Q1 CONSTRUCTION ACTIVITY REPORT

CIS CONSTRUCTION INFORMATION SERVICES

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Q1 2020: PIPELINE ACTIVITY AND PROJECT STARTS

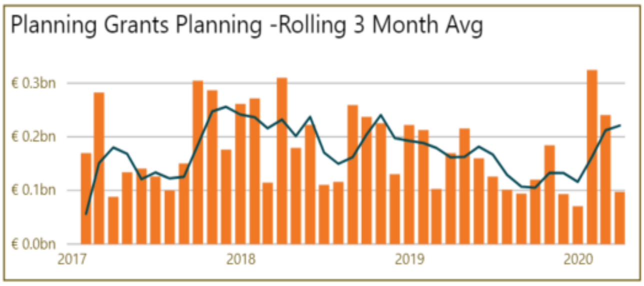
COMMERCIAL, RETAIL & HOSPITALITY

PIPELINE

Q1 2020

Planning permission granted in Q1 2020 in the Commercial, Retail and Hospitality Sector showed a healthy 37% increase in investment from the same period last year despite a decline in the overall number of projects and a 15% fall in floor area. The rise to €662m was a welcome return to growth in a sector that was generally in decline over 2019.

Projects	Project Value	Floor Area (SqM)
285	€ 662.16M	314.03K
-4%	+37%	-15%
(vs Q1 2019)	(vs Q1 2019)	(vs Q1 2019)



The largest project was the €180m [Opera Site in Limerick] granted permission in February.

Office developments alone accounted for nearly 50% of the rise in project values. Hotel beds showed a 51% decline from the same period last year with a total of 555 beds approved for development over 18 projects. In the restaurant sector there were signs of increased activity with 43 projects granted planning - a 26% increase from Q1 2019.

REGIONS

EASTERN AND MIDLAND *(49% BY VALUE)*

- 3% fall in project value from Q1 2019
- 87% of pipeline is in Dublin (all 10 hotel projects approved located here)
- Largest project: [€92m Development of three office blocks] Dublin 18

Projects	Project Value	Floor Area (SqM)
143	€ 334.62M	191.19K
-1%	-3%	-14%
(vs Q1 2019)	(vs Q1 2019)	(vs Q1 2019)

SOUTHERN (45% BY VALUE)

- Nearly 10-fold increase in project value from Q1 2019
- 77% of pipeline value accounted for by two Limerick projects
- [€3.2m Apart-Hotel] development approved in Kilkenny (under appeal)

Projects	Project Value	Floor Area (SqM)
86	€ 296.74M	98.1K
-4%	+930%	+207%
(vs Q1 2019)	(vs Q1 2019)	(vs Q1 2019)

NORTHERN AND WESTERN *(5% BY VALUE)*

- 79 Hotel Beds granted - a 61% fall from Q1 2019
- 50% of pipeline is in Galway
- Border counties show a 28% rise in projects from Q1 2019 whilst Western counties (Galway, Roscommon, Mayo) show a 30% fall

Projects	Project Value	Floor Area (SqM)
56	€ 30.8M	24.74K
-10%	-72%	-79%
(vs Q1 2019)	(vs Q1 2019)	(vs Q1 2019)

COMMERCIAL, RETAIL & HOSPITALITY

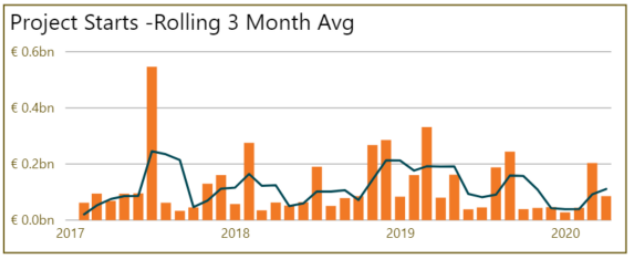
STARTS

Q1 2020

Project Starts in Q1 2020 in the Commercial, Retail and Hospitality Sector showed declines in the number of projects, value of investment and floor area as compared to Q1 2019.

Projects	Project Value	Floor Area (SqM)
90 -49% (vs Q1 2019)	€ 333.35M -42% (vs Q1 2019)	184.38K -43% (vs Q1 2019)

The largest project started was a new [€85m mixed-use office development] in Dublin 2 with demolition works starting in mid-February.



Starts on office developments were up 15% to €249m with Dublin dominating having the four largest projects in this sector. Hospitality showed an 88% decline from Q1 2019 to €29m with works focussed primarily in Dublin and Limerick. Investment in hotel bedrooms fell by 87% to 122 over the same period last year. Projects starting in the retail sector fell 51% over Q1 2019 to €52m.

REGIONS

EASTERN AND MIDLAND *85% BY VALUE)*

- Dublin accounts for over 92% of all starts in Q1 2020 in the Eastern region – three projects alone account for €214m (75% of starts)
- Largest project outside of Dublin is the [€14.5 Extension to Kildare Tourist Outlet Village]
- 97 new hotel beds included in Q1 2020 developments – all within Dublin

Projects	Project Value	Floor Area (SqM)
42 -58% (vs Q1 2019)	€ 283.29M -46% (vs Q1 2019)	122.84K -57% (vs Q1 2019)

SOUTHERN (11% BY VALUE)

- Projects started fell by 35% over Q1 2019 but project value rose by just over 100% to €37m
- Largest project is a [€8.6m 15 Storey Office Development] in Cork City
- Hospitality and retail sectors show significant growth in investment over the same period last year

Projects	Project Value	Floor Area (SqM)
30 -35% (vs Q1 2019)	€ 37.22M +102% (vs Q1 2019)	26.05K +75% (vs Q1 2019)

NORTHERN AND WESTERN *(4% BY VALUE)*

- Projects starting in Q1 2019 dominated by office and retail
- Largest project is a €4m - [Food Innovation Campus] in Athenry
- Galway accounts for over 50% of project starts (€7m)

Projects	Project Value	Floor Area (SqM)
18 -42% (vs Q1 2019)	€ 12.84M -59% (vs Q1 2019)	35.49K +45% (vs Q1 2019)

INDUSTRIAL

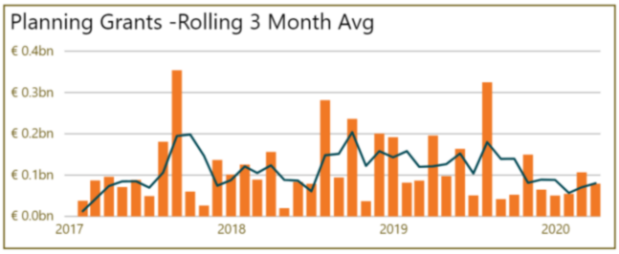
PIPELINE

Q1 2020

The Industrial pipeline has been in decline since the middle of 2019 and the figures for Q1 2020 show a 34% fall in investment from the same period in 2019.

Projects	Project Value	Floor Area (SqM)
112	€ 240.68M	236.46K
-19%	-34%	-17%
(vs Q1 2019)	(vs Q1 2019)	(vs Q1 2019)

The largest projects were a [€52m Data Centre in Meath]() and a [€46m Business Park]() in Ardee, Co. Louth which received extension of duration permission.



Factory and Light Industrial account for 50% of projects by value, a 60% increase over Q1 2019. All other sub-sectors show a decline in pipeline activity with Warehousing/Storage down 42% by value to just over €65m; Laboratory and Research facilities dropping 97% to just €3.2m and the single €51m data centre project in Meath representing a 36% decline in investment from the same period last year.

REGIONS

EASTERN AND MIDLAND *(64% BY VALUE)*

- Meath and Louth lead the way with two large scale projects (see above) accounting for nearly two thirds of Q1 2020 investment
- Midlands, (Laois, Longford, Offaly, Westmeath), show a 42% decline in pipeline investment accounting for just under 5% of overall investment

Projects	Project Value	Floor Area (SqM)
42	€ 154.95M	137.33K
-7%	+32%	+6%
(vs Q1 2019)	(vs Q1 2019)	(vs Q1 2019)

SOUTHERN (27% BY VALUE)

- Co. Cork accounts for 72% of pipeline investment in the Southern region (€46m)
- Largest project is [€16m Logistics and Warehousing Units]() in Harbour Point Business Park in Cork

Projects	Project Value	Floor Area (SqM)
38	€ 63.74M	70.56K
-42%	-72%	-45%
(vs Q1 2019)	(vs Q1 2019)	(vs Q1 2019)

NORTHERN AND WESTERN *(9% BY VALUE)*

- Pipeline investment up 15% on Q1 2019
- Investment spread across region: Galway €6m; Sligo €4m; Monaghan €4m; Mayo €3m
- Two thirds of investment in factory and other industrial developments (€14m) and one third in warehousing and storage developments (€7m)

Projects	Project Value	Floor Area (SqM)
32	€ 21.98M	28.58K
+10%	+15%	+3%
(vs Q1 2019)	(vs Q1 2019)	(vs Q1 2019)

INDUSTRIAL

STARTS

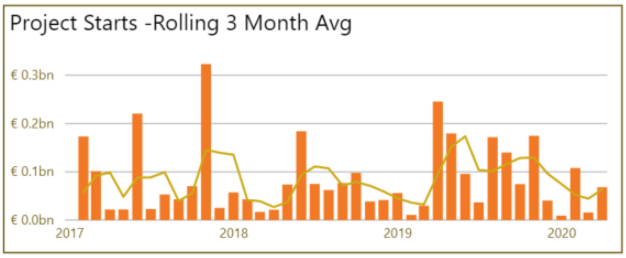
Q1 2020

Forty industrial projects started in Q1 2020, a 9% fall from previous period last year.

The largest project started in this sector was the main works for the [€65m Forensic Science Laboratory] in Co. Kildare.

Investment in Laboratory and Research facilities rose by 26% from Q1 2019 to just over €103m. Factory and other Industrial starts fell by 81% to €31m over the same period last year. Warehouse and storage facilities saw on the ground activity reach €58m - an 18% rise over Q1 2019.

Projects	Project Value	Floor Area (SqM)
40	€ 191.58M	139.51K
-9%	-33%	-6%
(vs Q1 2019)	(vs Q1 2019)	(vs Q1 2019)



REGIONS

EASTERN AND MIDLAND *(82% BY VALUE)*

- 88% of starts accounted for by four projects over €10m in Kildare, Dublin (2) and Louth
- 62% of starts outside of Dublin including Forensic Science Lab above and a [€24m - Pharmaceutical Manufacturing Facility] in Dundalk
- 165% increase in warehouse and storage facility starts over Q1 2019 representing an investment of €52m

Projects	Project Value	Floor Area (SqM)
18	€ 157.25M	107.92K
+13%	-33%	+30%
(vs Q1 2019)	(vs Q1 2019)	(vs Q1 2019)

SOUTHERN (14% BY VALUE)

- Starts in Cork dominate with €21m of investment
- Largest project started was a [€9m Food Innovation Hub] in Fermoy for Teagasc
- Outside of Cork, Limerick has the largest investment with over €5m of starts across three projects

Projects	Project Value	Floor Area (SqM)
19	€ 26.65M	22.28K
-17%	-45%	-63%
(vs Q1 2019)	(vs Q1 2019)	(vs Q1 2019)

NORTHERN AND WESTERN *(4 % BY VALUE)*

- Only three project starts recorded in this region
- Largest project is [€5.7m - Manufacturing Facility] in Co. Cavan

Projects	Project Value	Floor Area (SqM)
3	€ 7.68M	9,322
-40%	+116%	+106%
(vs Q1 2019)	(vs Q1 2019)	(vs Q1 2019)

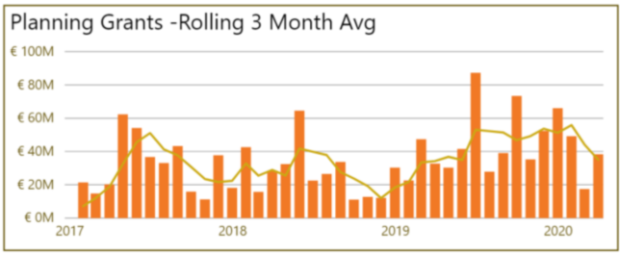
EDUCATION

PIPELINE

Q1 2020

The investment pipeline for education projects rose by 2% in Q1 2020 from Q1 2019 although the number of projects granted planning approval fell by 8% to 103. The number of classrooms planned rose by 4% to 292.

Projects	Project Value	Floor Area (SqM)
103	€ 105.04M	91.78K
-8%	+2%	+23%
(vs Q1 2019)	(vs Q1 2019)	(vs Q1 2019)



The largest project is a [€28m College development] for IT Tralee in Kerry – a PPP project involving the NDFA.

Investment in schools rose by 18% from Q1 2019 to €64.5m and investment in third level fell by 15% over the same period to €37.6m. Three schools' projects valued at over €10m were approved - two in Dublin and one in Newtown, Co. Waterford. Plans were granted for 19 Creche and nursery school projects totalling €2.89m.

REGIONS

EASTERN AND MIDLAND *(41% BY VALUE)*

- While investment fell by 52% here the number of classrooms (197) was just 1% below the figure for Q1 2019.
- Dublin: 24 projects, 150 classrooms; Midlands: 10 projects, 13 classrooms; Mid East: 12 projects, 34 classrooms

Projects	Project Value	Floor Area (SqM)
46	€ 42.86M	52.65K
-21%	-52%	-18%
(vs Q1 2019)	(vs Q1 2019)	(vs Q1 2019)

SOUTHERN (47% BY VALUE)

- Southern Region had biggest share of pipeline investment
- Plans approved for schools rose by 13% from Q1 2019
- Largest school project is the [€10m Newtown School in Co. Waterford]

Projects	Project Value	Floor Area (SqM)
34	€ 48.96M	28.62K
+13%	+506%	+319%
(vs Q1 2019)	(vs Q1 2019)	(vs Q1 2019)

NORTHERN AND WESTERN *(12% BY VALUE)*

- Pipeline investment rose 195% across 23 projects from Q1 2019
- Largest project approved was the [€9m College building] and associated works for Letterkenny IT.
- Pipeline investment in schools fell by 24% to €3m with 14 classrooms

Projects	Project Value	Floor Area (SqM)
23	€ 13.21M	10.51K
-4%	+195%	+196%
(vs Q1 2019)	(vs Q1 2019)	(vs Q1 2019)

EDUCATION

STARTS

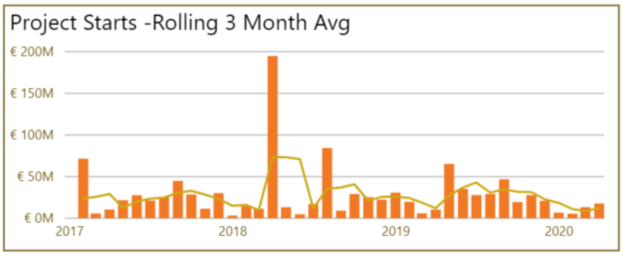
Q1 2020

Although project starts in the Education sector rose by 2% to €36.6m from Q1 2019 the actual number of new classrooms started, fell by 11% to 161.

The largest project started was a €9m [97 Bedroom dormitory]() for Alexandra College in Dublin 6.

Creches and Nurseries account for 7% of the new starts (€2.41m). Apart from a €200k Library project for DIT there were no significant new starts in the third level sector. Fifty three schools projects started including three valued at over €5m.

Projects	Project Value	Floor Area (SqM)
62 +15% (vs Q1 2019)	€ 36.64M +2% (vs Q1 2019)	27.64K +4% (vs Q1 2019)



REGIONS

EASTERN AND MIDLAND *(58% BY VALUE)*

- Sixteen of the 29 new project starts were in Dublin
- 30% rise, from Q1 2019, in the number of new classrooms started (78) – 35 outside of Dublin
- 13% fall in number of projects started outside of Dublin (13) compared to Q1 2019

Projects	Project Value	Floor Area (SqM)
29 +38% (vs Q1 2019)	€ 21.36M +93% (vs Q1 2019)	14.62K +66% (vs Q1 2019)

SOUTHERN (32% BY VALUE)

- Seven project starts in Cork totalling €9.63m equating to 52 new classrooms
- Total number of new classrooms started in Q1 2020 was 67

Projects	Project Value	Floor Area (SqM)
19 +27% (vs Q1 2019)	€ 11.69M +23% (vs Q1 2019)	10.09K +32% (vs Q1 2019)

NORTHERN AND WESTERN *(10% BY VALUE)*

- Fourteen project starts – a fall of 22% over Q1 2019
- 16 new classrooms started
- Largest project is [a €1m extension to St. Patrick's National]() School in Leitrim
- Galway has five project starts totalling €1.7m

Projects	Project Value	Floor Area (SqM)
14 -22% (vs Q1 2019)	€ 3.58M -77% (vs Q1 2019)	2,937 -71% (vs Q1 2019)

MEDICAL

PIPELINE

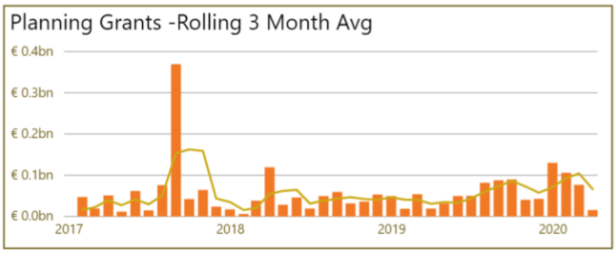
Q1 2020

Pipeline investment in the Medical sector rose to €198m – a 116% increase over the same period in 2019.

The pipeline for nursing home beds increased by 93% over Q1 2019 to 668 bedspaces and continued a rising pipeline from Q3 2019 onwards. Total investment over the period was over €91m. Hospital beds planned over the same period showed a modest 8% increase to 54.

The largest project is a [€50m eight storey hospital/ healthcare facility] for Vanguard Health Services International Limited planned for Swords.

Projects	Project Value	Floor Area (SqM)
64	€ 198.04M	93.22K
+5%	+116%	+88%
(vs Q1 2019)	(vs Q1 2019)	(vs Q1 2019)



The buoyant Nursing Home sector boasted several large projects spread across the country with the largest being a [€20.5m - Community Nursing Unit] on the grounds of St. Finbarr's Hospital in Cork.

REGIONS

EASTERN AND MIDLAND *(45% BY VALUE)*

- Despite a 16% fall in the number of pipeline projects, investment rose by 84% over Q1 2019 to €88.6m
- Bedspaces: Hospital (44); Nursing Home (152)
- Investment outside of Dublin accounted for €18.7m with an [€11.2m Nursing Home] in Meath being the largest project

Projects	Project Value	Floor Area (SqM)
27	€ 88.56M	40.1K
-16%	+84%	+57%
(vs Q1 2019)	(vs Q1 2019)	(vs Q1 2019)

SOUTHERN (42% BY VALUE)

- 86% of pipepline investment is in Nursing Home sector (450 beds)
- Largest four projects, all for the HSE, in Cork (2), Kilkenny and Tipperary
- February 2020 shows largest single investment in Nursing Homes in recent years with 6 projects granted planning permission totalling over €51m

Projects	Project Value	Floor Area (SqM)
28	€ 83.19M	38.79K
+100%	+466%	+344%
(vs Q1 2019)	(vs Q1 2019)	(vs Q1 2019)

NORTHERN AND WESTERN *(13% BY VALUE)*

- An 8% fall in pipeline investment to just over €26m
- Largest project is a [€16m - Primary Care Centre] in Donegal
- Border Region accounts for nearly all pipeline investment in medical sector with only one small project in the Western region

Projects	Project Value	Floor Area (SqM)
9	€ 26.29M	14.33K
-40%	-8%	-6%
(vs Q1 2019)	(vs Q1 2019)	(vs Q1 2019)

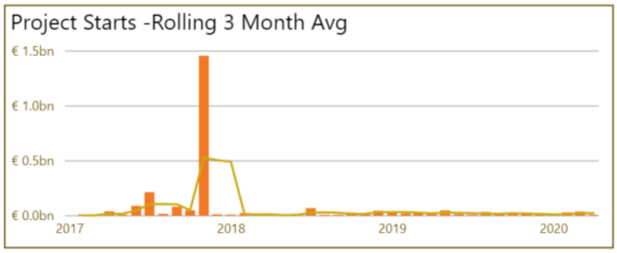
MEDICAL

STARTS

Q1 2020

Project starts were down 3% from the same period last year although the value of the starts rose by 10% to €71m.

An additional 447 nursing home beds – up over 200% from Q1 2019 were started. Projects starting in the Nursing home sector equate to €49.2m. The largest Nursing home project was a [€13m 93-bed residential care nursing home] in Cork.



There were seven hospital project extensions/refurbishments started but no new hospital beds created. The total value of hospital projects started was €9.6m. This represents a 60% fall over the same period last year.

REGIONS

EASTERN AND MIDLAND *(41% BY VALUE)*

- 18% fall in value of starts over Q1 2019
- 62% of nursing home bed starts (276)
- Largest project in Eastern region is [€10.9m - Nursing Home Complex] in Duleek, Co. Meath

SOUTHERN (52% BY VALUE)

- 32% increase in value of starts from Q1 2019 to €37m
- 157 Nursing Home beds started from two projects in Cork and Tipperary (up 19% from Q1 2019)
- Largest projects outside of Cork are a [€6.4m Nursing Home Extension] in Clonmel and a [€5.6m Mortuary Building] in Wateford for the HSE

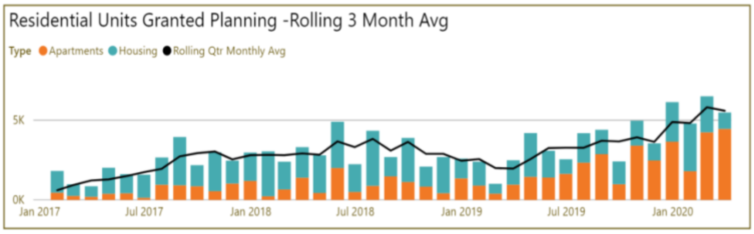
NORTHERN AND WESTERN *(6% BY VALUE)*

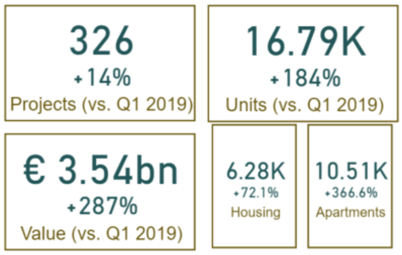
- €4.38m invested in six new starts
- Majority of activity in Western region (€4m)
- Two largest projects were both nursing home extensions in Mayo - [€1.7m - Nursing Home Extension] in Ballina and a [€1.6m - Nursing Home Extension] in Kiltimagh

RESIDENTIAL

PIPELINE

Q1 2020





- Pipeline investment in the residential sector for Q1 2020 showed a 14% increase from Q1 2019 in terms of value and a huge 184% increase in the number of units proposed for development
- Traditional Housing schemes showed a 72% rise in volume granted planning permission to 6,281 units
- Apartment developments showed a massive 367% increase in units to just over 10.5k
- Significant growth in the development of one and two bed apartments equating to 9,882 units (73% in Dublin)
- Nine projects valued at over €100m

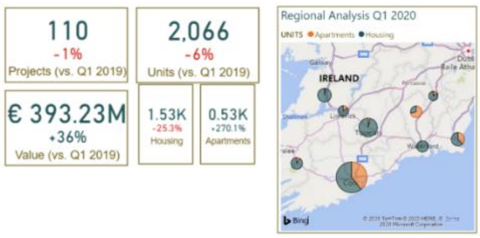
REGIONS

EASTERN AND MIDLAND *(85% BY VALUE)*

- Dublin alone accounted for 64% by value of all residential development in Ireland
- Over 14k units in pipeline - a rise of over 300% on Q1 2019
- Largest development outside of Dublin - [€130m development] in Meath for 661 Units

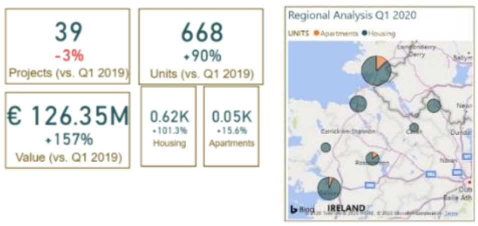
SOUTHERN (11% BY VALUE)

- 25% fall in housing units to just over 1,500 units compared to Q1 2019
- 270% rise in apartment units pipeline from Q1 2019 to over 500 units
- Cork pipeline for apartments is 338 units
- Largest project is [217 unit development] in Tipperary



NORTHERN AND WESTERN *(4% BY VALUE)*

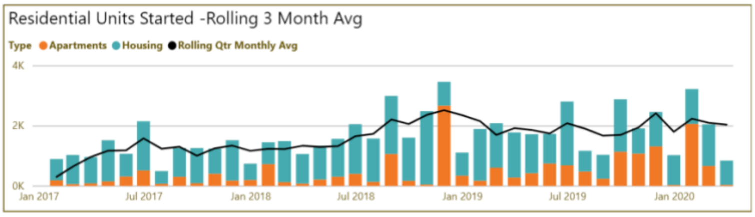
- Donegal accounts for nearly 40% of units in pipeline
- Largest development is [€11.4m development in Sligo] which includes 91 units
- Galway city and county pipeline remains modest with 179 units planned in the quarter and an 8% fall in the number of pipeline projects



RESIDENTIAL

STARTS

Q1 2020



137	6127
-15%	+6%
Projects (vs. Q1 2019)	Units (vs. Q1 2019)

€ 976M	3.36K	2.77K
+4%	-28.7%	+160.2%
Value (vs. Q1 2019)	Housing	Apartments

- The number of residential units in the 137 projects that started in Q1 2020 was 6,127 with a total overall value of €967m representing a 4% rise over the same period last year
- Traditional housing units started fell by 29% to nearly 3,400
- Apartment units started rose 160% to nearly 2,800
- Largest project started is a [€94m mix of housing and apartments in Baldoyle] for 550 units
- The rise in the development of one and two bedroom apartments is forecast to continue with 1,714 two bed apartments and 685 one-bed apartments started
- Significant fall in Social housing starts over same period last year (18 projects equating to 259 units)

REGIONS

EASTERN AND MIDLAND *(82% BY VALUE)*

- Dublin account for 74% of housing starts in the Eastern Region (61% nationally)
- Outside of Dublin, Kildare (558 units) and Louth (472 units) have the largest number of starts
- Twenty projects valued at over €10m - seven outside of Dublin

72	4963
-5%	+36%
Projects (vs. Q1 2019)	Units (vs. Q1 2019)

€ 805M	2.3K	2.67K
+25%	-12.5%	+164.1%
Value (vs. Q1 2019)	Housing	Apartments

SOUTHERN (13% BY VALUE)

- 55% fall in value of projects started over Q1 2019
- Starts in Cork represent nearly 60% of region
- Largest project is [€53m Development in Kinsale] (only project over €10m)
- Apartment developments remain low by comparison to Eastern region

44	814
-33%	-55%
Projects (vs. Q1 2019)	Units (vs. Q1 2019)

€ 129M	0.72K	0.09K
-48%	-59.3%	+88.0%
Value (vs. Q1 2019)	Housing	Apartments

NORTHERN AND WESTERN *(4% BY VALUE)*

- Rise in number of units started despite 6% fall in level of project values
- Investment in public housing falls by 50% over same period last year to €8m
- Largest project is a [€14m Housing Development] in Sligo for 88 units

21	350
+5%	+11%
Projects (vs. Q1 2019)	Units (vs. Q1 2019)

€ 42M	0.34K	0.01K
-6%	+9.7%	+100.0%
Value (vs. Q1 2019)	Housing	Apartments

METHODOLOGY

METHODOLOGICAL NOTES

- CIS monitor construction activity in Ireland at project level. Our team of researchers track major projects from planning to completion and gather relevant data and metrics. The analysis in this report excludes self-build projects. Whilst we do track all projects, including residential self-builds and extensions, our analysis has shown that projects over €500k/£500k and residential developments of 10 units or more represent, on average, over 90% of total project value with their sectors.
- **Project Values:** Project values are calculated by an in-house CIS cost calculator created with the help of QS and project costing professionals. Projects values are based on shell and core construction costs calculated by using various metrics such as floor area, housing units, road lengths. Factored into the calculations is the type of build and the location of the build
- The figures on starts shown here represent gross figures. Phased developments are not taken into consideration when commenting on project starting
- **"Pipeline"** refers to projects that have been granted planning permission. Dates used are the Planning Decision date as opposed to the Final Grant date
- **"Starts"** refer to projects that began in the period under consideration as confirmed by CIS research team
- **Rolling Three Month Averages** are a standard method of smoothing out spikes measures over time by taking an average of the aggregation of the previous three months

REGIONS USED REPORT

The regional classifications used in the report follow the Eurostat NUTS regions as described below

NUTS2	NUTS3	County
Eastern & Midland	Dublin	Co. Dublin
	Mid-East	Co. Kildare
		Co. Louth
		Co. Meath
		Co. Wicklow
	Midlands	Co. Laois
		Co. Longford
		Co. Offaly
		Co. Westmeath
Northern & Western	Border	Co. Cavan
		Co. Donegal
		Co. Leitrim
		Co. Monaghan
		Co. Sligo
	West	Co. Galway
		Co. Mayo
		Co. Roscommon
Southern	Mid-West	Co. Clare
		Co. Limerick
		Co. Tipperary
	South-East	Co. Carlow
		Co. Kilkenny
		Co. Waterford
		Co. Wexford
	South-West	Co. Cork
		Co. Kerry

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