

# Building Information Index

Q1-Q2  
**2016**

2014 2015 2016



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# Welcome to the latest volume of the Building Information Index brought to you by Building Information Ireland

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This volume of the Building Information Index provides insight and key analysis of activity in the construction industry for the first six months of 2016. It also provides an invaluable foresight as to what remainder of 2016 and 2017 will bring. I hope you find it informative.

In this volume actual activity for the half year to the end of June 2016 is compared to the same periods in 2015 and 2014. 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 €1.12bn (+44%) for the six months to end of June 2016**

The value of construction project Commencements for the first half of 2016 has grown by +44% when compared to the same period in 2015. This shows continued strong growth building on what was reported in previous full year index for 2015. Year on year comparison for the first six months showed a growth of 97% when compared to the same period in 2014. Five of the seven sectors examined registered growth. The Education sector recorded the largest percentage growth with Commencements up +148% (to €218m) on 2015 figures. Residential, the largest and most significant sector continued with strong growth of +61% year on year and with the value of Commencements at €1.67bn. The Agricultural and Social sectors reported a decrease of -28% and -22% respectively.

## **Value of Applications static.**

The value of construction project Applications remained static at €8.3bn when compared to the first six months in 2015. This does however represent an increase of +37% when compared to the same period in 2014. The Commercial & Retail and Agricultural sectors reported gains of +73% and +37% respectively, with the remaining sectors reporting marginal decreases. Residential the largest sector, was down -15% on 2015 with total Applications of €3.8bn to the end of June 2016 compared with €4.5bn in to the end of June 2015.

**Danny O'Shea**  
CEO

*Building Information Ireland*



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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 half of 2016 across all sectors is €8.28bn which is on a par with the same period in 2015 (€8.27bn), it is however up 37% on the same period in 2014. Dublin shows a year on year growth of +7% to a total of €3.92bn. Leinster has decreased to €2.20bn (-10%) while Munster and Connacht/ Ulster remain virtually static at €1.34bn (0%) and €815m (-1%) respectively.

Funding source:

8% of the total value of Applications in 2015 was publically funded, this is the same percentage as in 2015.

## Funding source

Q1-Q2 2016

Q1-Q2 2016

92% Private

8% Public



CONNACHT  
ULSTER

€815 m  
-1%

LEINSTER  
€2.20 BN  
-10%

DUBLIN  
€3.92 BN  
+7%

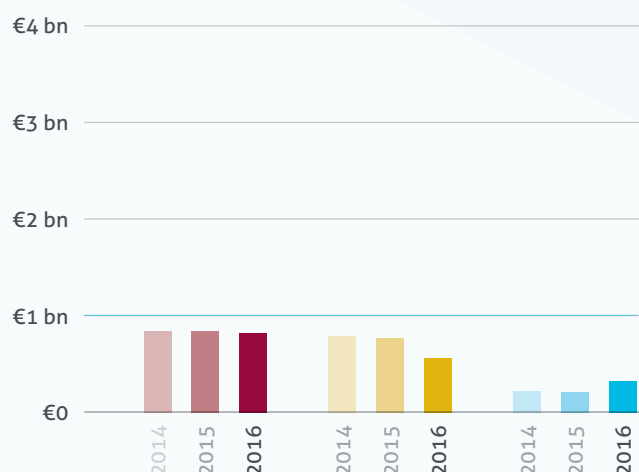
MUNSTER  
€1.34 BN  
0%

## Connacht/Ulster

## Applications Grants Commencements

€815 m €550 m €303 m

-1% -29% +52%

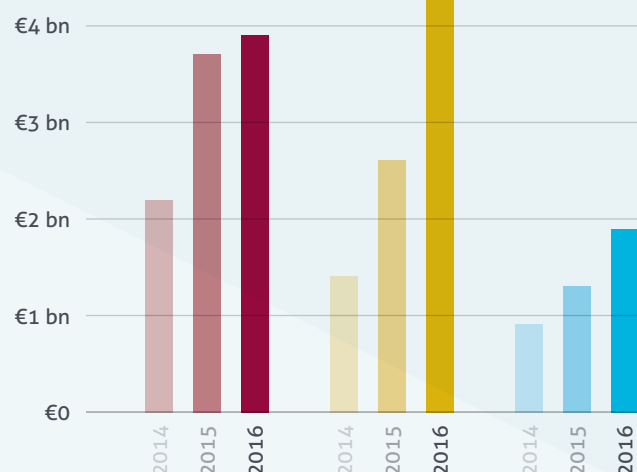


## Dublin

## Applications Grants Commencements

€3.92 bn €4.41 bn €1.92 bn

+7% +68% +47%

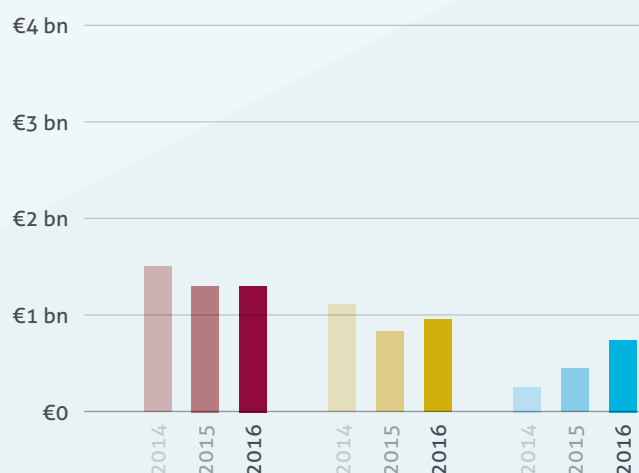


## Munster

## Applications Grants Commencements

€1.34 bn €959 m €742 m

0% +16% +70%

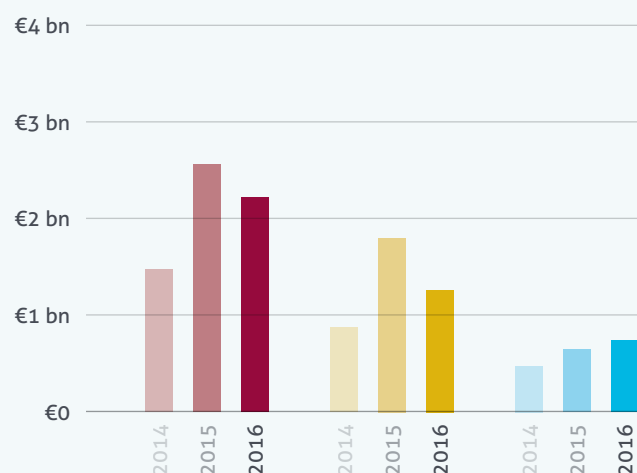


## Leinster

## Applications Grants Commencements

€2.20 bn €1.24 bn €730 m

-10% -31% +16%

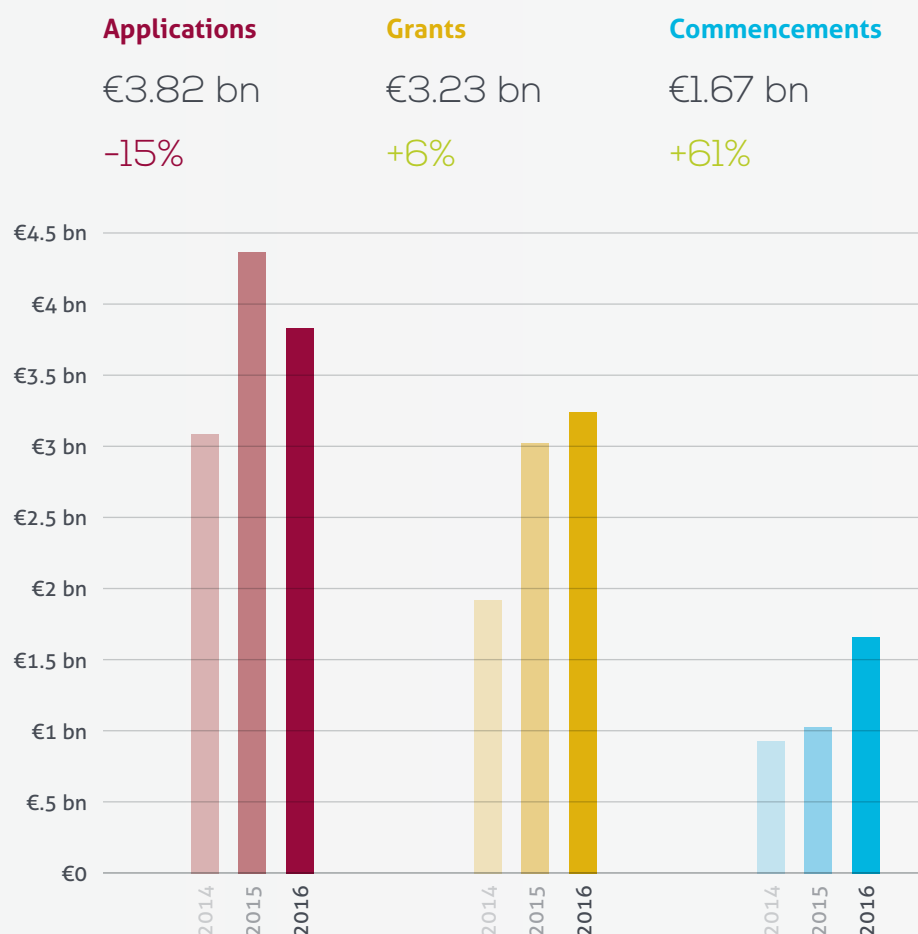


# RESIDENTIAL



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

## Funding trend comparison Q1-Q2 2014/2015 - Q1-Q2 2016



Year on year comparison sees a +61% increase in the value of project commencements. The number of housing units in Residential Developments that commenced also rose 51% to 7296. Granted permissions increased +6% to €3.23bn. However the value of new Applications decreased by -15% to €3.82bn.

The highest increase in value of Commencements regionally was seen in Dublin up +102% to €864m with only Leinster experiencing a year on year fall down -32% to €315m. Leinster again experienced a decrease in value of Granted Permissions but all other regions showed an increase. The value of Applications fell in Dublin and Leinster down -25% and -12% respectively.

Dublin, Munster and Connacht/ Ulster experienced a strong year on year increase in value of residential Commencements. Leinster was down across all three metrics and new Applications were down in Dublin.

### Average time from application to commencement





# Sector outlook

National growth in value of Commencements is positive. The pipeline for Granted Applications is steady. A slowdown in new applications in Dublin and Leinster might indicate that the pipeline is full and we can expect more commencements. Overall, a positive outlook for this sector.

## Q1-Q2 2016 applications regional distribution



# COMMERCIAL & RETAIL

The Commercial & Retail sector has seen a year on year increase across all metrics. Significant increase in Applications. Marginal growth in value of Commencement and Granted Permissions.

## Funding trend comparison Q1-Q2 2014/2015 - Q1-Q2 2016

### Applications

€2.67 bn

+73%

### Grants

€1.86 bn

+26%

### Commencements

€1.01 bn

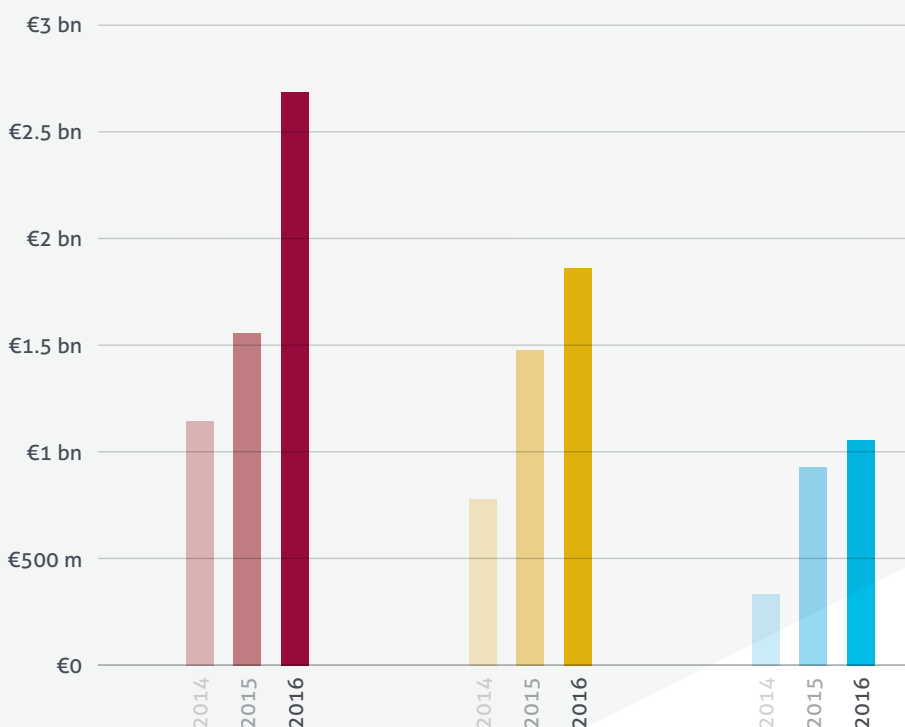
+10%

When compared with the first 6 months of 2015 the value of project Commencements increased by +10% to €1.01bn. Granted projects also increased in value by +26% during 2015 to €1.86bn. Stronger growth in new Applications was reported year on year with the value increasing by +73% to €2.67bn.

Regionally the value of Applications is up across the board with Dublin +74% to €1.75bn, Munster +107% to €412m, Leinster +71% to €316 and modest value increase of +25% in Connacht/Ulster. Connacht/Ulster is the only region to experience a year on year decrease in value of Granted Permissions down -50% to €132m.

Commencement values have seen an increase across all regions with marginal growth of +6% in Dublin and Munster. Leinster +31% (€75m) and Connacht/Ulster +57% (€84m).

The lag time is, once more, shorter than the industry average and signifies economic growth.



### Average time from application to commencement



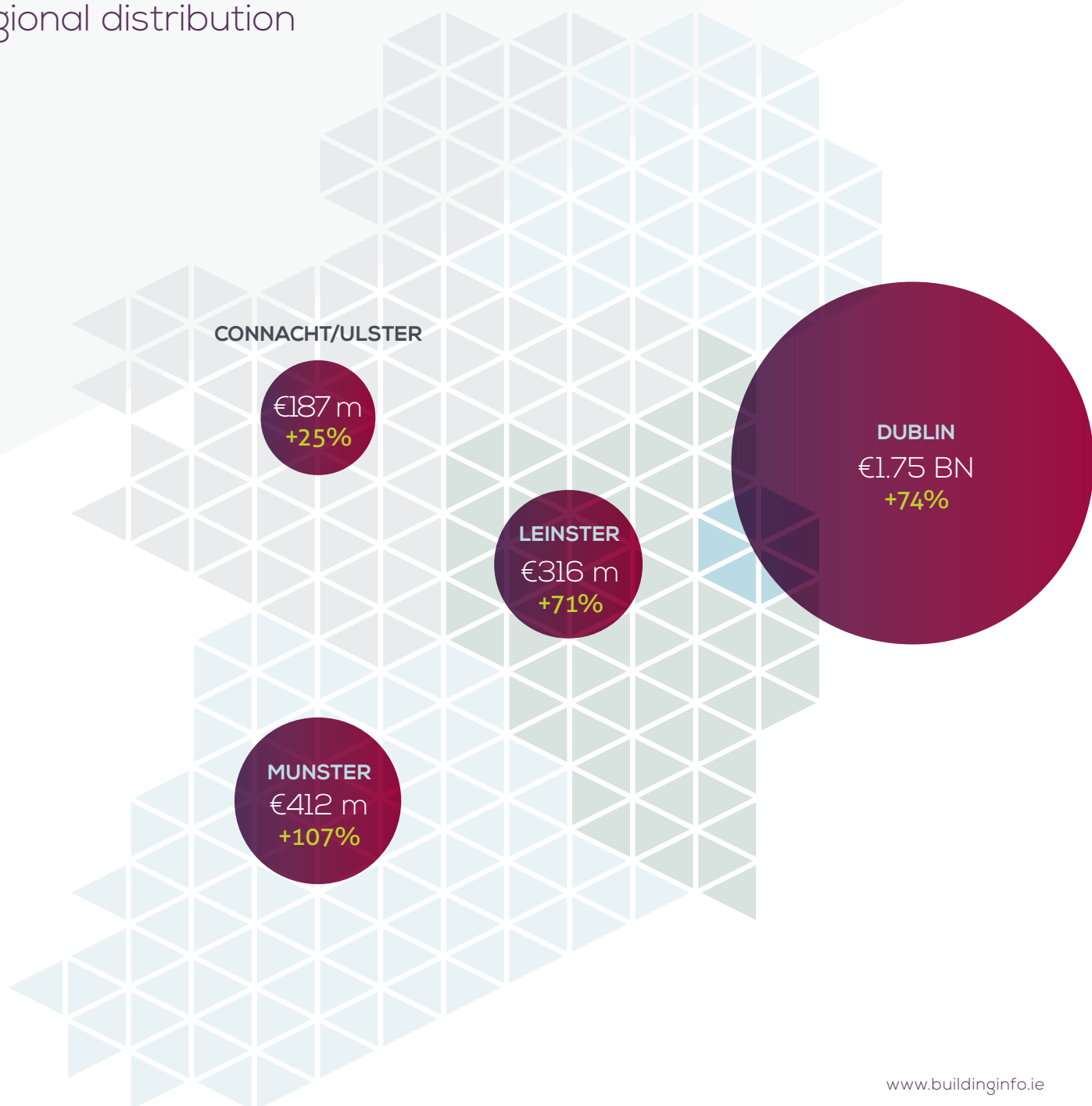


# Sector outlook

The strongest performing sector in this index, all metrics are up and the outlook is positive.



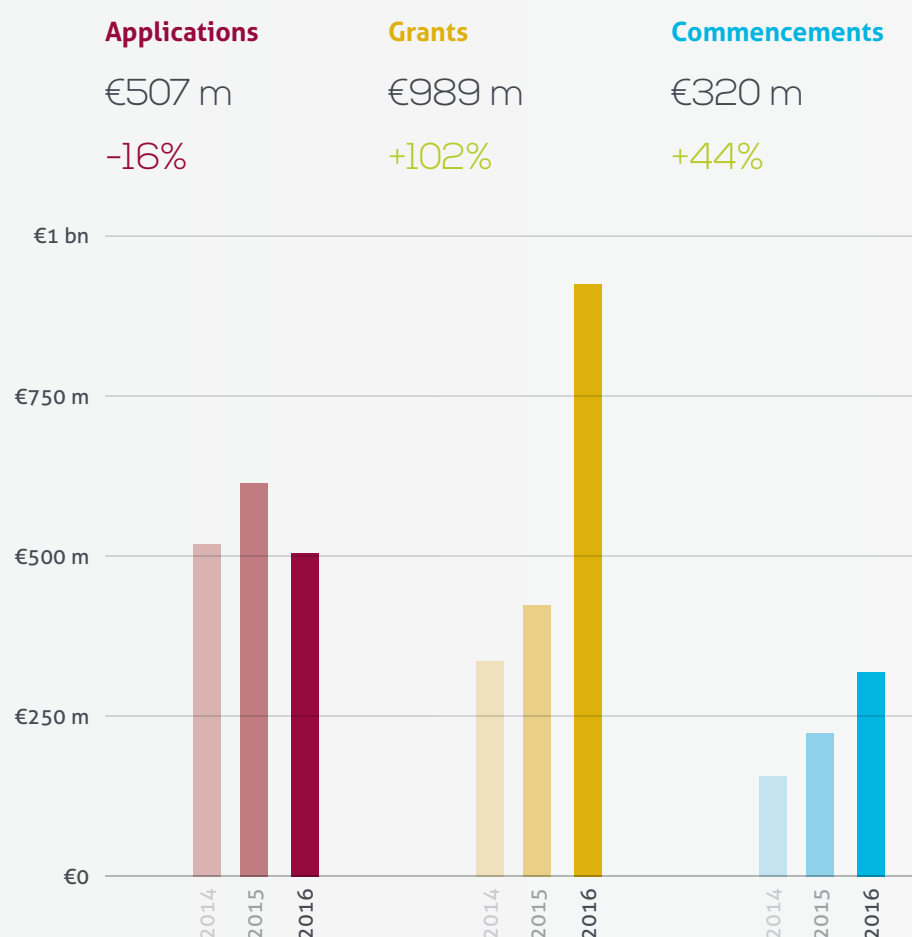
## Q1-Q2 2016 applications regional distribution



# MEDICAL

The Medical sector saw strong performances in Commencements and Granted Permissions in the first half of 2016, but a decrease in new Applications has also been recorded.

## Funding trend comparison Q1-Q2 2014/2015 - Q1-Q2 2016



A respectable increase of +44% to €320m was seen in the value of Commencements over the first half of 2015. The value of Granted projects increased significantly up +119% to €936m, this increase was boosted by the Granting of the Application for the National Children's Hospital. New Applications were down -16%.

Dublin saw a +530% jump in value of Granted Applications to €700m (due to National Children's Hospital). Commencements in Dublin were up +70% to €138m, Leinster was up +108% to €73m and Munster +76% to €61m. Connacht/Ulster was down -33%.

Regionally the new Applications picture is generally down with the exception of Connacht/Ulster which was up +23% to €81m. Dublin marginally down -1% to €166m, Leinster down -42% to €131m and Munster down -12% to €130m.

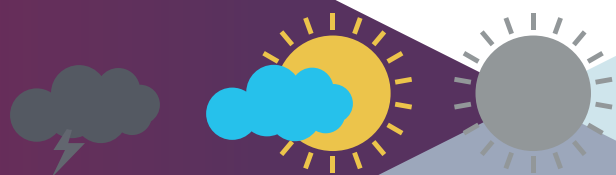
Typically projects in this sector take less (-11%) that the average industry time to commence.

### Average time from application to commencement



# Sector outlook

The short to medium term numbers show growth in the Medical sector nationally and despite a fall in applications the overall outlook is positive.



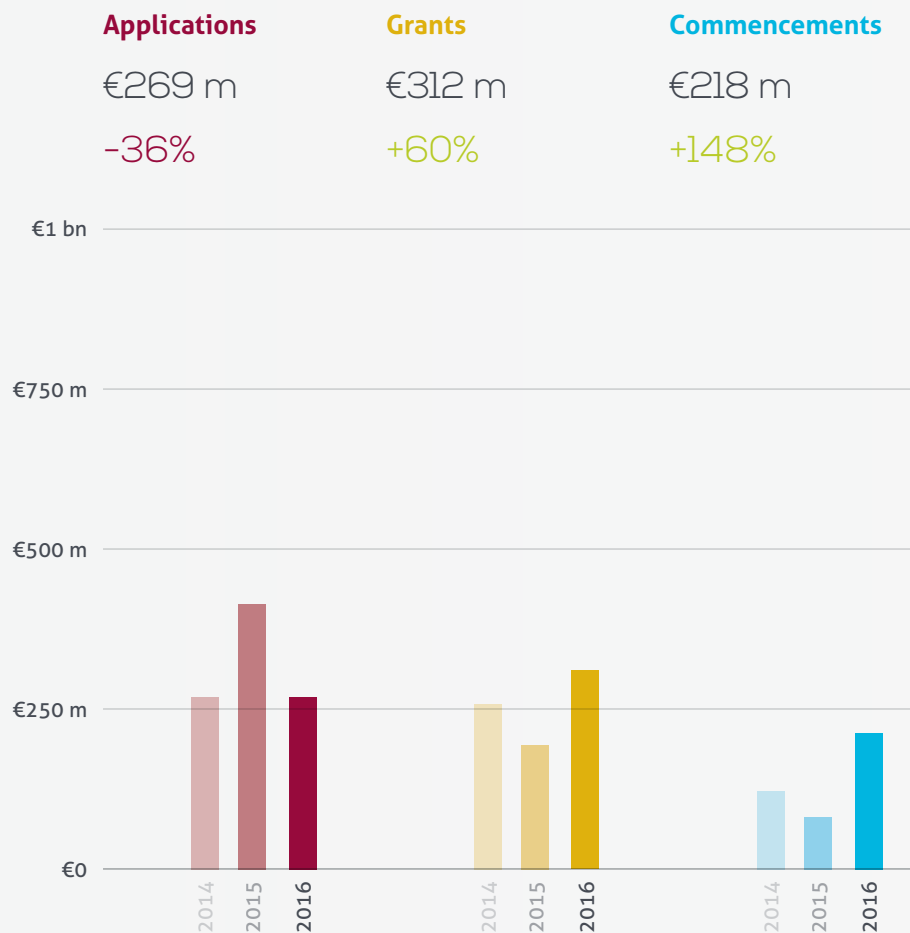
## Q1-Q2 2016 applications regional distribution



# EDUCATION

The Education saw strong performances in Commencements and Granted Permissions in the first half of 2016, but a decrease in new Applications has also been recorded.

## Funding trend comparison Q1-Q2 2014/2015 - Q1-Q2 2016



Overall Commencements have increased a healthy +148% to €218m when compared to the first six months of 2015. Likewise overall projects Granted permission are up +60% to €312m. However, Applications are down -36%.

Regionally Commencement values increased in every area. Dublin up +214% to €44m, Leinster up +43% to €71m, Munster up +350% to €59m and Connacht/Ulster up +310% to €43m. Granted Permissions are also up in Dublin and Munster but Down in Leinster and Connacht/Ulster. New Applications were down in every area.

Typically projects in this sector take less (-28%) than the average industry time to commence.

### Average time from application to commencement



# Sector outlook

The short to medium term numbers show growth in the Education sector nationally and despite a fall in applications the overall outlook is positive.

## Q1-Q2 2016 applications regional distribution



# AGRICULTURE

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

## Funding trend comparison Q1-Q2 2014/2015 - Q1-Q2 2016

### Applications

€156 m

+37%

### Grants

€133 m

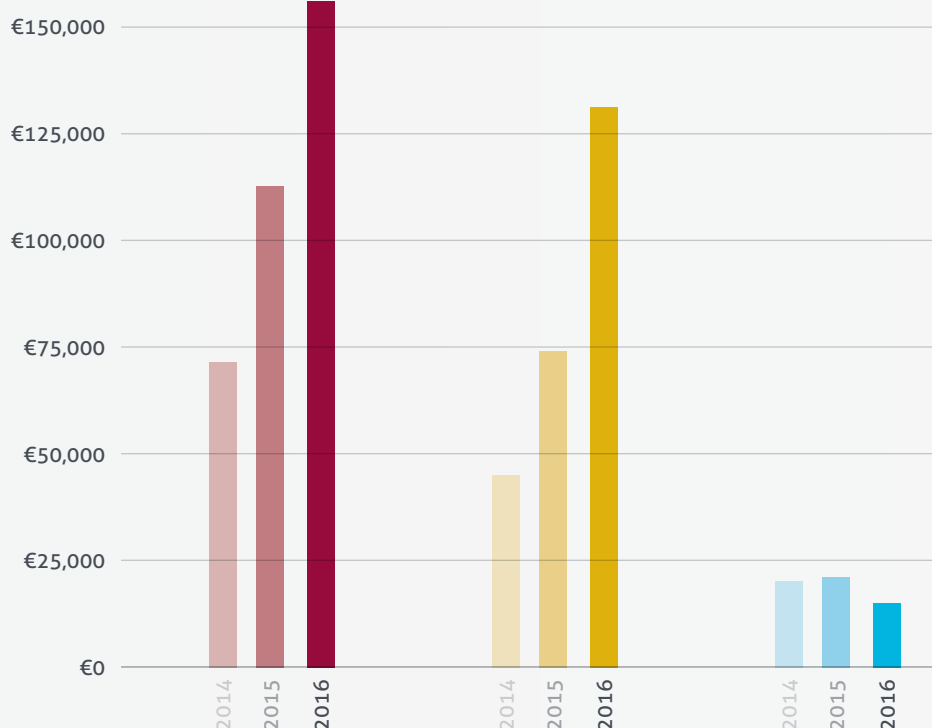
+79%

### Commencements

€15 m

-28%

The first six months of 2016 saw new Applications increase by +37% to €156m over the same period in 2015 with Granted Permissions also seeing an increase of +79% (€133m).



All regions experienced noteworthy increases in value of Applications with Leinster up +23% (€42m), Connacht/Ulster increasing +106% (€49m) and Munster +17% (€65m). Similarly Granted Permissions increased in all regions with Leinster up +122% (€42m), Connacht Ulster increasing +98% (€34m) and Munster +48% (€56m).

Overall Project Commencements have decreased during the first six months. This fall was a result of Connacht/Ulster experiencing a -71% (€3.1m) drop from a very strong year in 2015. Commencements for Leinster increased 42% to €4m and Munster was also up +16% to €7.7m.

### Average time from application to commencement





# Sector outlook

The overall outlook in the Agriculture sector is positive.



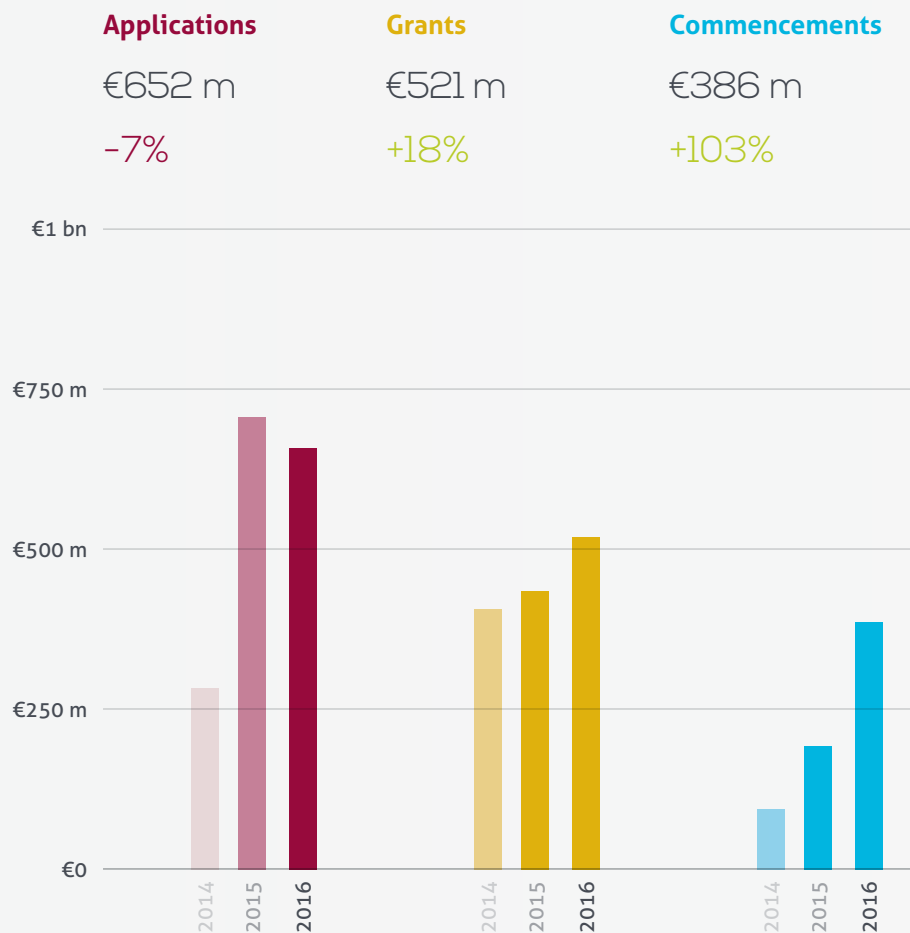
## Q1-Q2 2016 applications regional distribution



# INDUSTRIAL

The Industrial sector continues to perform well with significant increases in Commencements. Granted Permissions are up but the value of Applications is slightly down.

## Funding trend comparison Q1-Q2 2014/2015 - Q1-Q2 2016



Year on year for the first six months the value of Industrial Commencements rose significantly by +103% to €386m. Granted Permissions increased by +18% to €521m with Industrial Applications decreased slightly by -7% to €652m

Leinster led the way with a massive +843% (albeit off a low base in 2015) increase in the value of commencements to €165m with Dublin following at an increase over 2015 of +317% (€105m), Munster -27% (€95m) and Connacht/Ulster +25% (€21m).

Dublin was the only region to report an increase in Granted Permissions up +187% to €289m. Leinster, Munster and Connacht/Ulster all experienced decreases in Granted permissions of -13%, -19% and -60% respectively.

Similarly with Industrial Applications Dublin was the only region to report an increase in Applications up +60% to €286m. Leinster, Munster and Connacht/Ulster all experienced decreases in Applications of -26%, -18% and -51% respectively.

### Average time from application to commencement



The Industrial sector continues to have one of the shorter Application to Commencement durations with lead time currently running at 58 weeks or -25% lower than industry average.

# Sector outlook

With current Commencements strong backed up with growth in Granted projects and only a small decrease in Applications the current the outlook is positive.

## Q1-Q2 2016 applications regional distribution



# SOCIAL

The Social sector continues to experience a decline. The value of Applications, Granted Permissions and Commencements decreased when compared with the first six months of 2016.

## Funding trend comparison Q1-Q2 2014/2015 - Q1-Q2 2016

### Applications

€210 m

-50%

### Grants

€173 m

-54%

### Commencements

€81 m

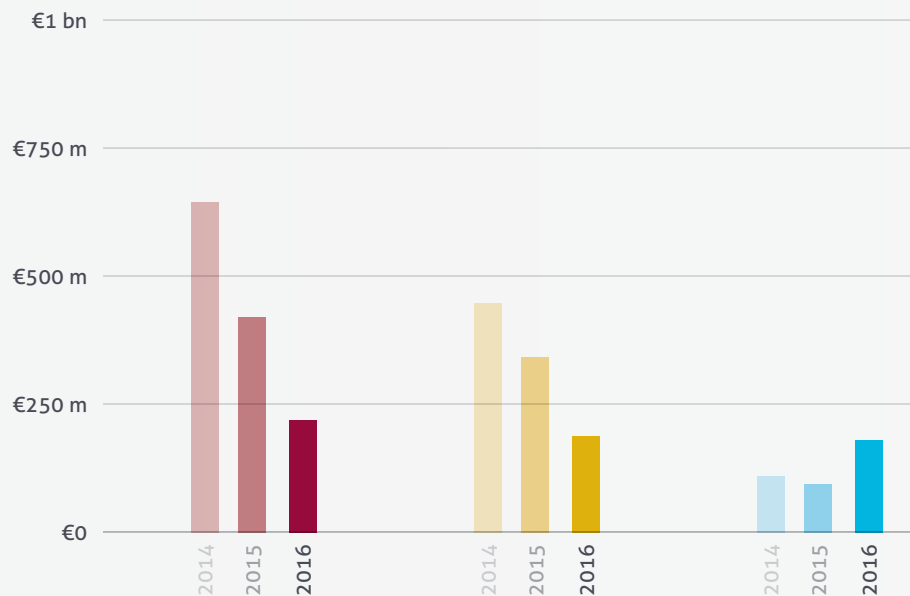
-22%

The value of new Applications decreased -50% to €210m, Granted Permissions fell by -54% to €173m and the value of project Commencements decreased -22% to €81m during the first six months of 2016.

All regions saw a decrease in the value of new Applications with Dublin down by -18% to €67m. Leinster decreased by -41% (€55m), Munster -73% (€42m) and Connacht/Ulster -51% (€46m). A similar picture is described when we examine value of Granted Permissions across the regions Dublin down by -57% to €45m. Leinster decreased by -63% (€35m), Munster -48% (€52m) and Connacht/Ulster -45% (€41m).

The only positive metrics in this sector is an increase in Commencements in Leinster +244% to €26m and Connacht/Ulster +107% (€15m). Commencements in Dublin are down by -49% to €29m and Munster -65% (€11m).

At 72 weeks Application to Commencement durations are slightly below industry average for this sector.



### Average time from application to commencement



# Sector outlook

The outlook for this sector continues to be negative. The pipeline of new Applications and Granted Permissions has decreased year to date during 2016.

## Q1-Q2 2016 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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