



SCSI

Chartered property,
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RICS

TENDER PRICE INDEX

JULY 2024

TPI INCREASES CONTINUE TO SLOW, DUBLIN REGION WITH THE LOWEST MEDIAN RATE CHANGE

The Society of Chartered Surveyors Ireland's (SCSI) latest Tender Price Index (TPI) reports a median increase of 1.5% nationally for the first half of 2024. This is similar to the 1.5% increase reported in the second half of 2023.

Every six months, the SCSI publishes its TPI report to give insights regarding professionals' sentiment towards tender price changes between the first and second halves of the respective years.

Tender price inflation over the last 18 months has eased considerably when compared to the volatile period of 1H2021 to 1H2022 inclusive, when the six-monthly TPI rate of increase was approximately 7%.

The national TPI figures for 2H2022, 1H2023 and 2H2023 were increases of 3.7%, 2.4% and 1.5%, respectively (Table 1 and Figure 1). The latest data highlights that the six-month index inflation rate for the first half of 2024 is at 1.5% nationally.



Table 1: SCSI National Tender Price Index (commercial construction).

1H98	100.0	1H06	146.7	1H14	112.0	1H22	195.7
2H98	103.8	2H06	151.7	2H14	115.2	2H22	202.9
1H99	108.6	1H07	152.0	1H15	118.2	1H23	207.9
2H99	116.1	2H07	145.2	2H15	121.5	2H23	210.9
1H00	121.7	1H08	140.7	1H16	125.5	1H24	214.1
2H00	130.7	2H08	130.0	2H16	129.2		
1H01	132.2	1H09	116.4	1H17	132.6		
2H01	136.9	2H09	107.7	2H17	137.2		
1H02	133.9	1H10	103.7	1H18	142.6		
2H02	130.1	2H10	101.5	2H18	147.7		
1H03	127.2	1H11	101.5	1H19	152.7		
2H03	129.3	2H11	103.5	2H19	157.0		
1H04	135.3	1H12	104.5	1H20	158.4		
2H04	139.4	2H12	106.4	2H20	160.5		
1H05	142.6	1H13	107.3	1H21	171.7		
2H05	144.7	2H13	109.7	2H21	182.0		

Source: SCSI research.

SUMMARY

Commentary from the recent SCSl survey highlights a more competitive construction market and reduced price volatility for construction materials.



Some 78% of quantity surveyors anticipate that tender prices in the second half of 2024 will continue to increase, 20.5% anticipate that prices will remain the same and 1.5% anticipate a decrease. Quantity surveyors reported that the issues that will impact on market and tender prices in the second half of 2024 include: the introduction of Government levies on construction and demolition waste disposal (as of from September 1, 2024); labour costs; and, high fuel costs.

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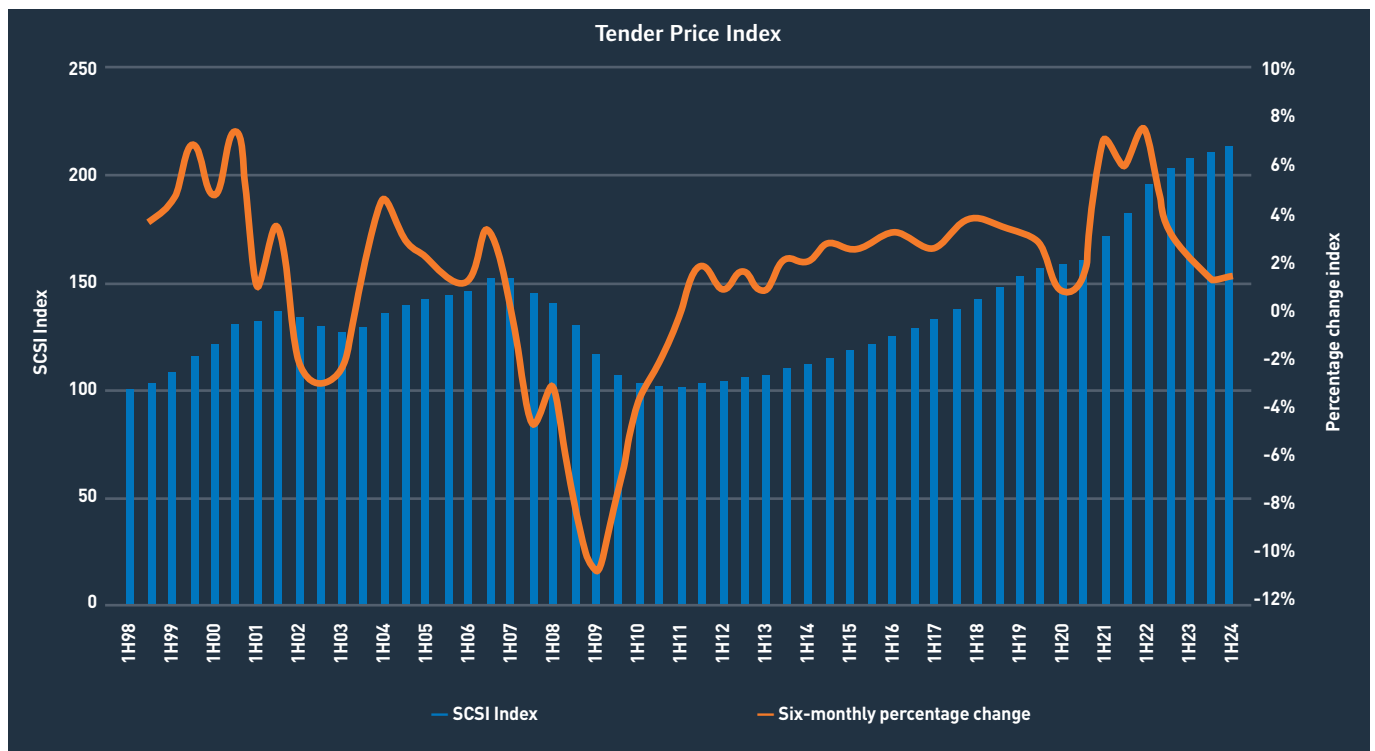


FIGURE 1: SCSl National Commercial Construction Tender Price Index (base 1998).

Source: SCSl research.

TENDER PRICE INFLATION – DUBLIN AND THE REGIONS

DUBLIN

The results of the survey show that the median rate of inflation is at 0% for 1H 2024, down from 1.5% reported in 2H 2023.

LEINSTER EXCL. DUBLIN

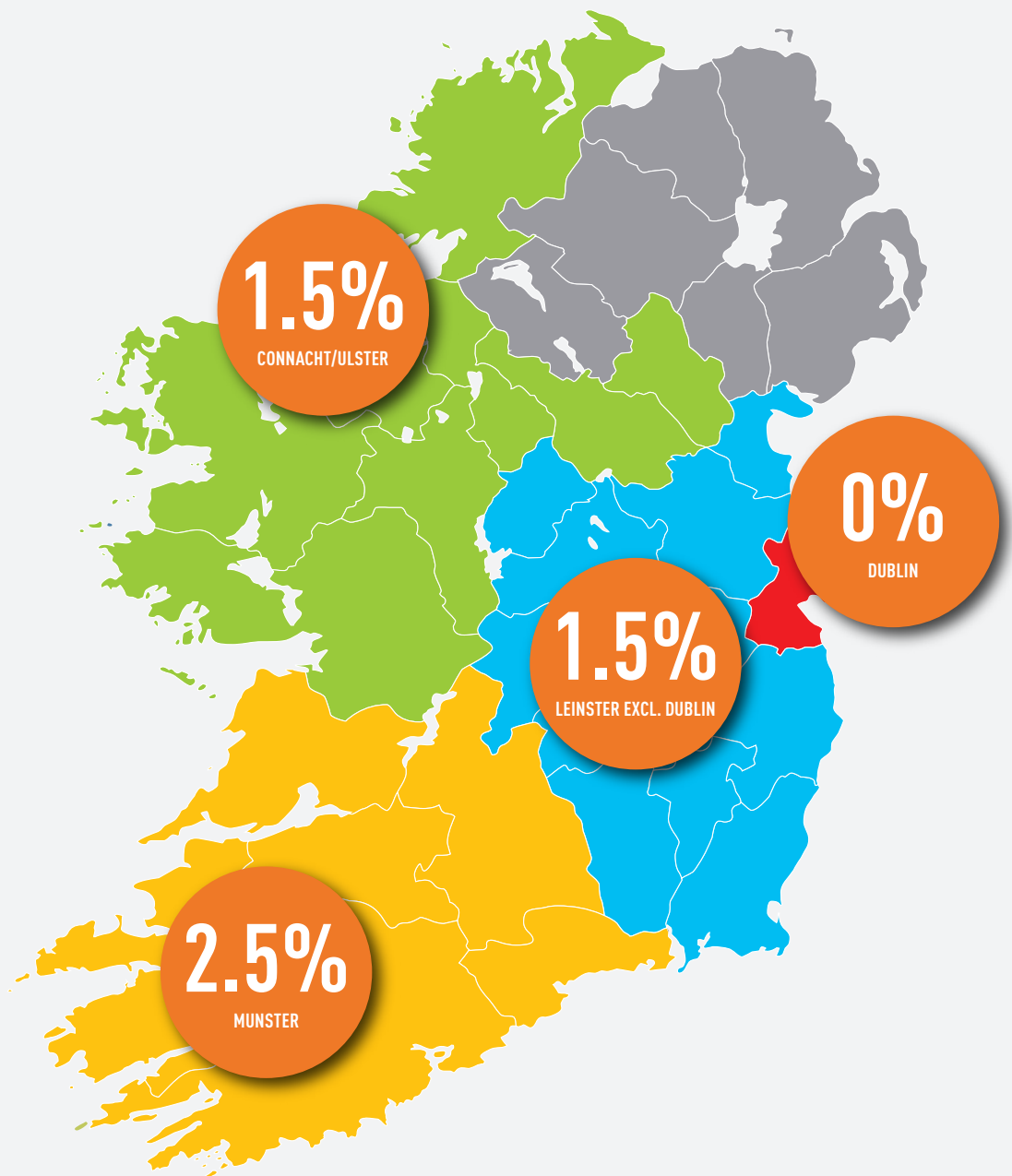
Median tender price inflation is 1.5%, down from the 2.2% reported in 2H 2023.

MUNSTER

The median inflation rate is 2.5% in 1H of 2024, up from the 1% reported in 2H 2023.

CONNACHT/ULSTER

The first half of 2024 saw a median increase of 1.5%, down from the 2% reported for 2H 2023.



METHODOLOGY AND USE OF DATA NOTES

The data outlined within this report was provided by SCSi Chartered Quantity Surveyors with direct expertise and knowledge of the market conditions in the construction sectors across the country.



The statistics extracted from our member survey were utilised in outlining the findings of this report, which is intended to give a general overview of median commercial tender price trends within Ireland's construction sector. The Index is the only independent assessment of construction tender prices in Ireland. It is compiled by Chartered Quantity Surveying members of the SCSi. The TPI 1H 2024 is based on sentiment returns only. The TPI is for commercial projects during the period in question. It is based predominately on new build projects with values in excess of €0.5m and covers all regions of Ireland. The Index relates to median¹ 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, and timescales.

It is important that the TPI report is used appropriately and not for all construction projects, including those in the residential sector and those below €0.5m. The TPI 1H 2024 provides median reported figures across

all project tiers; breakdowns by tier may vary. Project-specific advice should be sought from a Chartered Quantity Surveyor before deciding an appropriate TPI provision for individual construction projects.

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¹ From 1H 2021 onwards, the median value is used as the statistical methodology.

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