

Building Information Index

Q1-Q4
2015

2014 2015 2016



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Welcome to the fourth volume of the Building Information Index brought to you by Building Information Ireland www.buildinginfo.ie.



As 2016 begins the Building Information Index provides the construction industry with key analysis and insight as to what is happening and what is planned for the coming year. The full year 2015 index is a key piece of research that plots the growth trajectory of the construction industry by region, the sector and funding type. I hope you find it informative.

In this volume the full year of 2015 is compared to 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 €3.19bn (+109%) in 2015

The value of construction project Commencements in 2015 has grown by +109% when compared to 2014. This shows continued strong growth building on what was reported in previous quarterly indices. Q1-Q2 year on year comparison showed a growth of 41%, Q1-Q3 showed growth of +67%. Now for the first time in 2015 all sectors registered growth. Commercial and Retail recorded the largest percentage growth with Commencements up +217% (to €1.53bn) on 2014 figures. Industrial was similarly up +160% to €701m. Residential, the largest and most significant sector more than doubled in volume with growth of +114% year on year and with the value of Commencements in 2015 at €2.74bn.

Value of Applications up +22%

The value of construction project Applications also show consistent growth of +22% (Comparable figures in the previous index showed growth at +26%). The value for 2015 stands at €15.43bn, compared to just under €12.64 in 2014. All sectors, again with the exception of Social, have recorded increases in Applications with the largest jump percentage wise in Industrial (€1.22bn) up +80% on 2014. Volume wise again Residential is the largest sector, with the growth rate up +31% on 2014 with total Applications of €8.23bn in 2015 compared with €6.27bn in 2014.

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 2015 across all sectors is €15.43bn, up +22% on 2014. Dublin shows a year on year growth of +37% to a total of €7.70bn representing half of the Applications of the entire country when measured in monetary terms. Leinster has increased to €3.70bn (+23%) and Connacht/Ulster is also up slightly, +6% to €1.55bn. As with previous indices, Munster is still recording a marginal decline of -2% to €2.49bn.

11% of the total value of Applications in 2015 was publically funded, up from 9% in 2014.

Funding source

Q1-Q4 2015

Q1-Q4 2015

89% Private

11% Public



CONNACHT
ULSTER

€1.55 BN
+6%

LEINSTER
€3.70 BN
+23%

DUBLIN
€7.70 BN
+37%

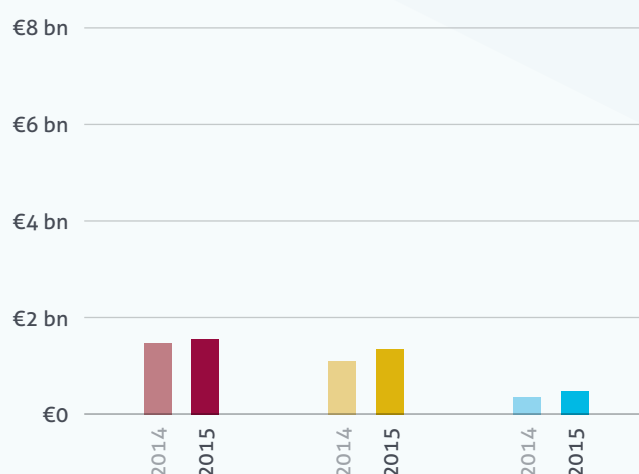
MUNSTER
€2.49 BN
-2%

Connacht/Ulster

Applications Grants Commencements

€1.55 bn €1.34 bn €477 m

+6% +21% +34%

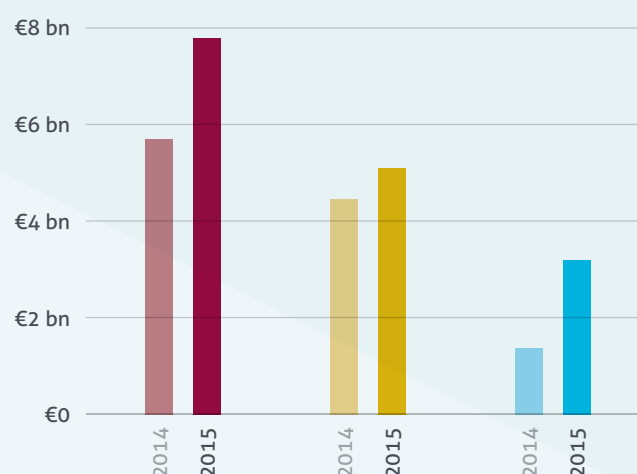


Dublin

Applications Grants Commencements

€7.70 bn €5.03 bn €3.15 bn

+37% +14% +134%

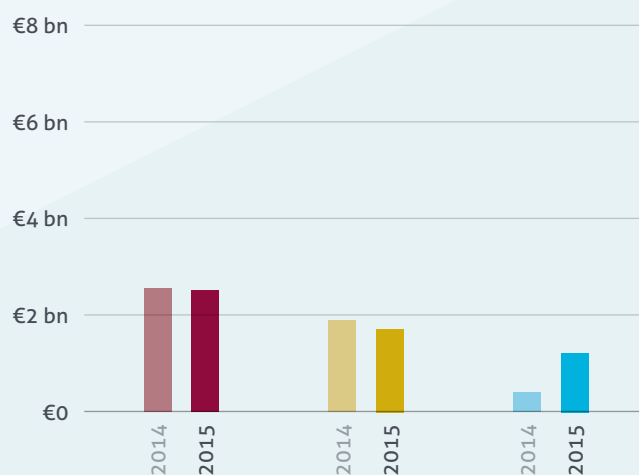


Munster

Applications Grants Commencements

€2.49 bn €1.70 bn €1.21 bn

-2% -10% +206%

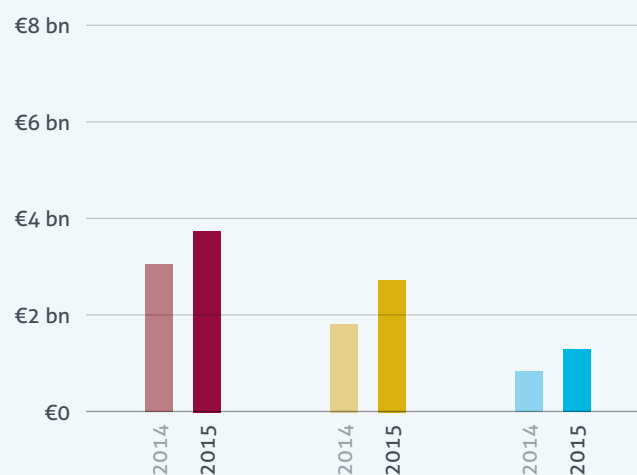


Leinster

Applications Grants Commencements

€3.70 bn €2.70 bn €1.29 bn

+23% +50% +55%



RESIDENTIAL



The sector has seen continued strong growth year on year across all key measurements with increases in value of both Applications and Granted Permissions and a significant jump in value of Commencements.

Funding trend comparison Q1-Q4 2014 - Q1-Q4 2015

Applications

€8.23 bn

+31%

Grants

€4.85 bn

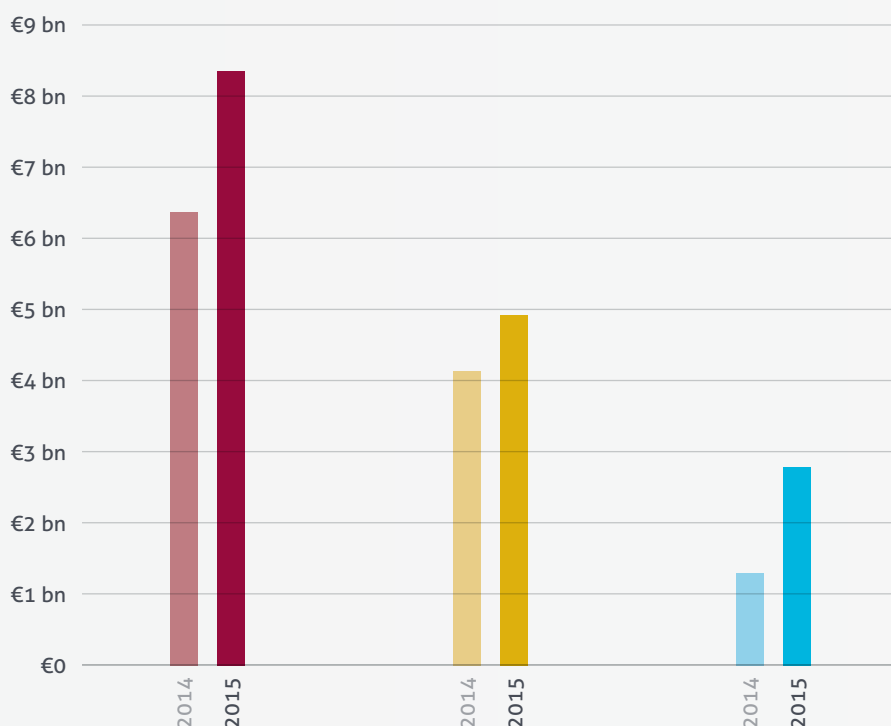
+19%

Commencements

€2.74 bn

+114%

Year on year comparison sees a +31% increase in the value of new Applications nationwide to €8.23bn, Granted Permissions also increased up +19% to €4.85bn. However the most significant jump from 2014 to 2015 was seen in the +114% rise in value of project Commencements.



The highest increase in value of Applications regionally is seen in Dublin up +53% to €4.15bn whereas Munster experienced a year on year fall of -11% to €1.13bn. Outside of Dublin Leinster experienced a significant +74% increase in value of Granted Permissions to €1.59bn with Munster and Connacht/Ulster again seeing a year on year decline both down -20% to €602m and €375m respectively. Value of Granted Permissions in Dublin increased +18% to €2.28bn.

Interestingly all regions experienced a year on year increase in value of residential Commencements with Dublin leading the charge up +165%, Leinster (+68%), Munster (+119%) and Connacht/Ulster (+17%).

Average time from application to commencement



Sector outlook

Despite the regional differences in values of new Applications and Granted Permissions a steady growth in values of Commencements in all regions has been seen. The pipeline for new Applications in Dublin and Leinster also indicate a positive outlook for this sector.

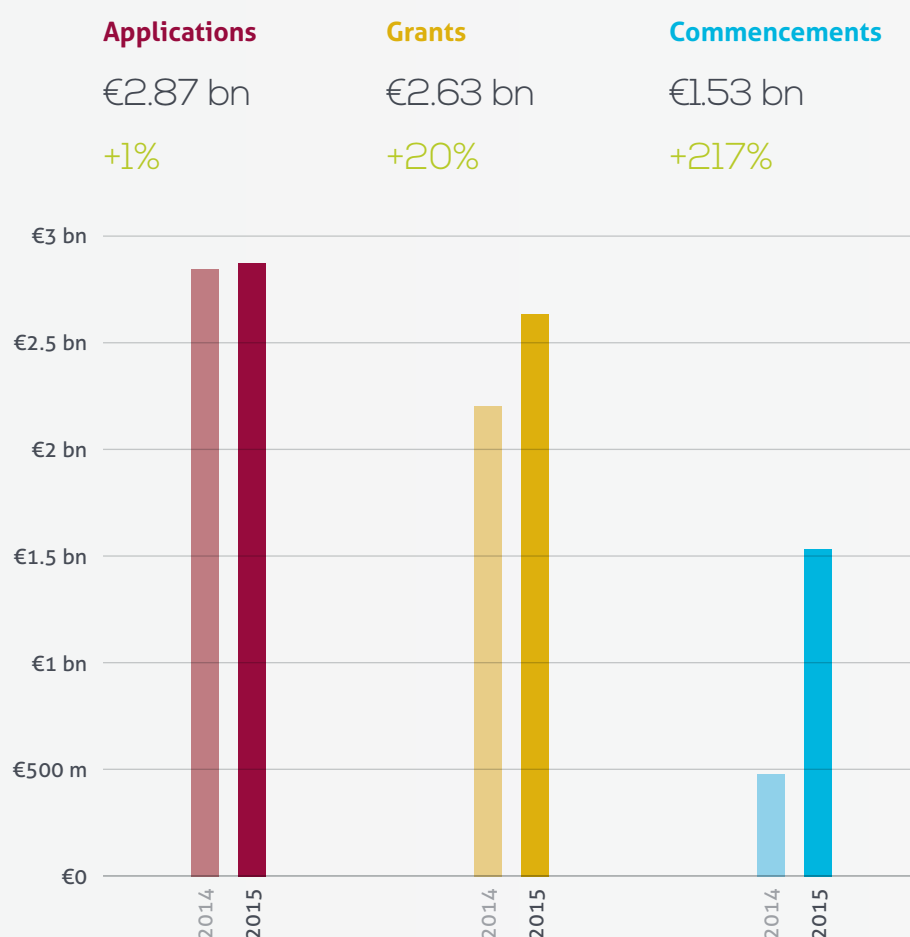
Q1-Q4 2015 applications regional distribution



COMMERCIAL & RETAIL

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

Funding trend comparison Q1-Q4 2014 - Q1-Q4 2015



In a direct comparison with the 12 months of 2014 the value of project Commencements increased by a noticeable +217% to €1.53bn. Granted projects also increased in value by +20% during 2015 to €2.63bn. However, modest growth is reported in year on year figures in the value of new Applications increasing marginally by +1% to €2.87bn.

Regionally the picture is quite mixed with value of Applications up +7% to €1.93bn in Dublin and +36% to €330m in Leinster. Marginal value increase of +2% in Munster with a significant decrease of -48% to €207m in Connacht/ Ulster. Interestingly, Leinster is the only region to experience a year on year decrease in value of Granted Permissions down -13% to €187m.

Commencement values have seen an increase across all regions with Munster significantly up by +480% to €262m, followed by Dublin +229% (€1.08bn), Leinster +92% (€112m) and Connacht/Ulster +48% (€74m).

The short lag time, currently lower than the industry average, has played its part in the year on year jump in value of project Commencements.

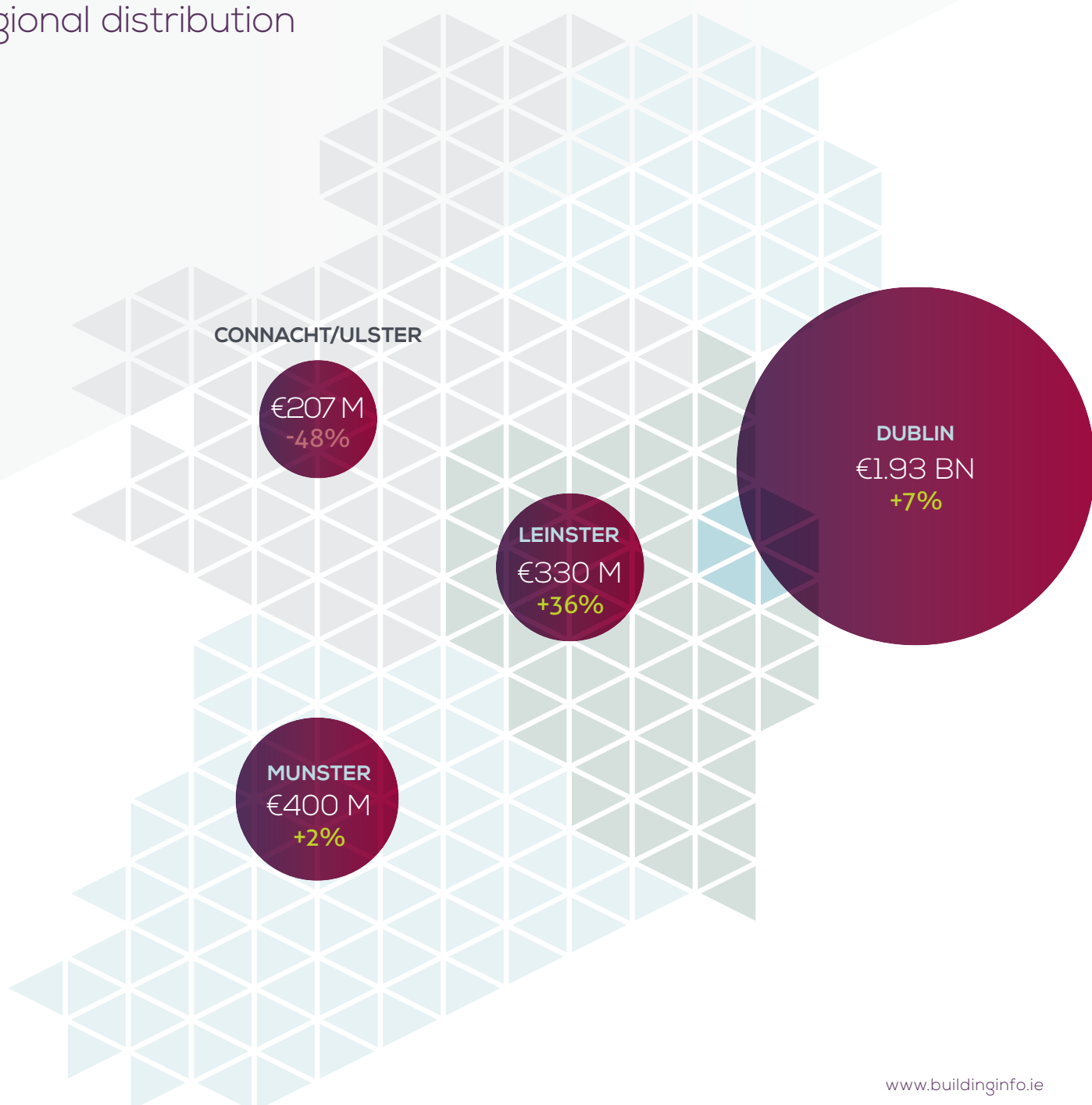
Average time from application to commencement



Sector outlook

While a modest +1% increase in value of new Applications was registered, the significant growth in value of Granted Permissions and Commencements coupled with a below industry average Application to Commencement duration indicates a positive outlook for the Commercial & Retail sector.

Q1-Q4 2015 applications regional distribution



MEDICAL

The Medical sector saw strong performance across all measurements during 2015. Increases in values of Applications, Granted Permissions and Commencements have all been recorded.

Funding trend comparison Q1-Q4 2014 - Q1-Q4 2015

Applications

€1.57 bn

+32%

Grants

€932 m

+13%

Commencements

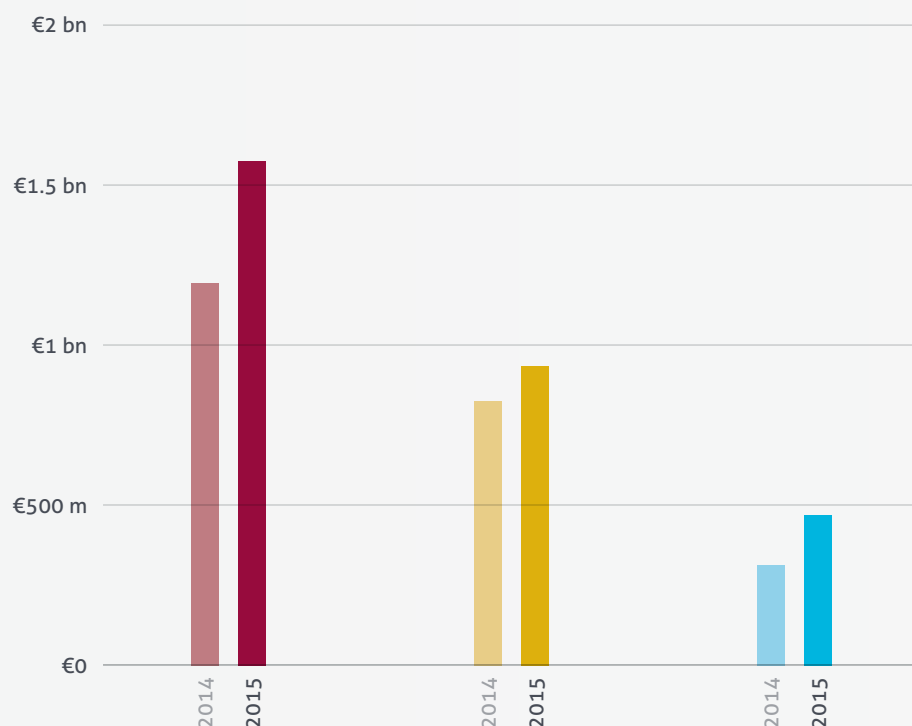
€468 m

+49%

Overall the value of new Applications in the Medical sector rose by +32% to €1.57bn. The increase was boosted by the submission of an Application for the National Children's Hospital. A more modest increase of +13% to €932m was seen in the value of Granted Permissions over 2014 figures. The value of Commencements increased significantly up +49% to €468m.

Regionally the new Applications picture is mixed. Dublin saw a +102% jump in value of new Applications to €779m with Leinster following at +25% (€369m) and decreases of -25% and -3% seen in Munster and Connacht/Ulster respectively. Despite the sharp increase in Application values in Dublin this region saw a -12% dip in value of Granted Permissions followed by -5% dip in Munster. Elsewhere, Leinster and Connacht/Ulster experienced a +48% (to €287m) and +54% (to €171m) respectively.

Overall Medical sector Commencement values increased by +49% to €468m. The most significant percentage increase was seen in Munster up +192% to €92m followed by Connacht/Ulster which increased +69% to €102m, Leinster +39% (€77m) and Dublin +19% (€196m).



Average time from application to commencement



Sector outlook

The value of the planned National Children's Hospital exaggerates the real value of Applications in this sector so delays on this project could impact this sector significantly, consequently the outlook for this sector is neutral.

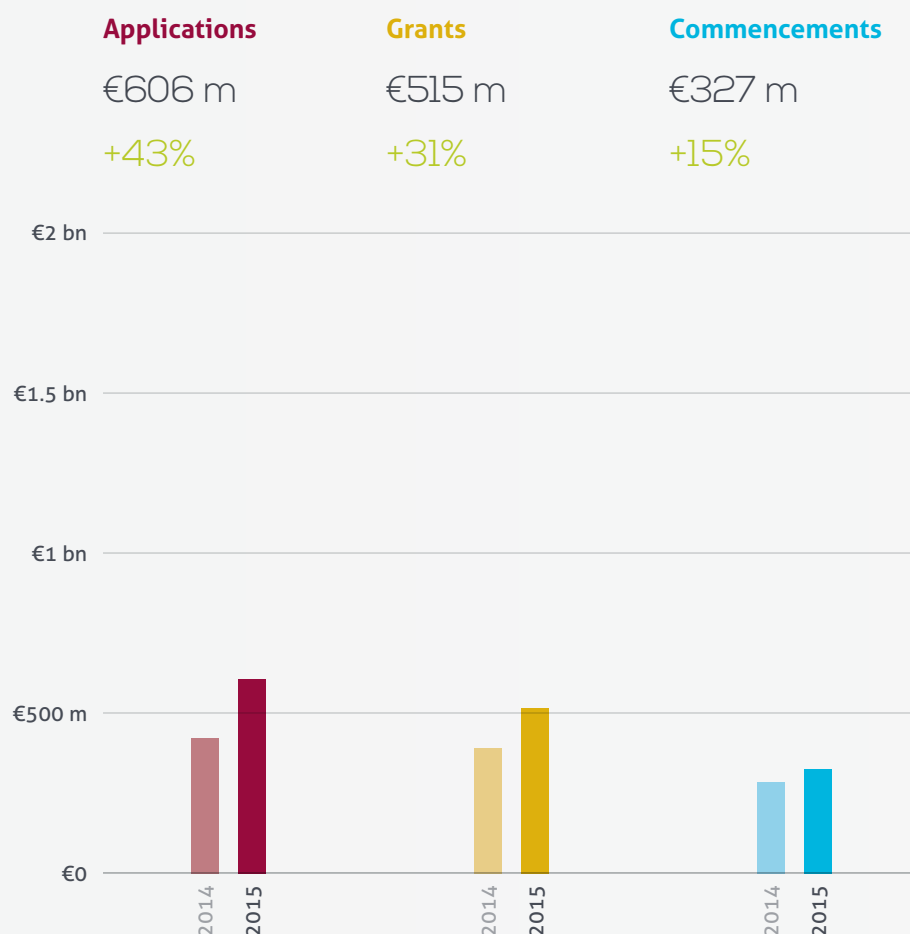
Q1-Q4 2015 applications regional distribution



EDUCATION

The Education sector has increased across all metrics when compared to 2014. Value of new Applications and Granted Permissions saw significant increases and Commencements are up too on 2014 figures.

Funding trend comparison Q1-Q4 2014 - Q1-Q4 2015



Overall the combined value of new Applications increased by +43% over 2014 figures to €606m. Granted Permissions are also up +31% over previous period to €515m and nationally Commencement values increased +15% to €327m.

Dublin experienced a significant +168% increase in the value of Applications lodged, to €275m, during 2015 with Munster increasing by +46% to €136m and Connacht/ Ulster recording a 2015 increase of +19% to €74m. Bucking the trend is Leinster which recorded a drop of -27% to €120m in Application values during 2015. Permissions Granted values soared in Dublin up +155% to €238m during 2015. Increases of +17% and +2% were recorded in Connacht/ Ulster and Leinster respectively with Munster the only region to experience a decrease in Granted Permissions down -33% to €71m.

With the exception of Leinster which saw a -20% fall in project Commencement values during 2015 all sectors recorded increases during 2015. Connacht/ Ulster experienced the largest percentage increase up +60% to €40m, Dublin follows closely with a +52% increase to €112m and Munster increasing +29% to €69m during 2015.

Average time from application to commencement



Sector outlook

The pipeline of new Applications is healthy showing a +30% increase in values, combined with the short turnaround time on Application to Commencement, the short to medium term outlook for this sector is positive.

Q1-Q4 2015 applications regional distribution



AGRICULTURE



Significant increases in values were seen during 2015 across all measurements in this sector.

Funding trend comparison Q1-Q4 2014 - Q1-Q4 2015

Applications

€266 m

+69%

Grants

€198 m

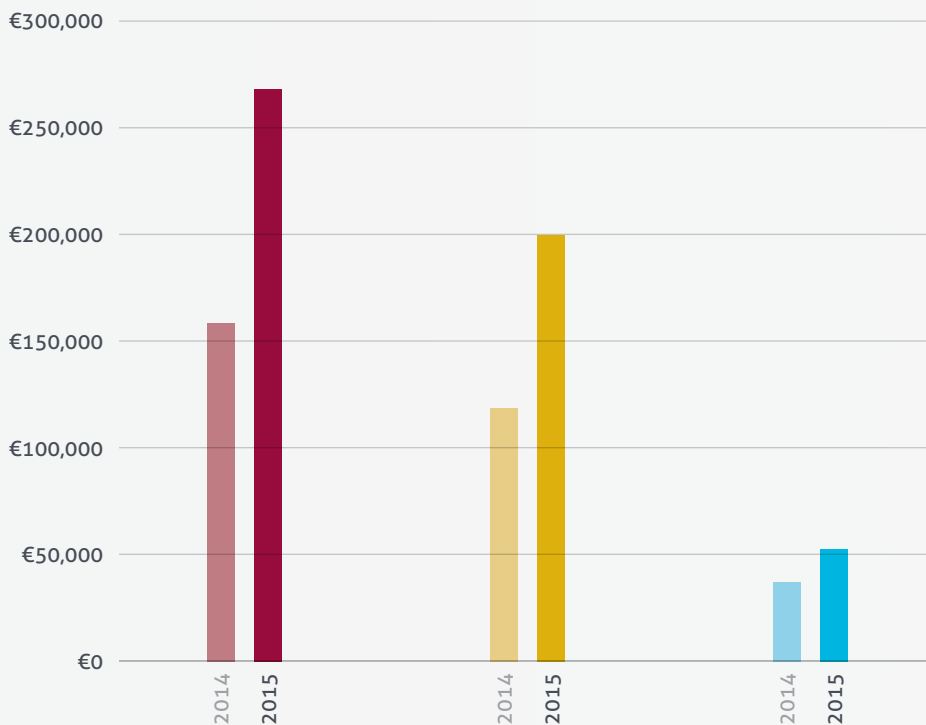
+68%

Commencements

€52 m

+42%

2015 saw new Applications increase by +69% to €266m over 2014 with Granted Permissions and Commencements also seeing increases of +68% (€198m) and +42% (€52m) respectively.



All regions experienced noteworthy increases in value of Applications with Leinster up +92% during 2015, Connacht Ulster increasing +71% (€61m) and Munster +57% (€126m). Similarly Granted Permissions increased in all regions with Connacht/Ulster leading the way up +84% to €44m followed by Munster up +68% and Leinster up +57%.

Project Commencements increased during 2015 across all regions with Connacht/Ulster experiencing a very significant +90% increase to €19m. Leinster increased 30% to €15m and Munster up +19% to €18m.

The Agriculture sector has one of the shortest Application to Commencement lead times currently sitting -31% below industry average at 52 weeks.

Average time from application to commencement



Sector outlook

The outlook for this sector is positive with increases in Applications in all regions together with short Application to Commencement durations.

Q1-Q4 2015 applications regional distribution



INDUSTRIAL

The Industrial sector performed strongly during 2015 with significant increases across all measurements with strong increases in value of Applications, Granted Permissions and Commencements.

Funding trend comparison Q1-Q4 2014 - Q1-Q4 2015

Applications

€1.22 bn

+80%

Grants

€1.02 bn

+46%

Commencements

€701 m

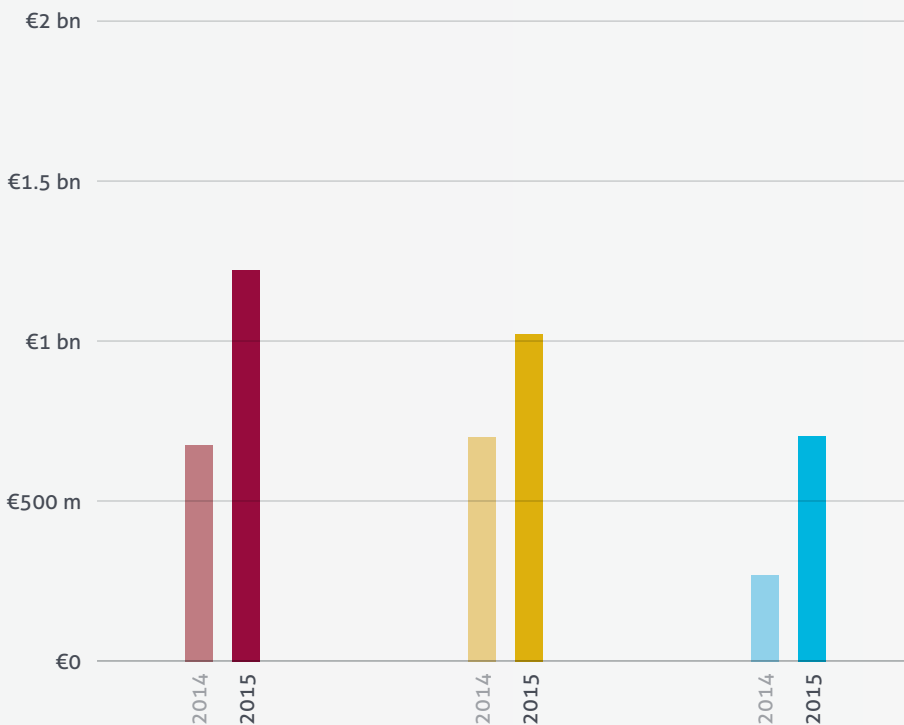
+160%

Year on year the value of Industrial Applications increased by +80% to €1.22bn. Granted Permissions increased by +46% to €1.02bn with Commencements up significantly by +160% to €701m.

Connacht/Ulster led the way with a +168% increase in the value of Applications to €247m with Dublin following at an increase over 2014 of +90% (€389m), Munster +72% (€243m) and Leinster +42% (€339m). Connacht/Ulster also saw the largest percentage increase in Granted Permissions up +179% to €235m. Munster is the only region to have experienced a drop in Granted Permissions value at -1% versus 2014. Dublin and Leinster both increased by +15% (€289m) and +81% (€302m) respectively.

All regions experienced increases in value of Industrial Commencements during 2015 with Munster displaying the most striking increase of +538% over 2104 at €239m. Elsewhere, Leinster is up +161% (€193m), Connacht/Ulster up +122% (€94m) and Dublin up +51% (€175m).

The Industrial sector continues to have one of the shorter Application to Commencement durations with lead time currently running at 54 weeks or -28% lower than industry average.



Average time from application to commencement



Sector outlook

With significant gains made across all measurements and regions during 2015 coupled with shorter than average Application to Commencement duration the outlook is positive.

Q1-Q4 2015 applications regional distribution



SOCIAL

The Social sector continues to experience a decline. The value of Applications and Granted Permissions decreased year on year during 2015 while project Commencements increased.

Funding trend comparison Q1-Q4 2014 - Q1-Q4 2015

Applications

€680 m

-37%

Grants

€618 m

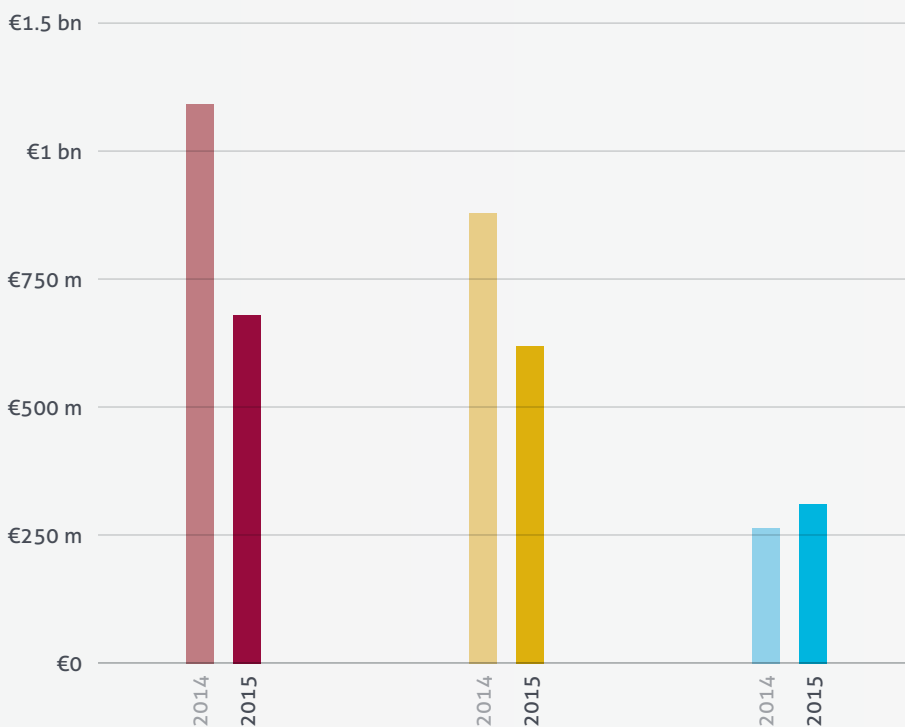
-30%

Commencements

€310 m

+17%

A direct comparison with 2014 illustrates a -37% decrease in the value of new Applications to €680m. Granted Permissions fell by -30% to €618m, however the value of project Commencements increased +17% to €310m during the same period.



Connacht/Ulster is the only region to see an increase in value of new Applications increasing by +40% to €178m. Leinster decreased by -60% (€126m), Dublin -59% (€172m) and Munster -9% (€204m). A similar picture is described when we examine value of Granted Permissions across the regions. Connacht/Ulster displays a marginal +4% increase to €143m with drops in Dublin -56% (€162m), Munster -24% (€177m) and Leinster -1% (€137m).

A spike in the value of Commencements (due to the Pairc Ui Chaoimh Development) is observed in Munster of +252% (€168m) over 2014, however all other regions witness significant decrease – Connacht/Ulster -57% (€29m), Leinster -32% (€38m) and Dublin -20% (€74m).

Average time from application to commencement



At 70 weeks Application to Commencement durations are slightly below industry average for this sector.

Sector outlook

The outlook for this sector continues to be negative. The pipeline of new Applications and Granted Permissions has decreased year on year during 2015.

Q1-Q4 2015 applications regional distribution



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Methodology: 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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