

# Building Information Index

## Q1-Q2 2017

2015 2016 2017



**BuildingInfo**

Ireland's Construction Projects Database

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**Danny O'Shea**  
CEO

*Building Information Ireland*

This volume of the Building Information Index provides insight and key analysis of activity in the construction industry for the first six months of 2017. It also provides an invaluable foresight as to what the remainder of 2017 and 2018 will bring. I hope you find it informative.

In this volume actual activity to the end of June 2017 is compared to the same periods in 2016 and 2015. The analysis takes a close look at the construction industry broken down by region, funding source and sectors; Residential, Commercial & Retail, Medical, Education, Agriculture, Industrial and Social.

The Building Information Index is measured by factors that correlate with the phases in a construction project. The first is project Commencements which relate to projects that are in progress on-site and where construction activity has started. The second is Applications which are a real time barometer of sentiment in the construction sector and relate to all projects yet to be approved for planning. Thirdly we look at projects that have been granted permission. This shows projects that are further along in the cycle, and being approved, they show more short term potential in the market.

**The total value of Construction Project Commencements grows by €969M (+26%) for the six months to end of June 2017**

The value of construction project Commencements for the first six months of 2017 has grown by +26% when compared to the same period in 2016. This represents a continued trend of growth which is up +99% when compared to the same period in 2015. However when broken down only three of the seven sectors examined actually registered growth. The increase is largely underpinned by the Residential sector which is up €1.14bn (+67%) followed by Agricultural(+102%) and Social(+53%). Industrial (-33%), Commercial & Retail(-4%), Educational (-12%), Medical(-10%) all recorded decreases in Commencements. On the positive side all sectors still show an increase when compared to 2015.

**Value of Applications rises.**

The value of construction project Applications rose by 11% to €9.69bn when compared to the first six months in 2016. This represents an increase of +27% when compared to the same period in 2015. Again this growth is driven by the Residential sector, the largest sector which is up +€1.41bn(+34%). The only other sector to show a growth is Social(+156%). The other five Commercial/ Retail(-19%), Industrial(-16%), Medical(-30%), Education(-25%) and Agricultural(-14%) recorded decreases.



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# THE BIG PICTURE

## Regional Applications

The Building Information Index breaks out Planning Applications into four regions: Dublin, Leinster, Munster and Connacht / Ulster.

The total value of new Applications submitted in the first six months of 2017 across all sectors is €9.69bn which is up +11% on the same period in 2016 (€8.73bn). It is also up 27% on the same period in 2015. Dublin shows a year on year growth of +3% to a total of €4.33bn. Leinster has increased +19% to €2.68bn. Munster is up +29% to €1.83bn while Connacht/Ulster is down -2% to €843m.

Funding source:

5% of the total value of Applications in 2017 was publically funded, this is down on the 8% recorded in 2016.

## Funding source Q1-Q2 2017

Q1-Q2 2017

95% Private

5% Public



### CONNACHT ULSTER

€0.84 BN  
-1%

### LEINSTER

€2.68 BN  
+19%

### DUBLIN

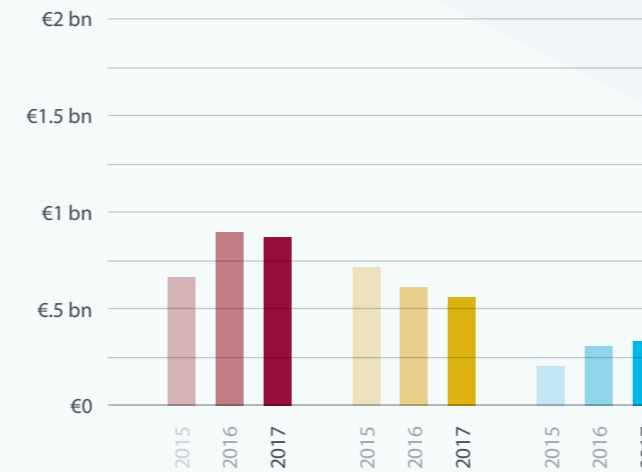
€4.33 BN  
+3%

### MUNSTER

€1.83 BN  
+29%

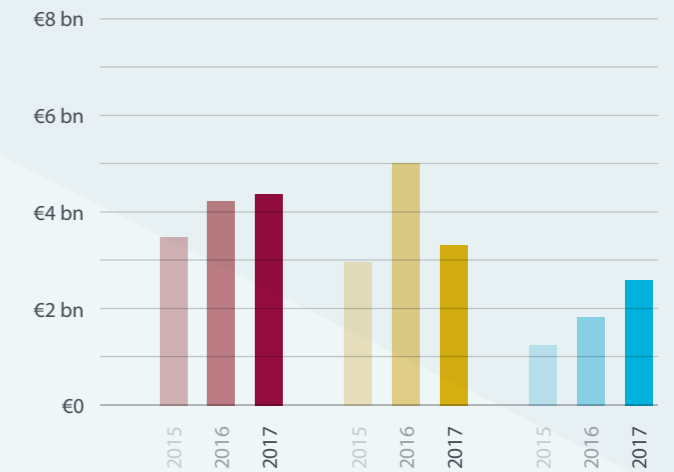
## Connacht/Ulster

Applications	Grants	Commencements
€843 m	€553 m	€319 m
-2%	-6%	+6%



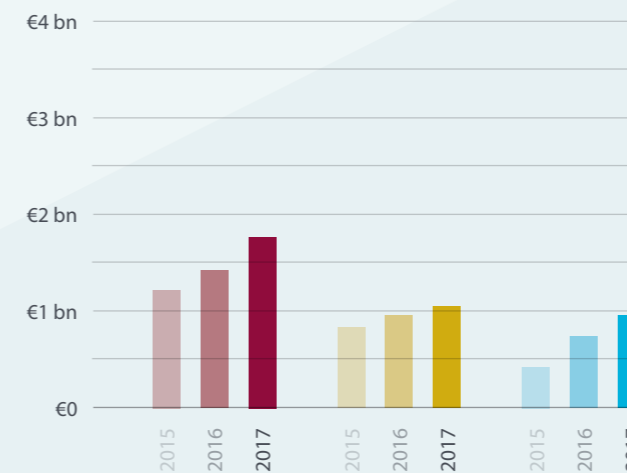
## Dublin

Applications	Grants	Commencements
€4.33 bn	€3.30 bn	€2.35 bn
+3%	-34%	+28%



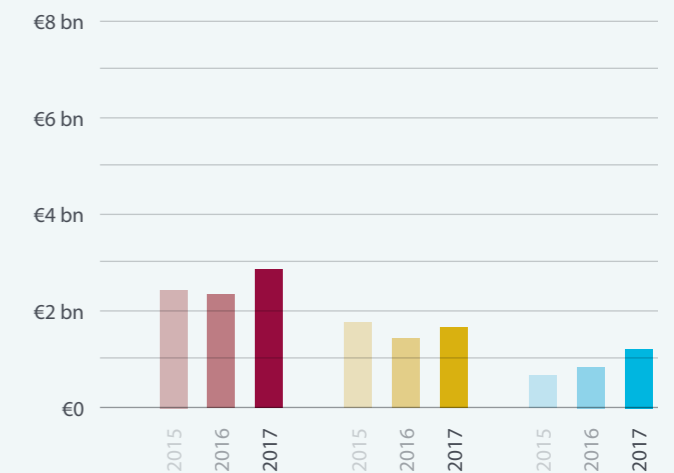
## Munster

Applications	Grants	Commencements
€1.83 bn	€1.03 bn	€870 m
+29%	+6%	+21%



## Leinster

Applications	Grants	Commencements
€2.68 bn	€1.71 bn	€1.12 bn
+19%	+34%	+35%



# RESIDENTIAL



The sector has seen a significant increase in the no. of projects and units actually starting. Projects being granted permission are slightly down and new Applications are considerably up.

## Sector outlook

A very strong performance in the Residential sector. New Applications still growing, a temporary slowdown in new Grants and Commencements continue to come on stream. A positive outlook for this sector.

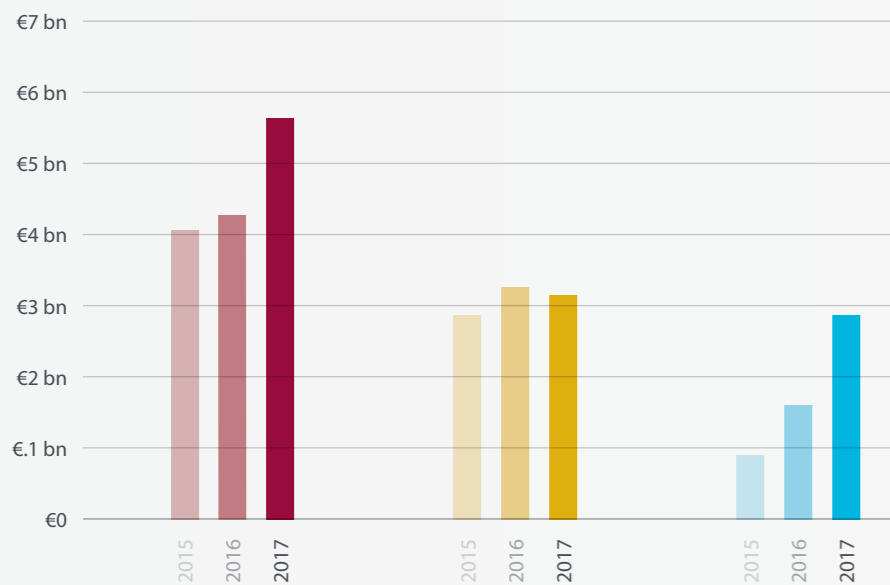
### Funding trend comparison Q1-Q2 2015/2016 - Q1-Q2 2017

Applications	Grants	Commencements
€5.55 bn	€3.10 bn	€2.82 bn
+34%	-7%	+67%

Year on year comparison sees a +67% increase in the value of project commencements. The number of housing units in Residential Developments that commenced also rose 103% to 13,502. Granted permissions decreased -7% to €3.10bn. The value of new Applications decreased by just +34% to €5.55bn.

The highest increase in value of Commencements regionally was seen in Dublin up +86% to €1.51bn with Leinster experiencing a year on year increase of +107% to €836m. Commencements in Connacht/Ulster were up +42% to €117 and only Munster was down -6% to €362.

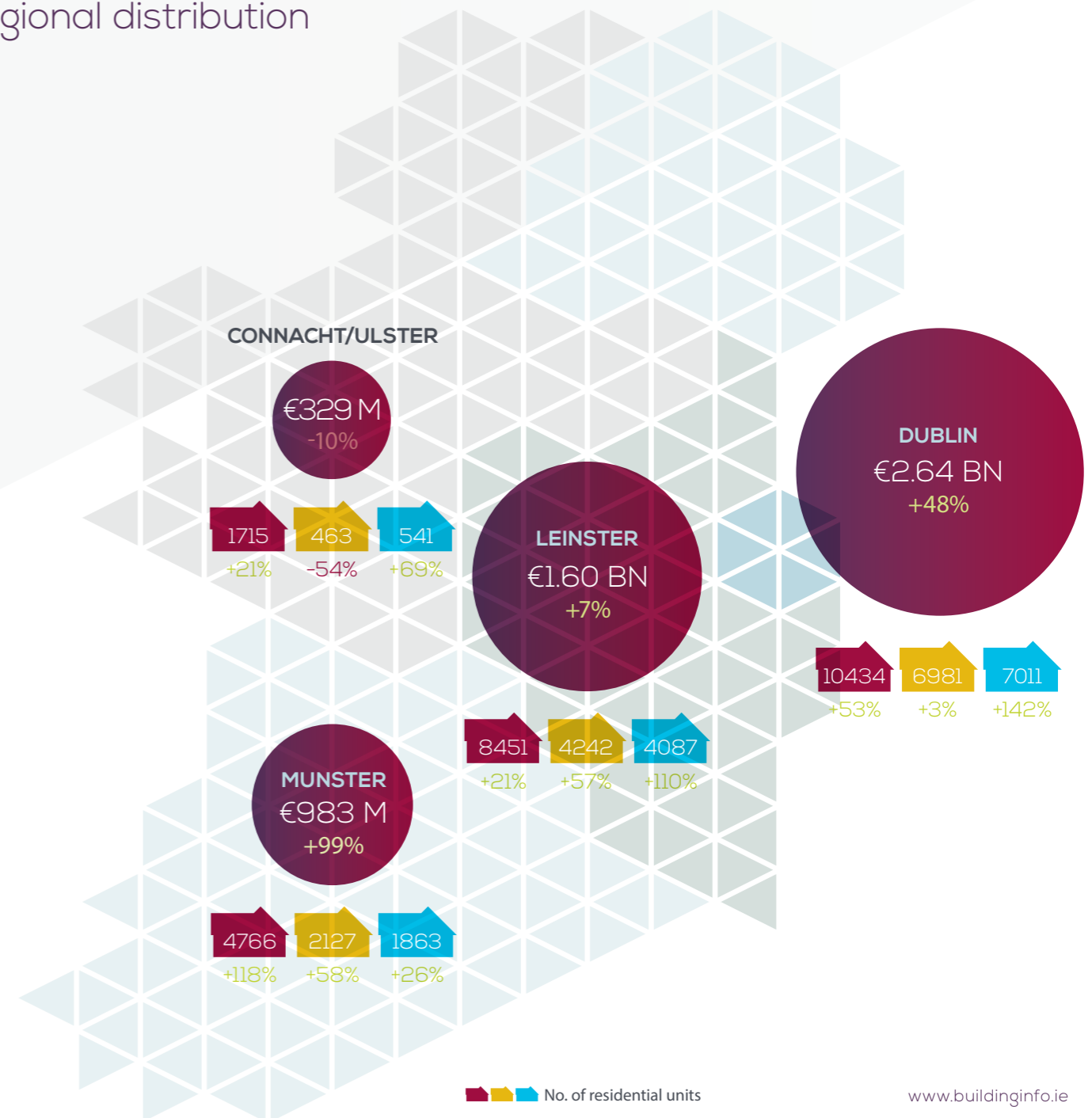
With new Applications up +34% growth in the sector should continue for the foreseeable future.



### Average time from application to commencement



### Q1-Q2 2017 applications regional distribution



# COMMERCIAL & RETAIL

The Commercial & Retail sector has seen a year on year decrease across all metrics.

## Sector outlook

Sector down since last index. The outlook is neutral. With the focus on Residential, Commercial and Retail is slowing somewhat.

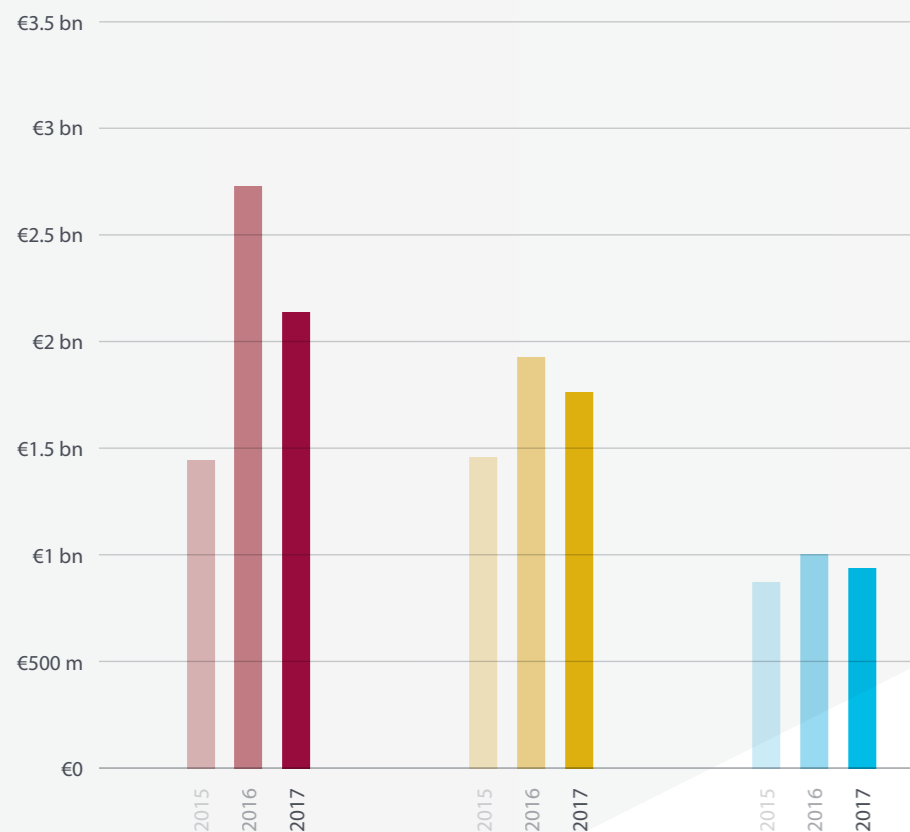
### Funding trend comparison Q1-Q2 2015/2016 - Q1-Q2 2017

Applications	Grants	Commencements
€2.18bn	€1.72 bn	€0.97 bn
-19%	-7%	-4%

When compared with the first six months of 2016 the value of project Commencements decreased by -4% to €0.97bn. Granted projects also decreased in value by -7% to €1.72bn. Strong growth last year has resulted in a decrease new Applications in 2017 down by -19% to €2.18bn.

Regionally the value of Applications was down in Dublin and Munster -29% and -8% respectively. While Leinster and Connacht/Ulster were up 4% and 22%.

Commencement values overall are down just 4%. Dublin is down -17% to €609m and Connacht/Ulster is also down -42% to €49m. However Leinster is up +13% to €85m and Munster also is up +97% to €224m.



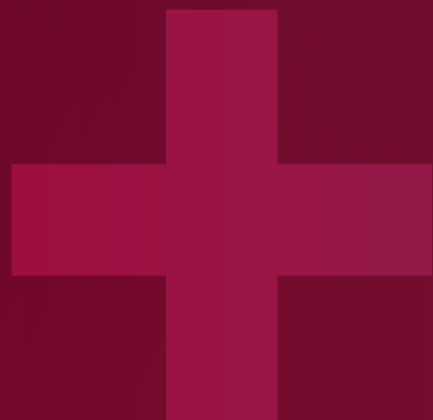
### Average time from application to commencement



### Q1-Q2 2017 applications regional distribution



# MEDICAL



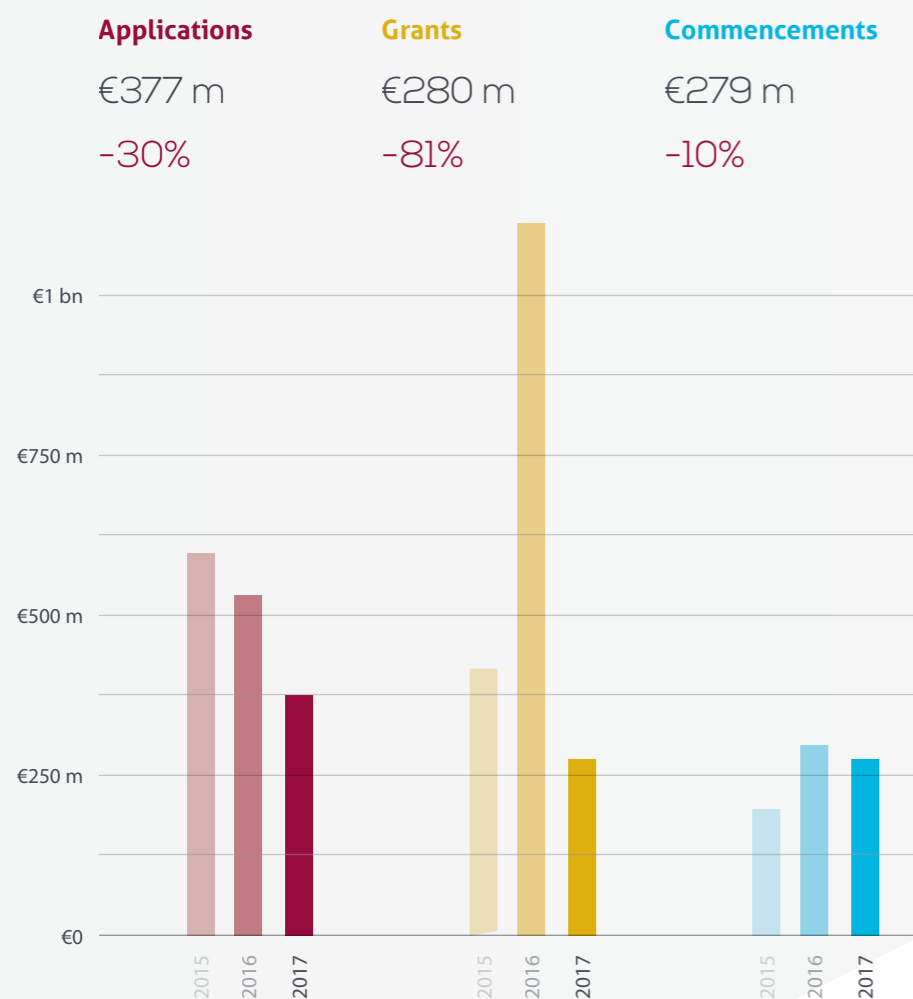
The Medical sector saw a strong performance in 2016, but a decrease in all metrics is recorded for 2017 ytd.



## Sector outlook

All the metrics in decline but the overall outlook is neutral. Despite the negative trends this sector still has the Childrens Hospital starting so there is still a lot of potential.

### Funding trend comparison Q1-Q2 2015/2016 - Q1-Q2 2017



All metrics show decreases in the Medical sector for the first six months in 2017. New Applications were down -30%. Grants down -81% (due to the National Childrens Hospital being granted in the period last year) and Commencements down -10%.

Regionally new Applications are down across the board. Dublin down -4% to €164m, Leinster down -26% to €96m, Munster down -63% to €58m and Connacht/Ulster was down -27% to €58m.

Munster alone recorded an increase in Commencements up 113% to €132m. This was on foot of a couple of big projects kicking off i.e. University Hospital Waterford, Nazareth House and Bon Secours in Cork. Dublin, Leinster and Connacht/Ulster were all down -48%, -44% and -21% respectively.

### Q1-Q2 2017 applications regional distribution



### Average time from application to commencement



The Medical sector includes projects such as hospitals, medical centres & care homes

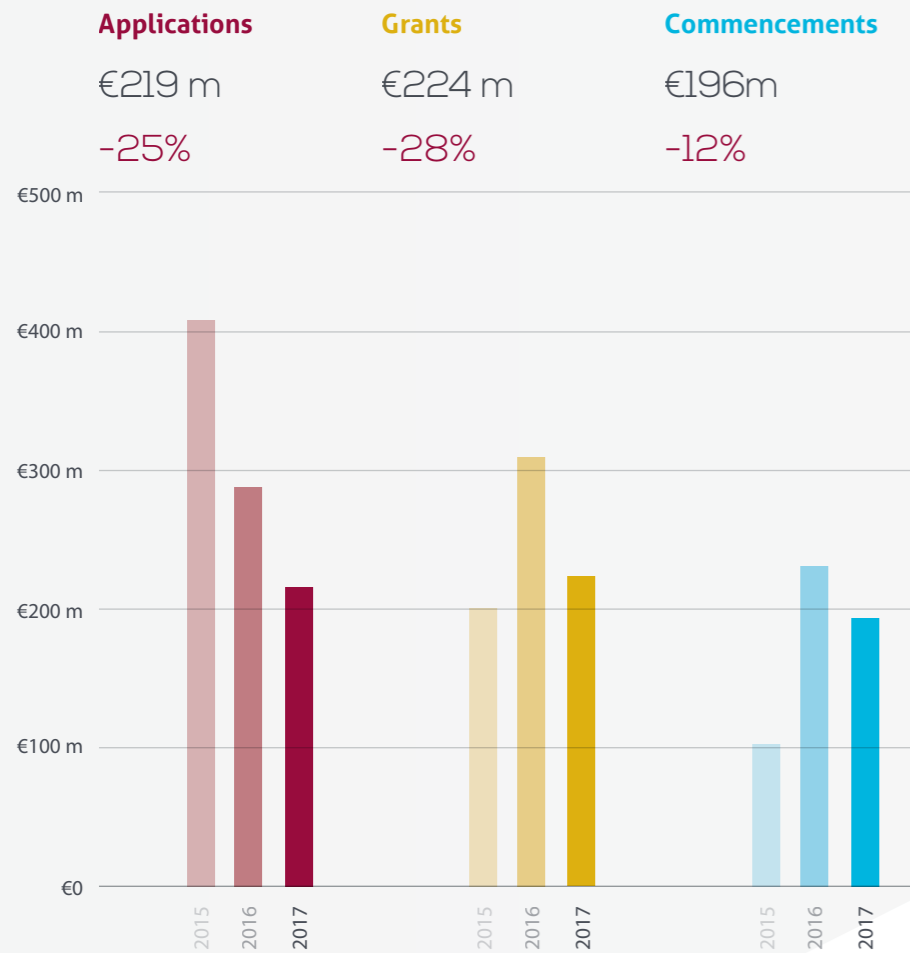
# EDUCATION

The Education sector recorded decreases in all metrics.

## Sector outlook

Continuing slow down across all metrics. The sector outlook is negative.

### Funding trend comparison Q1-Q2 2015/2016 - Q1-Q2 2017



Overall Commencements have decreased 12% to €196m when compared to the first six months of 2016. Overall projects Granted permission are down -28% to €224m. Applications are also down -25% to €219m.

Regionally Commencement values were up in Dublin +62% to €77m, but down in Leinster -4% to €71m, down in Munster -55% to €26m and down in Connacht/Ulster -49% to €22m.

Granted Permissions are up in Connacht/Ulster but down in Dublin, Leinster and Munster.

New Applications were up in Leinster and down in Dublin, Munster and Connacht/Ulster.

Typically projects in this sector take less (-17%) than the average industry time to commence.

### Average time from application to commencement



The Education sector includes projects such as universities, schools & pre schools

### Q1-Q2 2017 applications regional distribution



# AGRICULTURE



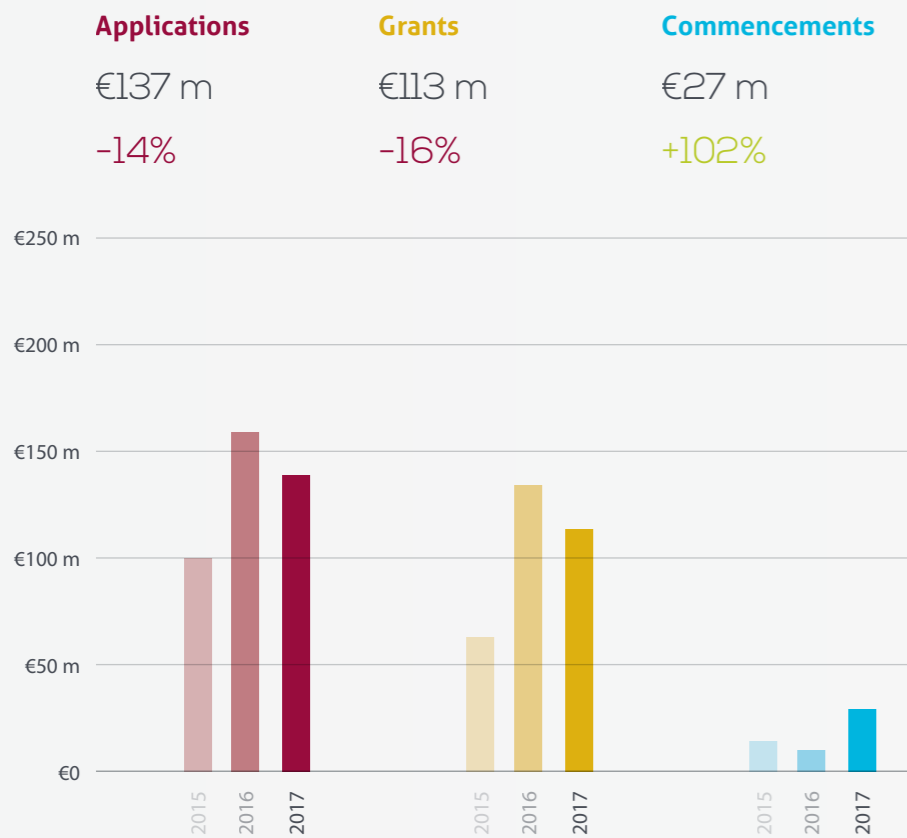
The Agricultural Sector has seen continuing growth across all metrics and regions with the exception of commencements in Connacht/Ulster.

## Sector outlook

The overall outlook in the Agriculture sector is neutral. Commencements are up but the pipeline is slowing, most likely due to Brexit concerns.



### Funding trend comparison Q1-Q2 2015/2016 - Q1-Q2 2017



The first six months of 2017 saw a substantial increase in agricultural commencements up +102% to €27m over the same period in 2016. Connacht/Ulster recorded the biggest increase +288% to €10m followed by Leinster +136% to €7m and Munster +25% to €10m.

Overall Grants were down -16% to €113m, Connacht Ulster had a modest growth of +3% to €33m but Munster fell -27% to €42m and Leinster was down -14% to €38m.

Nationally new Applications were down -14% to €137m. Leinster was up +1% (€44m) but Connacht/Ulster and Munster were down -15% (€42m) and Munster -22% (€51m) respectively.

### Q1-Q2 2017 applications regional distribution



### Average time from application to commencement



The Agriculture sector includes projects such as dairy units, poultry houses & slatted sheds

# INDUSTRIAL



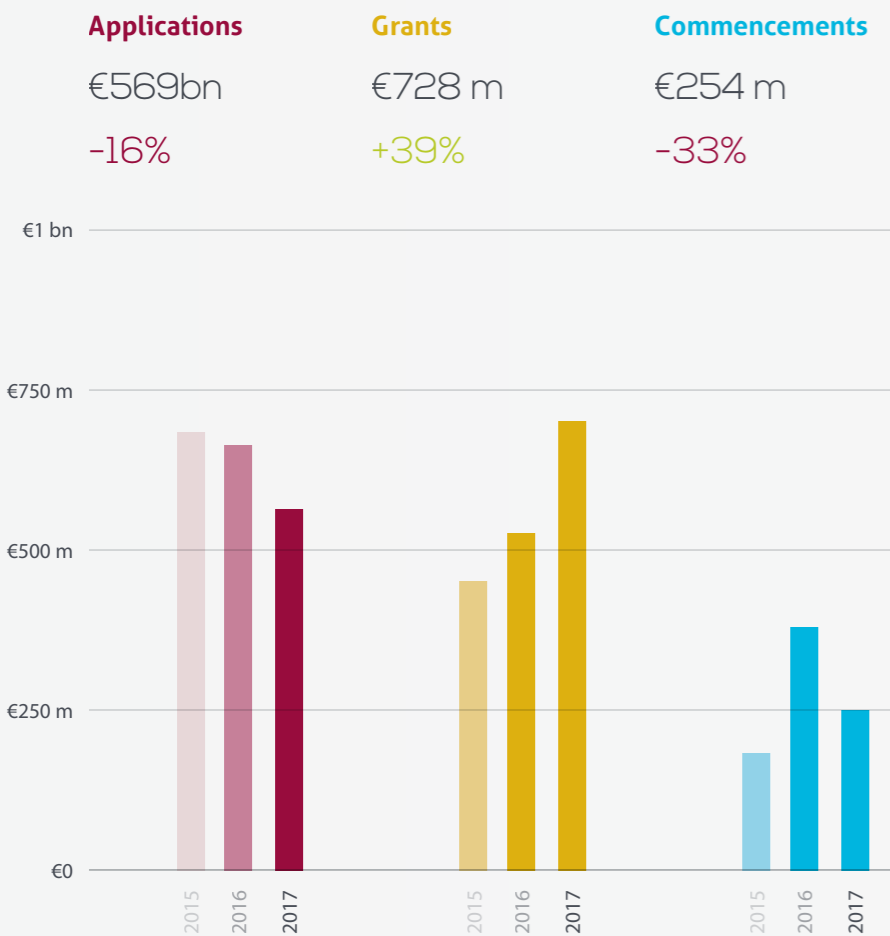
The Industrial sector reported significant increases in Granted Permissions but both Commencements and New Applications are down.

## Sector outlook

With strong growth in new Granted projects the outlook for the sector is neutral despite applications and commencements being down.



### Funding trend comparison Q1-Q2 2015/2016 - Q1-Q2 2017



Year on year for the first six months the value of Industrial projects Granted permission rose by +39% to €728m. New Applications and projects Commencing both fell -16% to €569m and -33% to €254m respectively.

Leinster showed a healthy increase in New Applications +41% to €203m followed by Munster +18% to €185m. Dublin recorded a decrease of -52% to €136m (this was off a high base in 2016) while Connacht/ Ulster decreased -49% to €45m.

Leinster, Munster and Connacht/ Ulster all reported increases in Granted permissions. Leinster up +267% to €343m, Munster +52% to €137m and Connacht/ Ulster +123% to €107m. Dublin showed a significant decrease of -52% to €140.

Dublin and Leinster reported decreases in Commencements down +27% (€77m) and -89% (€19m) respectively. Munster and Connacht/ Ulster experienced increases in of +7% to €87m, and +234% to €71m respectively.

The Industrial sector continues to have one of the shorter Application to Commencement durations with lead time currently running at 55 weeks or -20% lower than industry average.

#### Average time from application to commencement



### Q1-Q2 2017 applications regional distribution





# SOCIAL

The Social sector reports growth. The value of Applications, Granted Permissions and Commencements has increased significantly when compared with the first six months of 2016.

## Sector outlook

This is the best performing sector with increases in Commencements, Applications and Granted. This outlook for this sector is Positive.

### Funding trend comparison Q1-Q2 2015/2016 - Q1-Q2 2017

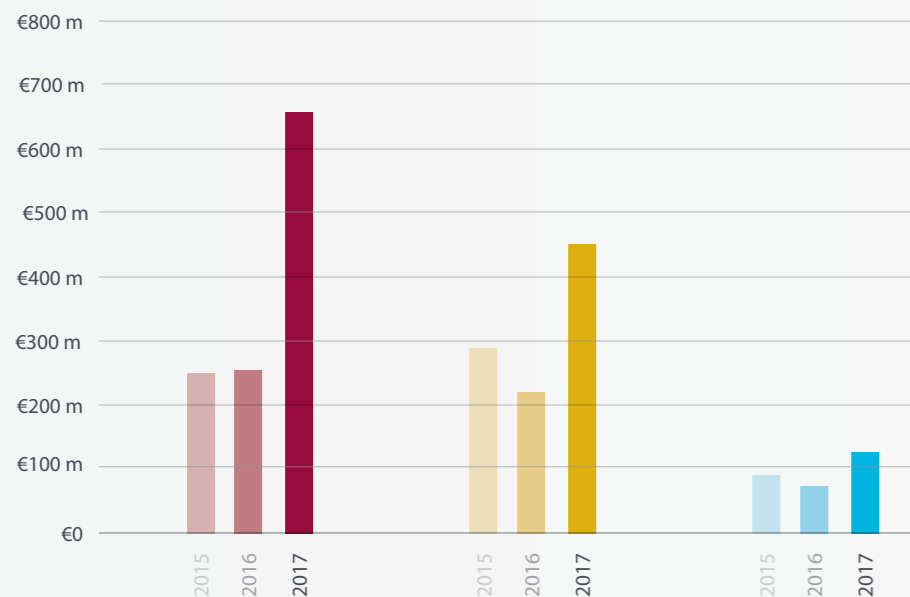
Applications	Grants	Commencements
€659 m	€435 m	€117m
+156%	+99%	+53%

The value of new Applications increased +156% to €659m, Granted Permissions rose by +99% to €435m and the value of project Commencements increased +53% to €117m during the first six months of 2017.

All regions reported increases in new Applications. Leinster led the way up +271% to €368m, Munster up +135% to €105m, Connacht/Ulster +126% to €104m and Dublin up +20% to €81m.

All regions reported increases in Granted applications. Dublin led the way up +151% to €113m, Leinster up +63% to €148m, Munster +99% to €94m and Connacht/Ulster up +124% to €80m.

Leinster +125% to €59m and Munster +178% to €29m reported increases in Commencements. Dublin -19% to €20m and Connacht/Ulster -40% to €9m showed decreases.



### Average time from application to commencement



### Q1-Q2 2017 applications regional distribution



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**Methodology:** [www.buildinginfo.ie](http://www.buildinginfo.ie) measures the actual (estimated) monetary value of every construction project per sector. The data contained in the Building Information Index is aggregated by Building Information from real time planning and project information. Projects with a value of less than €200k were omitted from this index.

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**About the author:** Danny O'Shea is Managing Director of Building Information Ireland and Residential Construction research consultancy Link2Plans. Building Information Ireland is the portal for every current planning application, approval and commencement in the country. Previously Danny was Managing Director at Riverside Manufacturing (Ireland). Danny holds a Diploma in Computing (1986) and an MBA from DKIT (2006) and has been involved in systems development, management, innovation and online development for the past 25 years.

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