

# CONSTRUCTION INDUSTRY FORECAST

FOR THE UK AND REPUBLIC OF IRELAND

2025-2026



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# EXPERT INSIGHTS TO DRIVE YOUR CONSTRUCTION STRATEGY FORWARD



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# REPUBLIC OF IRELAND

*CIS is the leading provider of business intelligence to the Northern Ireland and Republic of Ireland construction industry and was acquired by Glenigan in 2021.*

## ECONOMIC CONTEXT

**After many years of external shocks to the economy, Ireland appears to be entering a period of relative calm. Inflation rates in Ireland have reduced to levels commensurate with stability, with the resultant real wage growth being reflected in increased consumer spending.**

The economy is operating at full employment. Boosted by net inward migration, employment continues to grow, but bottlenecks remain in the construction industry in the areas of housing and infrastructure.

In September 2024, the seasonally adjusted unemployment rate was 4.3%, which was down from a revised rate of 4.4% in August 2024. On an annual basis, the seasonally adjusted unemployment rate fell to 4.3% in September 2024 from a revised rate of 4.5% in September 2023.

Externally, GDP, driven largely by foreign-dominated sectors, will contract in 2024 by 0.4% followed by a recovery to a growth rate of 2.5% in 2025.

Despite a notable decline in headline investment levels, the overall outlook remains positive for the Irish economy. Real wage growth is expected to continue, interest rates are predicted to decline further and demand for labour is strong.

The ESRI Nowcast October report estimates that Modified Domestic Demand (MDD) is growing at 3% year-on-year, driven primarily by tax revenue and house price growth. MDD is regarded as a more accurate measure of underlying Irish economic performance.

There are some notes of caution however as outlined in the government's Summer Economic Statement:

- Geopolitical tensions make for an uncertain outlook.
- ↗ While the headline position remains positive, public finances remain heavily reliant on volatile 'windfall' corporate tax receipts that are not linked to the domestic economy.
- ↘ On an underlying basis, i.e. excluding windfall receipts, a deficit is in prospect again this year.
- Over the medium term, the "4Ds" – demographic change, decarbonisation, digitalisation and deglobalisation – will have profound implications for public finances.
- Limiting the exposure of the public finances to concentration risk and helping future Governments address the structural challenges on the horizon is at the heart of the Government's decision to establish the Future Ireland Fund and the Infrastructure, Climate and Nature Fund.

## CONSTRUCTION STARTS

Data included to end of Q3 2024, Forecast data for Q4 2024 to 2026

**Construction starts in Ireland are already at record levels in 2024. At the end of the third quarter, starts, at €13.4bn, have surpassed the total value of starts in 2023 (€11.6bn).**

This sharp rise in on-the-ground activity is attributable primarily to the residential sector, where government-led incentives have prompted a huge rise in housing commencements. At the end of quarter three this year, 55,000 new housing units had commenced, already surpassing last year's record high of 33,000. In the non-residential sector (excluding Civil), starts this year are projected to rise by nearly 30% before steadying off again. The Civil sector looks set to record a 49% fall in investment which reflects the erratic nature of this sector which is skewed by large scale infrastructure projects.

**TABLE 1:** Value of Underlying Project Starts (under €100 million) by Sector

| € million                  | 2023          | 2024f         | 2025f        | 2026f         |
|----------------------------|---------------|---------------|--------------|---------------|
| <b>AGRICULTURE</b>         | 56            | 59            | 60           | 62            |
| <b>CIVIL AND UTILITIES</b> | 2,348         | 1,200         | 1,250        | 1,275         |
| <b>COMMERCIAL</b>          | 795           | 438           | 440          | 470           |
| <b>COMMUNITY AND SPORT</b> | 182           | 263           | 275          | 280           |
| <b>EDUCATION</b>           | 422           | 273           | 320          | 365           |
| <b>HOSPITALITY</b>         | 99            | 375           | 385          | 410           |
| <b>INDUSTRIAL</b>          | 1,280         | 1,168         | 1,100        | 1,200         |
| <b>MEDICAL</b>             | 308           | 1,521         | 435          | 441           |
| <b>RESIDENTIAL</b>         | 6,104         | 12,000        | 4,500        | 5,500         |
| <b>ALL</b>                 | <b>11,594</b> | <b>17,296</b> | <b>8,765</b> | <b>10,003</b> |

Source: CIS & Glenigan. f = forecast

**TABLE 2:** Growth in the value of Underlying Project Starts (under €100 million) by Sector

| Annual Change              | 2023       | 2024f      | 2025f       | 2026f      |
|----------------------------|------------|------------|-------------|------------|
| <b>AGRICULTURE</b>         | -14%       | 6%         | 2%          | 3%         |
| <b>CIVIL AND UTILITIES</b> | 90%        | -49%       | 4%          | 2%         |
| <b>COMMERCIAL</b>          | 6%         | -45%       | 0%          | 7%         |
| <b>COMMUNITY AND SPORT</b> | -12%       | 44%        | 5%          | 2%         |
| <b>EDUCATION</b>           | -18%       | -35%       | 17%         | 14%        |
| <b>HOSPITALITY</b>         | -10%       | 280%       | 3%          | 6%         |
| <b>INDUSTRIAL</b>          | 3%         | -9%        | -6%         | 9%         |
| <b>MEDICAL</b>             | -29%       | 394%       | -71%        | 1%         |
| <b>RESIDENTIAL</b>         | 16%        | 97%        | -63%        | 22%        |
| <b>ALL</b>                 | <b>18%</b> | <b>49%</b> | <b>-49%</b> | <b>14%</b> |

Source: CIS & Glenigan. f = forecast

## RESIDENTIAL

The current housing market in Ireland is marked by several key trends and challenges. House prices in Dublin, Cork, and Galway are still high due to strong demand driven by economic growth, job opportunities, and the presence of multinational corporations, especially in the tech and pharmaceutical sectors. This demand has kept prices rising, though at a more moderate pace compared to the post-pandemic surge.

While demand is lower in rural areas, there is growing interest in picturesque regions and those in proximity to urban centres. However, price growth in these areas is more restrained due to limited job opportunities and infrastructure. The affordability gap is significant, especially in the Greater Dublin Area. Despite efforts to increase housing construction, the supply of new homes is not meeting the demand. This shortage is exacerbated by a skills gap in the construction sector, which hampers the speed at which new housing can be developed and the cost of materials.

Many landlords are exiting the market due to complex rent legislation and low net rental returns. This has led to a contraction in the number of available rental units, pushing rents higher. Mortgage approvals for residential investment lettings have also declined, tightening the rental market even further. Historically, low interest rates have made mortgages more accessible, sustaining demand in the housing market. However, any future increases in interest rates could impact affordability and potentially cool the market.

The Irish Government has implemented various measures to address housing affordability and supply issues. These include the Help to Buy scheme for first-time buyers and initiatives to promote higher-density developments in urban areas. The impact of these policies on the housing market is ongoing and being closely watched.

The housing sector in Ireland is influenced by various initiatives, including a notable waiver of development contributions. This waiver, introduced to stimulate housing development, is a temporary, time-limited measure applicable to all development contribution schemes under the Planning and Development Act 2000.

As a direct result, the end of Q3 2024 saw 55,000 new homes started, already surpassing the total of all starts in 2023 (33k) by a significant margin, with a further increase expected before the waiver deadline expires at the end of the year.

**CHART 1:** Housing Commencements by Residential Units (Data to Q3 2024)

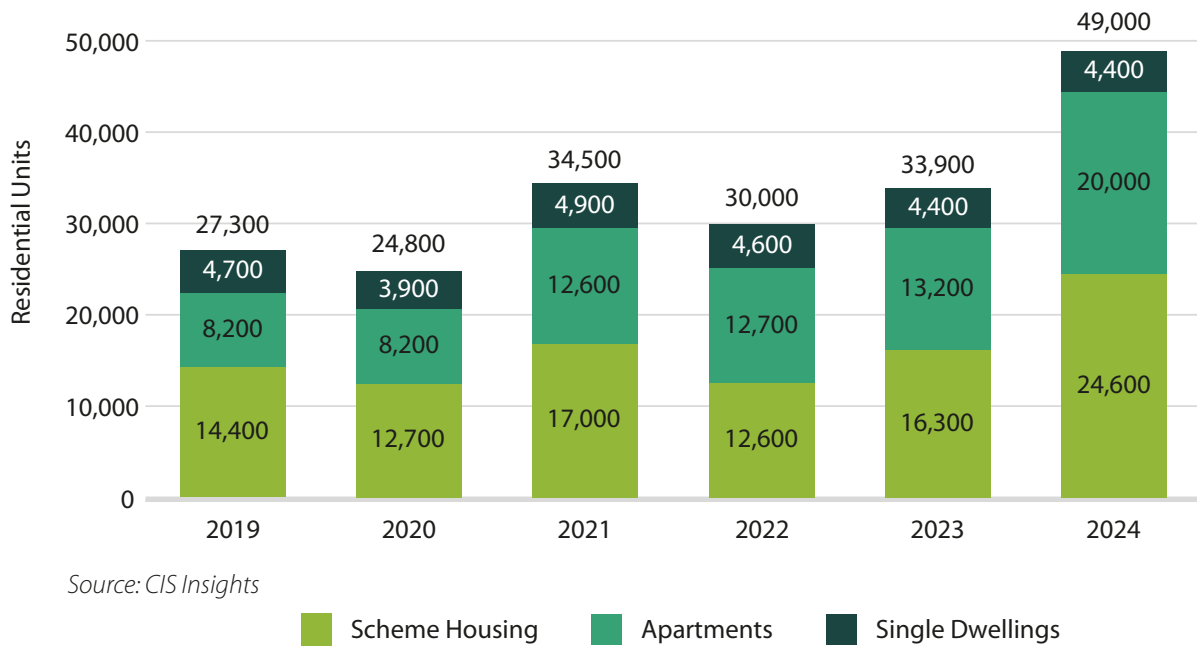


Source: CIS Insights

■ Housing and Apartments
 ■ Single Dwellings

Investment levels were also high in this sector. By the end of Q3 2024, 869 new housing developments had started comprising over 45,000 units with a further 4,400 in self-builds.

**CHART 2:** New Investment in the Residential Sector by Volume of Units (data for 2024 is to Q3 only)



On the supply side, housing delivery is struggling to keep pace with government targets. At the end of Q3 this year 20,000 new homes had been built. It will be challenging, to say the least, for the Government to reach its target of 33,500 new homes.

**CHART 3:** Housing Completions (data to Q3 2024)



Government initiatives to boost supply, outlined above, have had the desired effect on housing commencements and we expect this to be reflected on the supply side in 2025 and 2026 based on the waiver's completion deadline. However, this 'front-loading' of supply coupled with lower levels of pipeline planning looks likely to have a significant impact on commencements in 2025 and 2026 and as such we foresee a significant decline in starts in these years before recovering to more stable rises in future years. Regardless, the pressure to supply new homes will continue unabated and investment levels look set to rise for the foreseeable future.



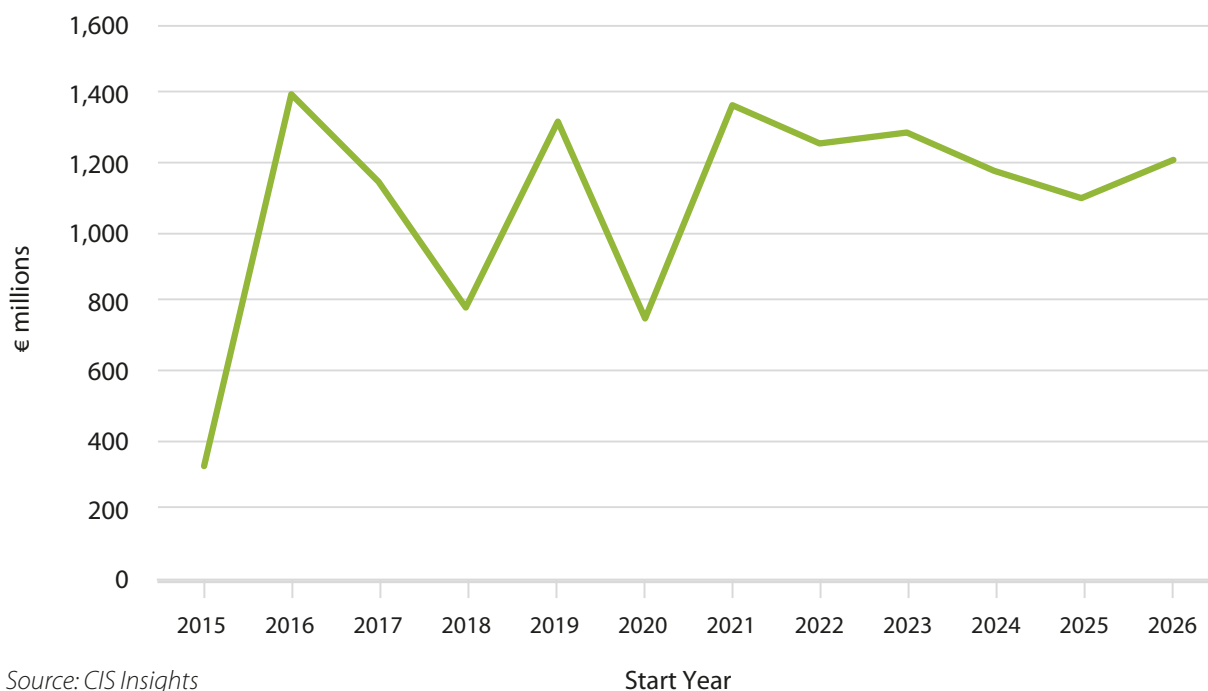


## PRIVATE NON-RESIDENTIAL INDUSTRIAL

*Including Data Centres, Manufacturing, Warehousing and Logistics and Pharma*

As a vital contributor to the country’s economic development, the industrial sector provides the necessary infrastructure for sustained enterprise, manufacturing, and logistics which all feed back into economic growth. In 2024, industry stakeholders must navigate a complex environment marked by supply chain disruptions, labour shortages, and the pressing need for sustainable practices in planning and construction.

**CHART 4:** Industrial Sector Investment



Source: CIS Insights

Global players in the pharmaceutical industry are continuing to engage with domestic contractors, who are offering innovative construction solutions responding to the advancing needs of research and development in the areas of new product expansion, retrofitting, and sustainability.

In May 2024, Walls Construction commenced works on the €200 Million Diageo Brewery Development, Newbridge, County Kildare. The project will bolster the local economy by being the second largest brewing operation in Ireland – creating 1,000 construction jobs and the creation of a further 70 permanent jobs when operational.

By embracing innovation, fostering collaboration, and prioritising sustainability, contractors, and suppliers in construction can drive growth and position themselves as leaders in the Irish industrial sector. This necessitates a focus on delivery excellence and implementing strategic recommendations to address challenges like supply chain disruptions, labour shortages, and the need for sustainable practices.

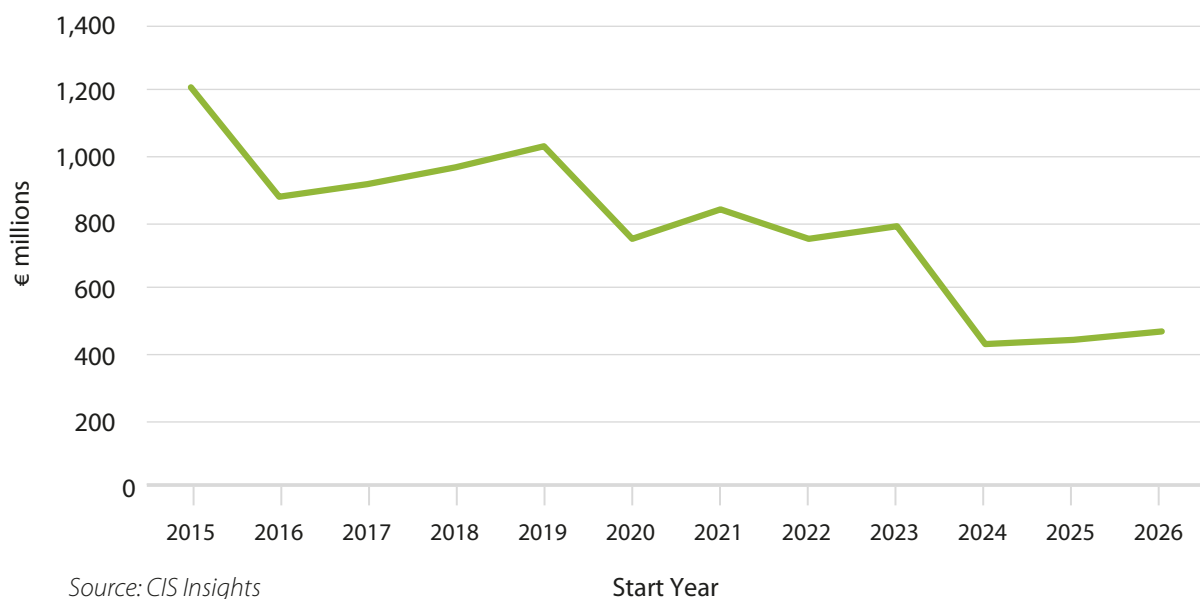
After an initial decline in new starts in 2024, the sector is forecast to grow steadily over the next two years. The pipeline of planning applications submitted and approved remains strong.

## COMMERCIAL

### Including Office and Retail

The slowdown in commercial activity looks set to continue with low and declining levels of investment and a less-than-buoyant pipeline. This sector is driven primarily by the office market which is still seeking to define itself post-pandemic. Project starts are at their lowest since 2019 and we estimate the value of new investment in the sector will fall by 45% in 2024 compared with 2023. The pipeline too is muted reflecting the uncertainty. The sector is expected to emerge from this lull, however, by redefining the office environment to offer a more enticing place of work.

**CHART 5:** Commercial Sector Investment



There's a growing emphasis on sustainable building practices, with many new projects aiming for green certifications like LEED or BREEAM. This includes the use of eco-friendly materials and energy-efficient designs. Like many sectors, challenges such as labour shortages, working environments, consumer buying behaviour, rising material costs, and regulatory hurdles are still providing blockers to consistent activity levels.

Recent global supply chain issues have also impacted project timelines and budgets. Significant public and private infrastructure projects are underway, aimed at improving transport links and urban development, which will further stimulate commercial construction.

## HOSPITALITY

### *Including Hotels, Restaurants, Bars*

Demand for hotel rooms in Ireland is on the rise and the Irish Tourism Industry Confederation has already voiced concern that the number of rooms being built will not meet the projected demand going forward in the next decade, so more needs to be done. Figures released in early 2024 by the Dublin Airport Authority show that over 31 million passengers passed through the terminals of Dublin Airport in 2023 — 60% higher than they were a decade ago. Investment in hospitality and leisure services in Ireland remains key despite many challenges including a lack of hospitality staff, wage increases, and increases in food and energy costs.

Given the rising demand and increased consumer spending, we expect investment in the hospitality sector to continue in an upward trend. In 2024, investment in new hotels, bars, etc., rose by 240% from 2023. At the end of Q3 2024, construction has already begun on 40 new projects which will deliver 2,235 new hotel beds – outstripping the 644 beds brought to the market last year from new developments. The pipeline of projects in planning remains healthy with plans submitted to date comprising 2,338 new beds and planning grants for 1,569.

**CHART 6:** Hospitality Sector Investment



## SPORT & SOCIAL

### *Including Sports and Leisure Facilities, Churches and Community Centres and Public Buildings*

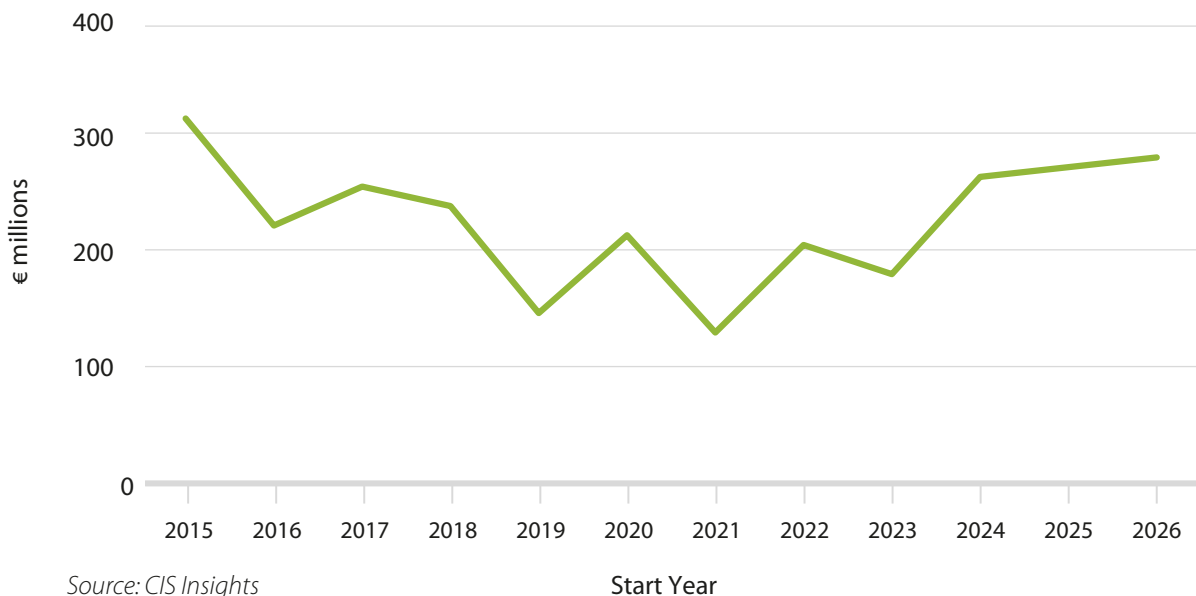
Local authorities often partner with sports clubs and community organisations to fund and build new facilities. The continuation of Initiatives like the Sports Capital Grant and Equipment Programme provide much needed funding for local projects.

While there are many opportunities, challenges remain, including funding constraints, planning regulations, and ensuring accessibility for all.

Early this year it was announced that funding of over €20 million will be available under the Town and Village Renewal Scheme for regeneration projects in rural towns and villages in Ireland. Since being established in 2016, the Scheme has approved over €177 million for almost 1,800 projects across the country.

**Project starts in 2024 are set to rise by over 40% compared with 2023 and we see a continued steady rise in the years ahead reflective of a healthy pipeline.**

**CHART 7:** Sport and Social Sector Investment



## EDUCATION

### *Including Schools, High Education, and Nurseries*

The education sector has experienced an ongoing backlog of projects awaiting approval from the Department of Education. There is a growing demand for new schools and educational facilities due to rising student populations and demographic changes.

During the first quarter of 2024, the Government revealed plans to roll out the next phase of the Department of Education’s building plan. In late summer, it was stated that **90 school buildings that are currently at the tender stage will see approval being secured to proceed to the next stage. This is being carried out from 2024 to 2025.**

Many existing educational facilities are undergoing upgrades to meet modern standards, including sustainability initiatives and the integration of technology. Some projects are being delivered through PPPs, such as the Devolved Schools Bundle and the Higher Education Bundles, which help accelerate development while sharing financial risks. The sector faces challenges such as supply chain issues, labour shortages, and inflation, which can impact project timelines and budgets. Overall, the education construction sector in Ireland is seeing a push for improvement and expansion, aligning with both government priorities and community needs.

**CHART 8:** Education Sector Investment



As expected, new investment in education has slowed in 2024 given the issues highlighted above. **Starts are projected to fall by 35% in value this year but the pipeline remains steady, and many delayed contracts will soon begin again pointing to steady growth. New school developments this year will deliver approximately 650 new classrooms.**

## MEDICAL

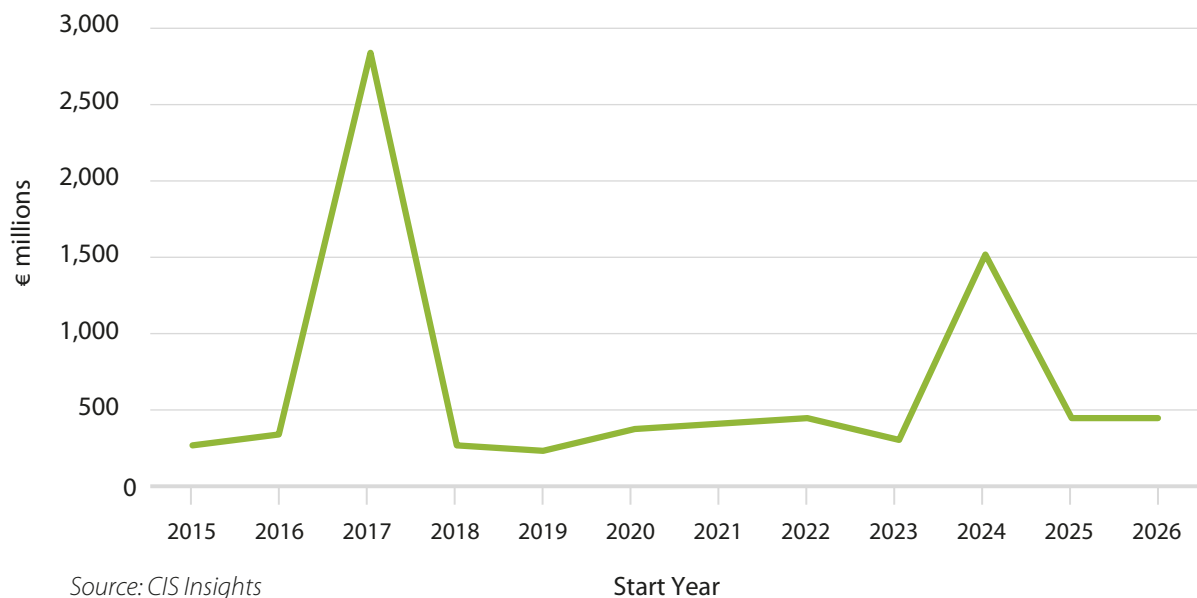
### *Including Hospitals, Nursing Homes, Medical Centres and Surgeries*

Construction in the medical sector in Ireland has seen significant growth in recent years, driven by increasing demand for healthcare services and infrastructure. There has been substantial investment in new hospitals, clinics, and specialised medical centres at both the pipeline and delivery stages.

The private healthcare sector is also expanding, with new facilities and services being established to meet the needs of a growing population and an aging demographic. Modern medical construction projects increasingly incorporate advanced technologies, including telehealth capabilities, smart building technologies, and sustainability measures.

Starts in this sector rose significantly in 2024, due in large part to the €800m National Maternity Hospital in Dublin. Growth is expected to continue at a steady pace in the years ahead to match demand, and the planning pipeline is healthy enough to support rising demand for now.

**CHART 9:** Medical Sector Investment



## CIVIL AND UTILITIES

The civil engineering sector is crucial to Ireland’s economic development, providing essential infrastructure for housing, commerce, connectivity, and sustainable communities. In 2024, the sector stands at a pivotal juncture, poised for growth and transformation amidst a rapidly evolving landscape. Addressing these challenges is crucial for the sector to deliver on its growth potential, meet critical infrastructure requirements, and address the ongoing housing crisis.

**CHART 10:** Civil and Utilities Sector Investment



As the sector navigates challenges such as supply chain disruptions, labour shortages, and the increasing need for sustainable practices, industry stakeholders will seek to embrace strategic initiatives throughout project lifecycles. Early involvement by contractors and the adoption of innovative solutions are essential to effectively address rising costs, funding approval issues, supply chain constraints, and skills shortages.

The adoption of modern construction methods, offsite manufacturing, and digital technologies will be essential to improve productivity and reduce project costs.

**Project starts in 2024 are projected to fall by 49% following the very high level of investment in 2023, which included the €1bn investment for the Celtic Interconnector.** However, steady growth is set to continue in future years in line with the government’s strategic plans.

# NORTHERN IRELAND

## ECONOMIC CONTEXT

### ECONOMIC GROWTH GDP AND GVA

The Northern Ireland economy has grown by just over 30% in real terms since 2000, lower than the UK average at 40%. The latest figures published in 2022 shows the economy was 1.1% larger in real terms than before the pandemic in 2019. In 2024, the Ulster Bank Purchasing Managers' Index (PMI) showed that April marked the fifth consecutive monthly increase in business activity.

With real GDP up 1.2%, Northern Ireland is expected to be the fastest growing part of the UK this year driven primarily by a strong public sector which has shielded the NI economy from the high interest rates and consumer spending pressures. To encourage long term growth however, the region needs to encourage more private sector inward investment.

**TABLE 3:** The latest UK figures from ONS, published in April this year

| Gross GDP 2022          | Population (million) | GDP at current market prices (£million) | GDP per head at current market prices (£) | Annual growth in 'real' GDP % | Annual growth in 'real' GDP per head % |
|-------------------------|----------------------|---|---|-------------------------------|--|
| UK                      | 67.6                 | 2,506,170                               | 36,844                                    | 4.3                           | 3.2                                    |
| <b>NORTHERN IRELAND</b> | 1.9                  | 56,694                                  | 29,674                                    | 3.0                           | 2.7                                    |

*Regional economic activity by gross domestic product*

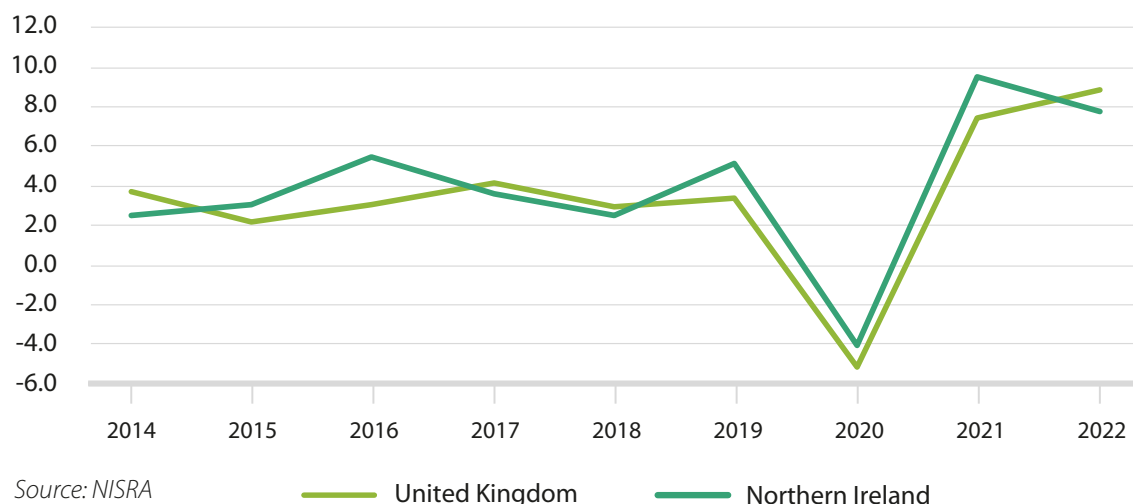
NI gross value added (GVA) per head in 2022 increased by 7.7 per cent in current basic prices between 2021 and 2022, meanwhile the UK increased by 8.8 per cent. The North East, Wales and East Midlands had lower GVA per head than Northern Ireland. (GVA is considered a better measure than GDP for the economic welfare of the population).

*“NI’s composition renders the region less vulnerable to declines in consumer spending and business investment, providing a stable foundation for economic progress. Although Northern Ireland’s GDP per capita is nearly 20% below the UK average, the region’s performance highlights its significant potential for further development.”*

**Cat McCusker, Regional Market Leader for PwC Northern Ireland**



**CHART 11:** Regional Gross Value Added (Balanced) – GVA(B)



## EMPLOYMENT

The unemployment rate in Northern Ireland at 1.9% has fallen to its lowest level since 2014 and well below that of the UK average at 4.1%

**TABLE 4:** The Unemployment Rate

| Quarter | Economically Active | In Employment | Unemployed | Activity Rate % | Employment Rate % | Unemployment Rate % |
|---------|---------------------|---------------|------------|-----------------|-------------------|---------------------|
| Q2 2022 | 837,000             | 813,000       | 24,000     | 71.7            | 69.7              | 2.8                 |
| Q3 2022 | 843,000             | 815,000       | 28,000     | 71.7            | 69.2              | 3.4                 |
| Q4 2022 | 856,000             | 834,000       | 22,000     | 72.8            | 70.9              | 2.6                 |
| Q1 2023 | 855,000             | 834,000       | 21,000     | 72.6            | 70.9              | 2.5                 |
| Q2 2023 | 850,000             | 828,000       | 22,000     | 72.2            | 70.4              | 2.6                 |
| Q3 2023 | 850,000             | 832,000       | 17,000     | 72.2            | 70.7              | 2.0                 |
| Q4 2023 | 862,000             | 840,000       | 22,000     | 73.2            | 71.3              | 2.6                 |
| Q1 2024 | 865,000             | 847,000       | 19,000     | 73.4            | 71.8              | 2.1                 |
| Q2 2024 | 860,000             | 844,000       | 16,000     | 72.9            | 71.6              | 1.9                 |

Source: NISRA

## INFLATION

Inflation in NI and the UK in general has been one of the regions biggest challenges post-pandemic with inflation peaking at 11.2% in October 2022. It has however been on a downward trend since then and has returned to 2% target, and projections suggest it will hover around this level for the remainder of 2024.

## CONCLUSION

With the return of local government and headline figures heading in the right direction the NI economy would appear to be heading in the right direction. However, it remains in a period of recovery and significant challenges remain including persistently high economic activity, lower than average productivity and potentially weak labour supply.

## CONSTRUCTION STARTS

Construction Starts are expected to rise by 7% to £1.6bn in 2024, continuing an upward trend since 2019. The trend is expected to continue in future years although at a slower rate initially. 2024 saw relatively strong growth in all sectors bar residential where activity has slowed due in part to infrastructural issues with wastewater capacity resulting in some 19,000 homes being held up.

**TABLE 5:** Value of Underlying Project Starts (under £100 million) by Sector

| £ millions                 | 2023         | 2024f        | 2025f        | 2026f        |
|----------------------------|--------------|--------------|--------------|--------------|
| <b>CIVIL AND UTILITIES</b> | 15           | 123          | 35           | 38           |
| <b>COMMERCIAL</b>          | 62           | 126          | 151          | 185          |
| <b>COMMUNITY AND SPORT</b> | 30           | 47           | 58           | 62           |
| <b>EDUCATION</b>           | 142          | 148          | 152          | 158          |
| <b>HOSPITALITY</b>         | 36           | 76           | 79           | 85           |
| <b>INDUSTRIAL</b>          | 199          | 199          | 218          | 234          |
| <b>MEDICAL</b>             | 10           | 17           | 24           | 32           |
| <b>RESIDENTIAL</b>         | 772          | 615          | 642          | 680          |
| <b>ALL</b>                 | <b>1,266</b> | <b>1,352</b> | <b>1,359</b> | <b>1,475</b> |

Source: CIS & Glenigan. f = forecast

**TABLE 6:** Growth in the value of Underlying Project Starts (under £100 million) by Sector

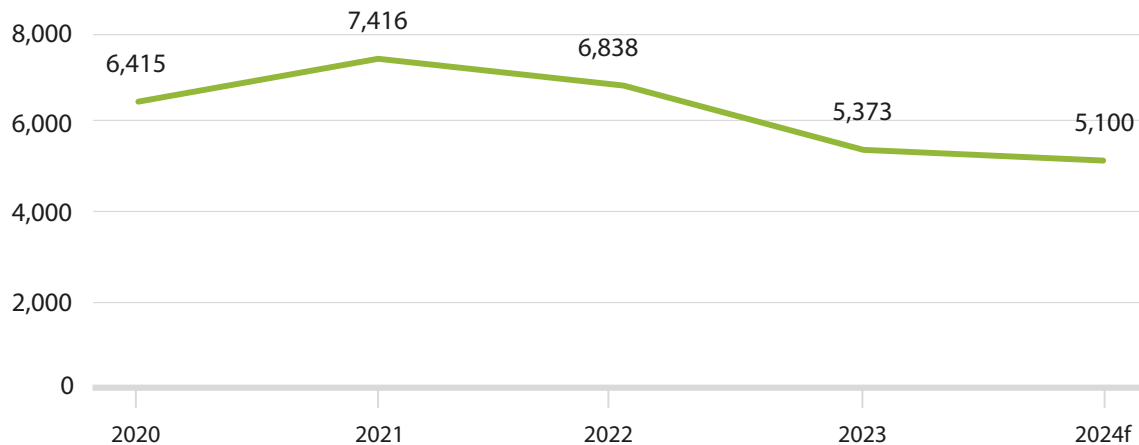
| Annual Change              | 2023       | 2024f     | 2025f     | 2026f     |
|----------------------------|------------|-----------|-----------|-----------|
| <b>CIVIL AND UTILITIES</b> | -62%       | 704%      | -72%      | 9%        |
| <b>COMMERCIAL</b>          | -64%       | 104%      | 19%       | 23%       |
| <b>COMMUNITY AND SPORT</b> | -16%       | 55%       | 23%       | 7%        |
| <b>EDUCATION</b>           | -22%       | 4%        | 3%        | 4%        |
| <b>HOSPITALITY</b>         | -4%        | 111%      | 4%        | 8%        |
| <b>INDUSTRIAL</b>          | 89%        | 0%        | 9%        | 8%        |
| <b>MEDICAL</b>             | -61%       | 72%       | 43%       | 33%       |
| <b>RESIDENTIAL</b>         | 84%        | -20%      | 4%        | 6%        |
| <b>ALL</b>                 | <b>25%</b> | <b>7%</b> | <b>1%</b> | <b>9%</b> |

Source: CIS & Glenigan. f = forecast

## PRIVATE RESIDENTIAL

Housing completions in NI look set to continue to decline in 2024 or at best maintain pace with completions in 2023 which fell to a 60-year low last year. Plans for an estimated 19,000 homes are being held up due to restrictions from an underfunded water system.

**CHART 12:** NI Residential Completions



Source: CIS Insights. f=forecast

New investment in housing over a number of years, as measured by new developments getting underway, has been erratic. In 2023, 150 new housing developments got underway, comprising 6,632 units. This peak looks likely to be followed by a dramatic downturn in investment in 2024. To the end of Q3, 105 new developments got underway equating to just 2,772 units. This represents a 54% fall in investment when compared to the same period last year. We foresee a 20% fall in new investment in housing this year with a modest recovery in 2025. The pipeline for housing remains strong and once infrastructural issues are addressed growth in this sector will follow.

New applications for housing have remained steady since 2022 but are set to increase significantly in 2024 indicating renewed optimism in the housing market. To date, at the end of Q3, plans have been submitted for over 11,000 new housing units, up 23.8% for the same period last year.

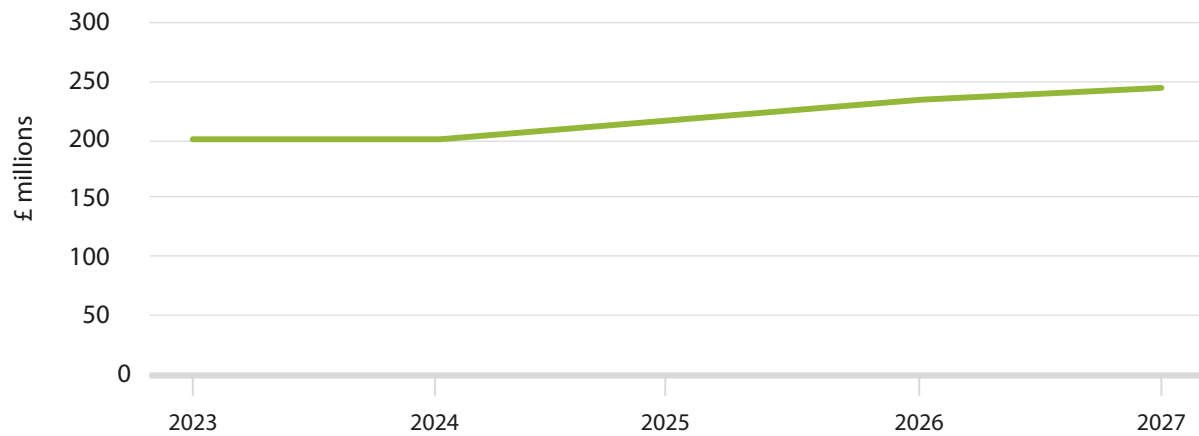
Since 2019, the number of residential units granted planning permission has remained relatively steady at around 11,000 units per annum (The exception was 2022 when 14,000 houses were given the go ahead). Figures to Q3 2024 indicate that the final count will be in and around 10,500 units – continuing the steady trend of pipeline investment in this sector.

# PRIVATE NON-RESIDENTIAL INDUSTRIAL

*Including Data Centres, Manufacturing, Warehousing and Logistics and Pharma*

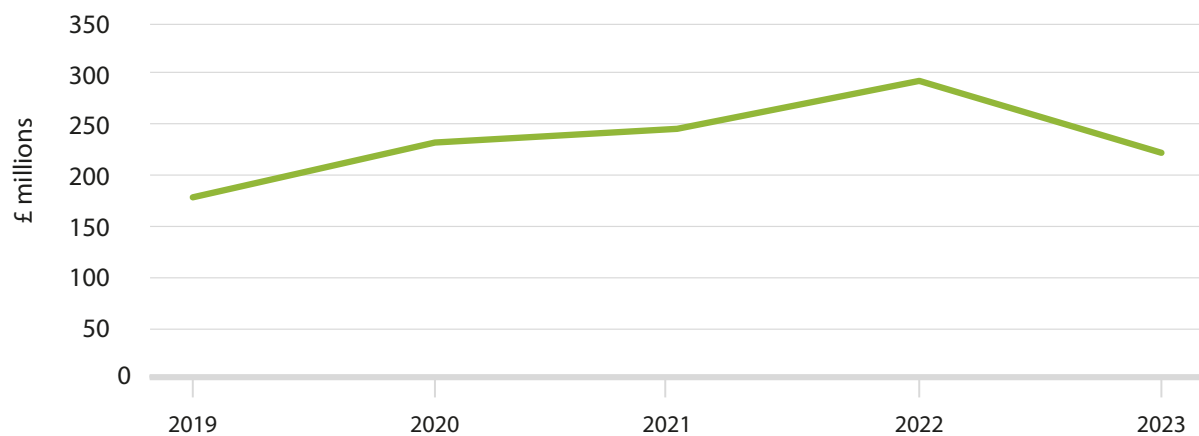
New investment levels in the Industrial sector look set to continue an upward trend. Last year 57 new projects got underway with a combined value of £198m. This year’s levels, with 49 new starts, look set to match last year’s financial high. The pipeline, in terms of new planning applications and planning grants looks likely to fall short of last year’s figures but are expected to recover in the years ahead.

**CHART 13:** Industrial Starts (£ millions)



Source: CIS Insights

**CHART 14:** Industrial Planning Grants (£ millions)



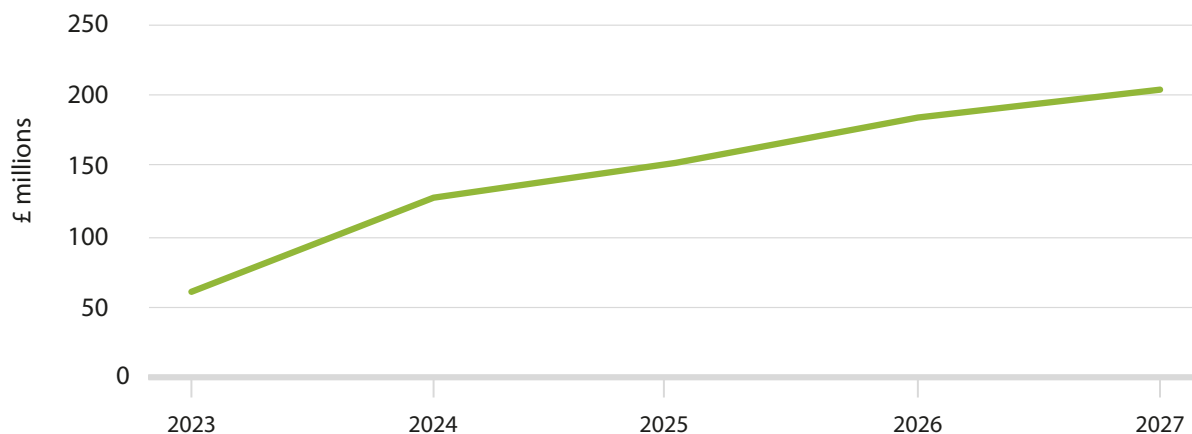
Source: CIS Insights

## COMMERCIAL

### *Including Office and Retail*

Driven by the Office sector, the commercial sector in general is in good health in Northern Ireland. A recent report by CBRE reported 50% increase in office take up in Q1 2024. Project starts in 2024 are estimated to have risen to £126m, a 104% increase in investment from 2023.

**CHART 15:** Commercial Starts (£ millions)



Source: CIS Insights

## HOSPITALITY

### *Including Hotels, Restaurants, Bars*

The Department of the Economy's report - Northern Ireland Annual Tourism Statistics - published at the end of August highlighted some key points about the industry:

- **5.4m overnight trips** with associated expenditure of £1.2billion
- **Domestic trips made up 40% of overnight trips**, highlighting the importance of the domestic tourism market
- The estimated room occupancy for guest houses, bed & breakfasts and guest accommodation for **2023 was 38%**.

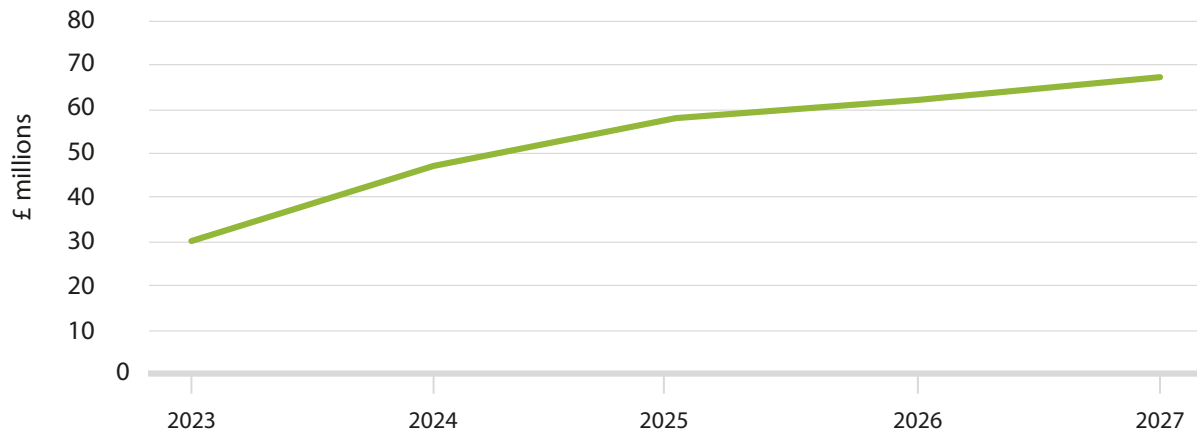
Investment in Tourism by new developments is projected to rise by 111% from 2023 to £76m this year. At the end of Q3 2024, 301 new hotels beds were under construction or completed. The pipeline for new development in this sector is relatively strong and should materialise in steady growth in the coming years.

## SPORT AND SOCIAL

*Including Sports and Leisure Facilities, Churches and Community Centres and Public Buildings*

Investment in this sector in 2024 is expected to rise by over 50% to £47m. The average level of investment in the three previous years was £33m. The planning pipeline is strong and growth in future years looks assured.

**CHART 16:** Sport & Social Starts (£ millions)



Source: CIS Insights

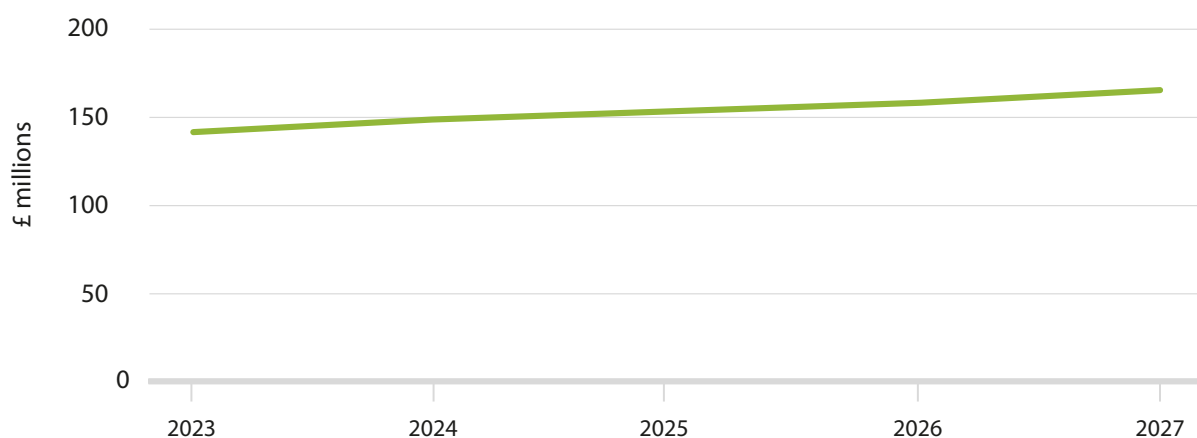
## EDUCATION

*Including Schools, High Education and Nurseries*

Project starts in the Education sector are expected to rise by 4% in 2024 but this figure could be much larger if some large delayed projects, stuck in contract due to rising costs, get underway.

Starts are expected to continue an upward trend in the coming years.

**CHART 17:** Education Starts (£ millions)



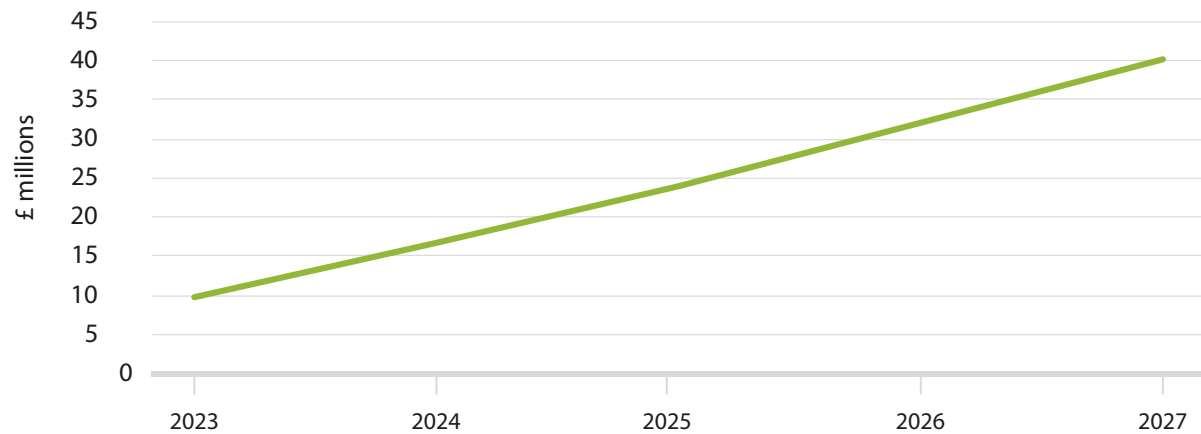
Source: CIS Insights

## MEDICAL

A major report into the future of healthcare in Northern Ireland, released in early October, pinpoints the challenges of this sector as it prepares to deliver change to alleviate waiting times and regional healthcare disparities.

New starts in this sector are projected to rise by 72% to £17m in 2024, all be it from a very low base of investment. We expect investment to continue to rise in the coming years as the Assembly has returned and are in position to effect the changes required.

**CHART 18:** Medical Starts (£ millions)



Source: CIS Insights

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