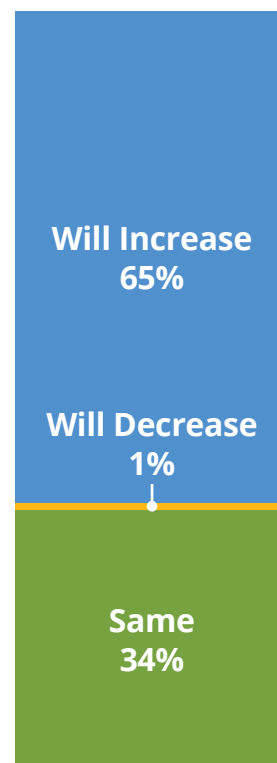
Q7b. In next 3 months do you expect the price you charge for goods and services for your company to increase, decrease or stay the same compared with the same period in 2021?

Pricing of Projects
Last 3 Months %



Q7a

Pricing of Projects
Next 3 Months %



Q7b

79% acknowledge an increase in the pricing of projects compared with 2021.

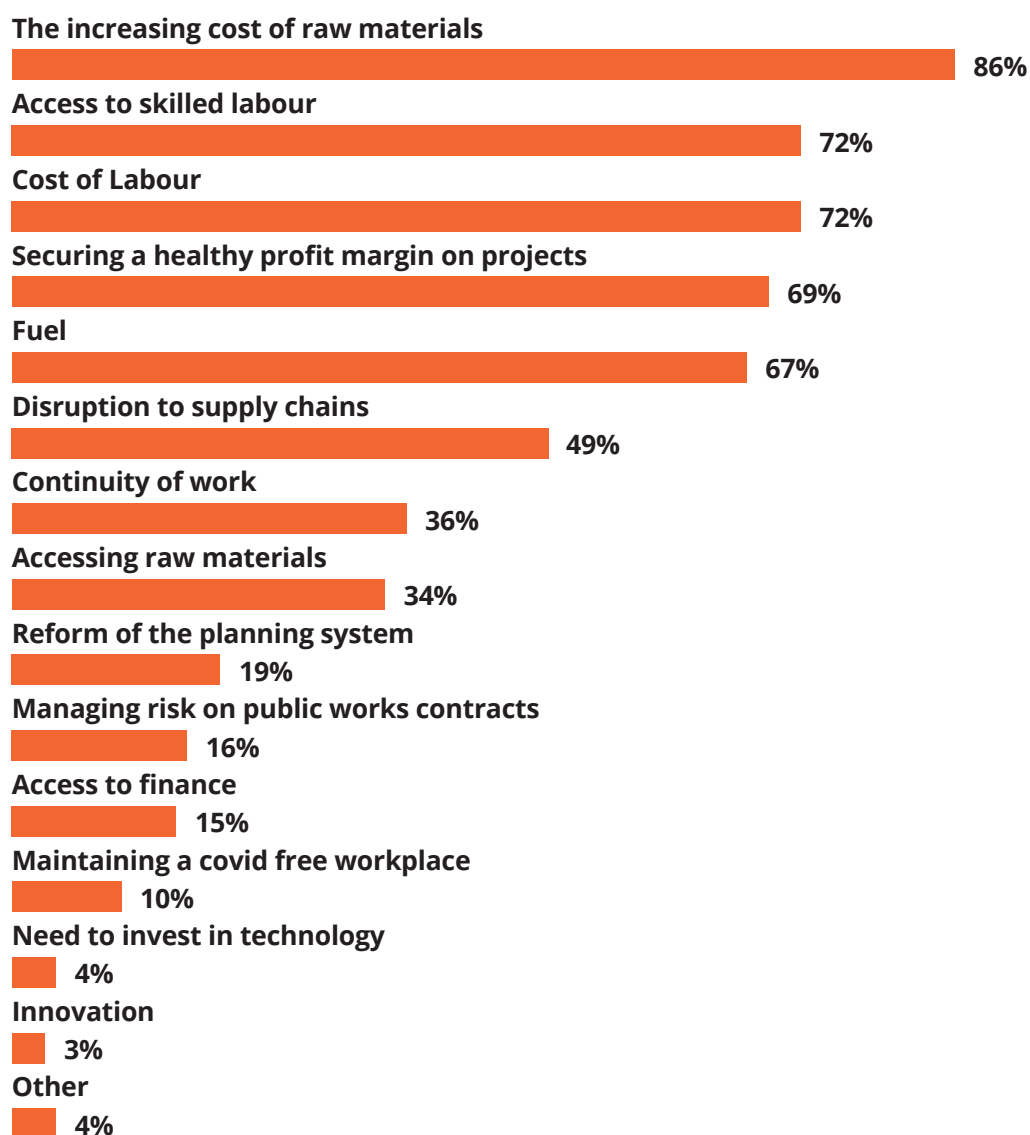
65% expect the prices charged to increase in the next 3 months.

(Base: All Companies: 202)



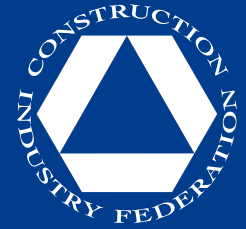
Key Challenges

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 the cost of labour are the 3 most significant challenges

(Base: All Companies: 202)

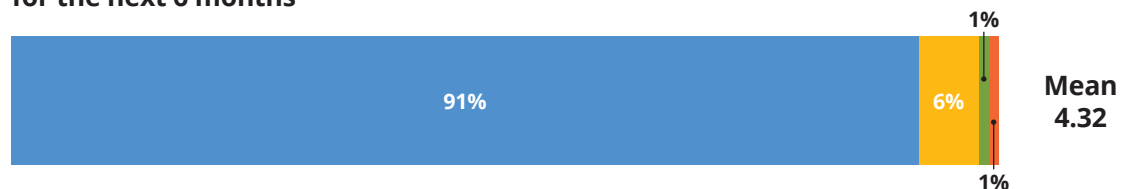


Attitudes Towards Key Sectoral Issues (Agree v Disagree) (Top 5)

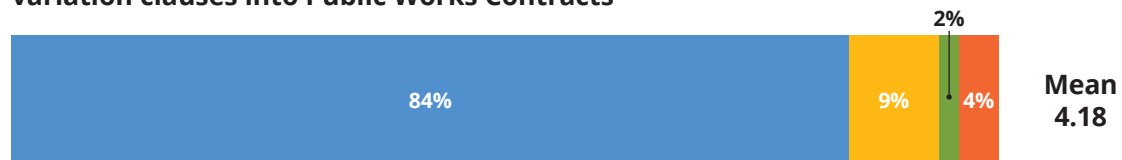
The **availability of labour** is a key challenge for the sector in 2023



Construction companies are expecting **cost rises for the next 6 months**



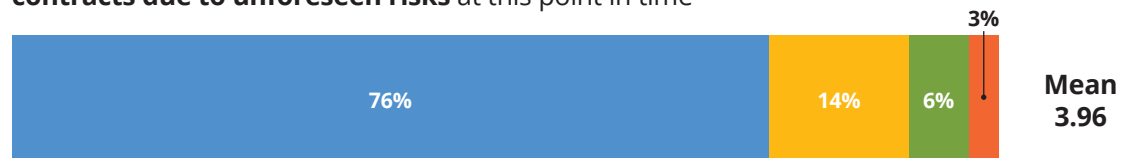
The Government needs to **embed equitable price variation clauses into Public Works Contracts**



The **increasing costs of building new homes** will have a **negative impact on housing supply in 2023**



Construction companies are **unwilling to take on fixed State contracts due to unforeseen risks** at this point in time



Agree Neither Disagree DK/NA

(Base: All Companies: 202)



Attitudes Towards Key Sectoral Issues (Agree v Disagree) (2)

The 2023 housing target of 28,000 homes will not be met due to unnecessary planning delays



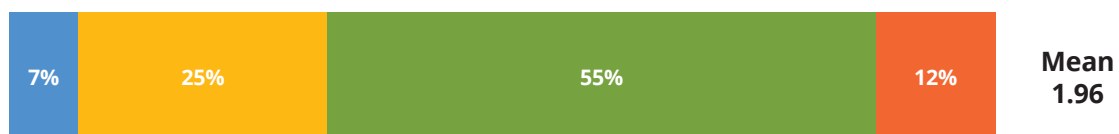
The Government is positively promoting construction as a career choice for young people



The Government's inflationary measures introduced between January and May 2022 have been effective



The housing target of building 28,000 new homes in 2023 will be met



Agree Neither Disagree DK/NA

(Base: All Companies: 202)



Attitudes Towards Key Sectoral Issues (Agree v Disagree)

- 90% acknowledge that availability of labour will remain a key challenge into 2023
- 91% expect cost rises for the sector in the next 6 months and 88% believe that this will have a negative impact on housing supply in 2023
- 84% believe the government needs to embed equitable price variation clauses into Public Works Contracts
- 76% report that construction companies are unwilling to take on fixed price contracts due to unforeseen risks at this point in time
- Only 22% view the Government to be positively promoting construction as a career choice for young people
- While only 7% believe the target of building 28,000 new homes in 2023 will be met

*Figures based on data research carried out by ACCURACY, Oct 2022 and rounded +/- 0.5% based on the response to market research