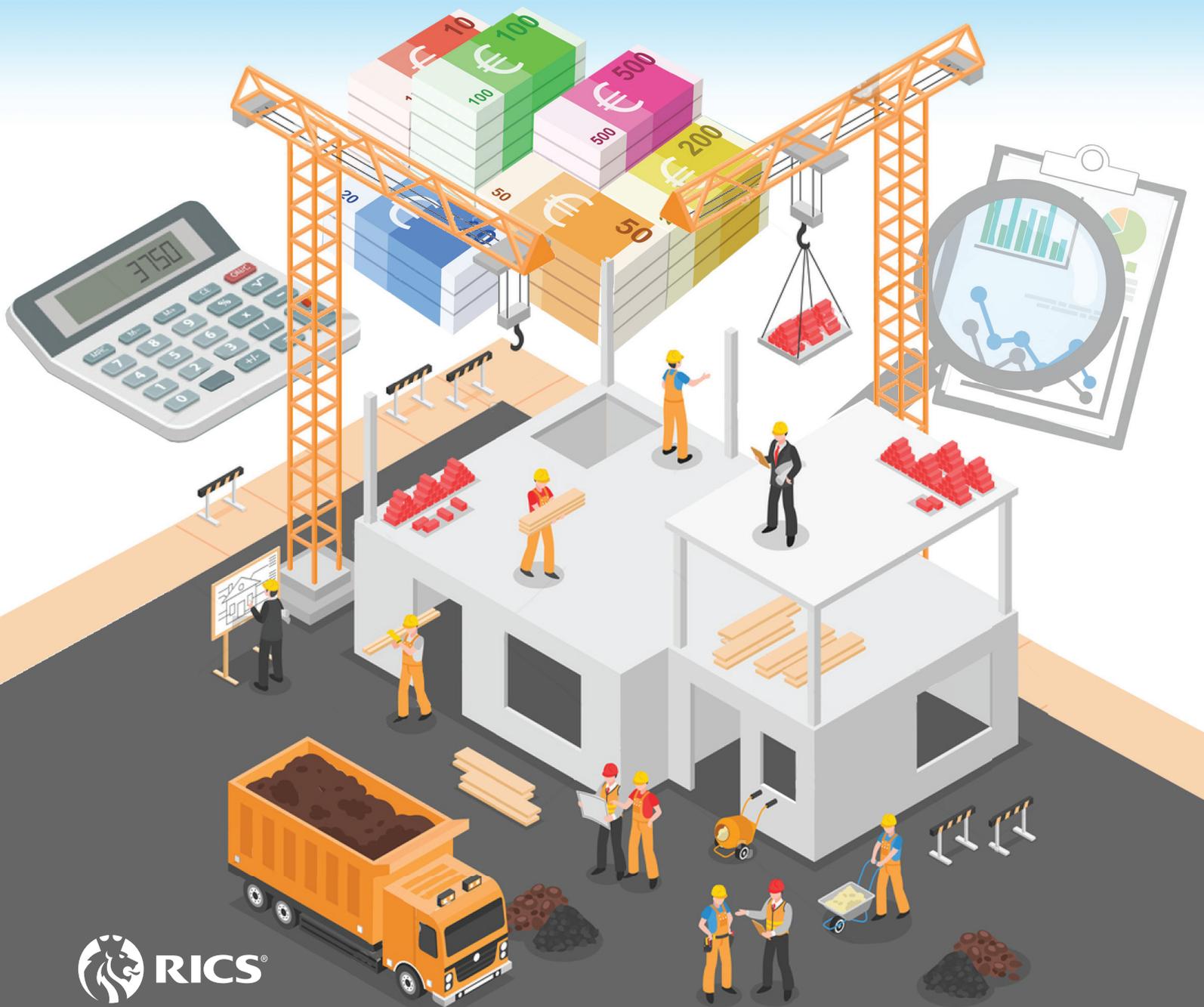


TENDER PRICE INDEX

April 2021



ACTIVITY LEVELS REMAINED STRONG DURING EASING OF COVID RESTRICTIONS

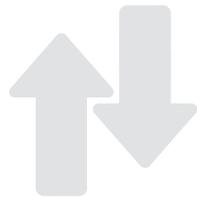


Yearly growth at 2.2%, down from 3.7%



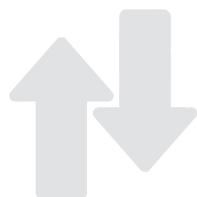
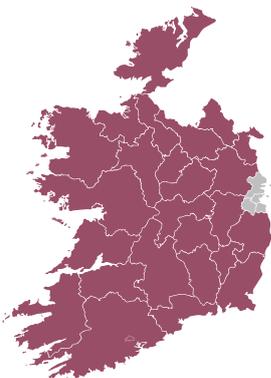
The Society of Chartered Surveyors Ireland Tender Price index reveals that national construction tender prices increased by 1.3% in the second half of 2020, up from 0.9% in the previous 6 months. The results indicate a slight rebound of tender price growth in the construction sector, with national annual inflation now at 2.2% (Jan 2020 to Dec 2020), however it is still significantly less than tender price inflation levels pre-Covid.

This survey was conducted in February 2021 during a period of the closing of construction activity due to COVID-19 restrictions.



DUBLIN

The rate of inflation in Dublin has increased marginally from what was reported in first half the year (0.9%, 1H 2020) to 1.5% in 2H 2020.



PROVINCES EXCL. DUBLIN

The SCSI tracks tender price inflation across all provinces and excludes Dublin for the Leinster region for the purposes of rates comparison. The rate for the Rest of Leinster has further decreased from what was reported in 1H2020 (1.4%) to 0.5% in 2H2020. Rates for Munster and Connacht/Ulster both increased in the second half of the year. Munster rates increased from 0.8% in 1H2020 to 1.1% in 2H2020. Rates in Connacht/Ulster saw the most significant provincial increase going from 0.9% in 1H2020 to 2.1% in 2H2020.

Table 1: Tender Price – 6 months

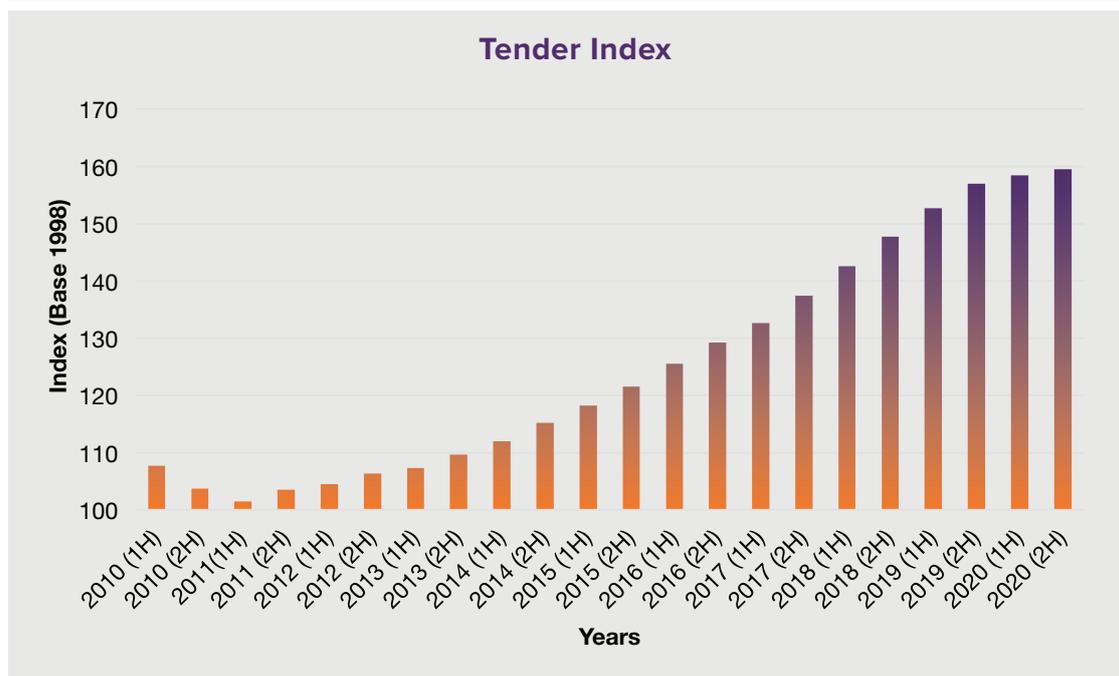
Location	2h 2020
Dublin	1.5%
Rest of Leinster	0.5%
Munster	1.1%
Connacht/Ulster	2.1%
National	1.3%

The chairperson of the Quantity Surveying Committee, Tomás Kelly said;

“National tender price inflation has decreased over the past 12 – 18 months with lower single digit growth now recorded in 2020. However, the second half of 2020 saw a slight upward shift in tender inflation sentiment which can be largely attributed to the reopening of the sector following easing of Covid restrictions in summer 2020. Our members are still reporting an active sector during the second half of 2020 with many public and private projects still advancing to tender and contract stages”.

“The prolonged reclosing of the sector in early 2021 is likely to dampen some activity over the coming months, with the full extent of this impact not likely to translate in our index until mid-summer. Due to this prolonged lockdown, our regular forecasting of tender prices is not a feature of this report until such time that the sector reopens, and a more considered assessment of activity is known”.

Fig 1. Construction Tender Prices (2010 – 2020)



The index numbers are as follows:

Figure 2: Index numbers since 1998

First Half 1998	100.0	First Half 2006	146.7	First Half 2014	112.0
Second Half 1998	103.8	Second Half 2006	151.7	Second Half 2014	115.2
First Half 1999	108.6	First Half 2007	152.0	First Half 2015	118.2
Second Half 1999	116.1	Second Half 2007	145.2	Second Half 2015	121.5
First Half 2000	121.7	First Half 2008	140.7	First Half 2016	125.5
Second Half 2000	130.7	Second Half 2008	130.0	Second Half 2016	129.2
First Half 2001	132.2	First Half 2009	116.4	First Half 2017	132.6
Second Half 2001	136.9	Second Half 2009	107.7	Second Half 2017	137.4
First Half 2002	133.9	First Half 2010	103.7	First Half 2018	142.6
Second Half 2002	130.1	Second Half 2010	101.5	Second Half 2018	147.7
First Half 2003	127.2	First Half 2011	101.5	First Half 2019	152.7
Second Half 2003	129.3	Second Half 2011	103.5	Second Half 2019	157.0
First Half 2004	135.3	First Half 2012	104.5	First Half 2020	158.4
Second Half 2004	139.4	Second Half 2012	106.4	Second Half 2020	160.5
First Half 2005	142.6	First Half 2013	107.3		
Second Half 2005	144.7	Second Half 2013	109.7		

Methodology and Use of Data Notes -

The Index is the only independent assessment of construction tender prices in Ireland. It is compiled by the Quantity Surveying members of the Society. The Tender Price Index (TPI) is based largely on sentiment returns with actual tender returns included in the calculations. The TPI is for non-residential projects during the period in question. It is based on predominately new build projects with values in excess of € 0.5m and covers all regions of Ireland. The Index relates to average price increases across differing project types and locations. It should be regarded as a guide only when looking at any specific project, as the pricing of individual projects will vary depending on such factors as their complexity, location, timescale, etc.

Due to continuation of Covid restrictions on the construction sector in 2021, except for essential services, the forecast of tender prices is excluded from this 6-month report.

It is important that the Tender Price sentiment report is used appropriately and not for all construction projects, including those in the residential sector and those below €0.5 million. Project specific advice should be sought from a Chartered Quantity Surveyor before deciding an appropriate TPI provision for individual construction projects.

Dating back to 1895, the Society of Chartered Surveyors www.scsi.ie Ireland is the independent professional body for Chartered Surveyors working and practicing in Ireland.

Working in partnership with RICS, the pre-eminent Chartered professional body for the construction, land and property sectors around the world, the Society and RICS act in the public interest: setting and maintaining the highest standards of competence and integrity among the profession; and providing impartial, authoritative advice on key issues for business, society and governments worldwide.

Advancing standards in construction, land and property, the Chartered Surveyor professional qualification is the world's leading qualification when it comes to professional standards. In a world where more and more people, governments, banks and commercial organisations demand greater certainty of professional standards and ethics, attaining the Chartered Surveyor qualification is the recognised mark of property professionalism.

Members of the profession are typically employed in the construction, land and property markets through private practice, in central and local government, in state agencies, in academic institutions, in business organisations and in non-governmental organisations.

Members' services are diverse and can include offering strategic advice on the economics, valuation, law, technology, finance and management in all aspects of the construction, land and property industry.

All aspects of the profession, from education through to qualification and the continuing maintenance of the highest professional standards are regulated and overseen through the partnership of the Society of Chartered Surveyors Ireland and RICS, in the public interest.

This valuable partnership with RICS enables access to a worldwide network of research, experience and advice.

www.scsi.ie

Society of Chartered Surveyors Ireland,
38 Merrion Square,
Dublin 2, D02 EV61,
Ireland.

Tel: + 353 (0)1 644 5500

Email: info@scsi.ie