

## BMF NEWS

### BMF NEWS

The BMF represents the industry on the following bodies:

National Construction and Demolition Waste Council (NCDWC)

The Building Regulations Advisory Board (BRAB)

The Construction Industry Council (CIC)

The Forum for the Construction Industry (FCI)

The Irish Agreement Board (IAB)

The National Standards Association of Ireland (NSAI)

Council of European Producers of Materials for Construction (CEPMC)

For further information on the BMF's activities in any of these areas please contact:

Mark McAuley –  
mark.mcauley@ibec.ie

## Data continues to highlight difficulties faced by the construction industry

The commencement and completion notices illustrate the very low level of activity in residential construction. The house commencement notices show a drop of 54% in 2008 when compared to 2007. There were 46,709 house completions from February 2008 to February 2009, down 63% on the same period last year.

House registrations have hit incredibly low levels. For the 12 months to April 2009 there were 7,920 registrations, a decline of 70% when compared to the same period to April 2008. In the last six months, registrations were down by 73% on the same period in the previous year.

Total planning permissions granted in 2008 were 32% less than the planning permissions granted in 2007. Permissions were granted for 3,302 apartment units in the fourth quarter of 2008, compared with 4,598 units for the same period in 2007, a drop of 26.2%. However, the figures permissions granted for extension and alterations and conversions remain relatively stable with only a modest decline.

Employment levels in construction reflect the reduction in activity. Employment fell by 21.9% in 2008.

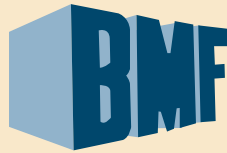
On the European front, the Eurostat survey on construction confidence, fell into pessimistic territory in November 2007 and has been in decline ever since. The European construction confidence indicator shows an increasingly pessimistic outlook on order books.

The public capital programme has also suffered significant cuts due to the

deterioration in the public finances. There is significant anecdotal evidence that a deliberate 'slowing' of public building and infrastructure projects is reducing demand for materials from this source beyond the announced cuts.

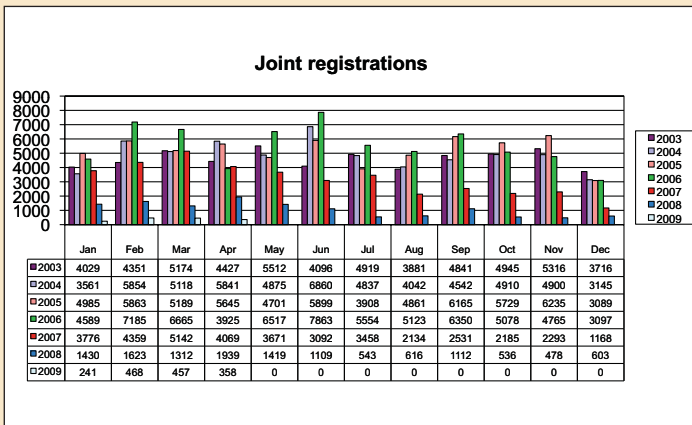
BMF members will have seen media coverage of proposals from the construction industry for an 'infrastructure bond' that will enable investment by private pension funds in public infrastructure projects. The BMF participates on the Construction Industry Council (CIC), the group that is behind the proposals and we are lobbying for government support at present. The infrastructure bonds would be government guaranteed and would allow infrastructure funding by the pension funds that would be off the national accounts, thus giving more freedom for investment beyond the budgetary constraints of the stability pact of the single currency.

The announcement of the €50 million Home Energy Saving Scheme by Energy Minister Eamonn Ryan in March of this year may provide jobs and revenue for the sector. Sustainable Energy Ireland will accept applications from householders wishing to save money and energy by taking energy saving measures on their properties. The scheme is aimed at older houses that would not typically have the energy efficiency features of recently built homes. The scheme is open to all houses built prior to 2006.

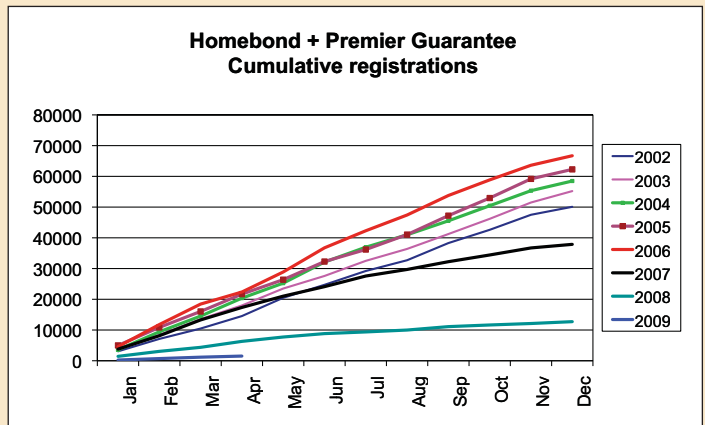


## HOMEBOND AND PREMIER GUARANTEE REGISTRATIONS

### JOINT REGISTRATIONS



### HOMEBOND & PREMIER GUARANTEE CUMULATIVE REGISTRATIONS

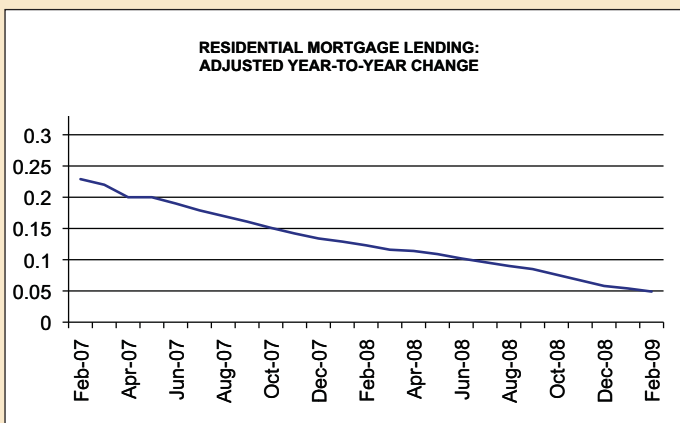


#### HOMEBOND AND PREMIER GUARANTEE REGISTRATIONS

- There were 358 joint registrations in April 2009, down 81% on April 2008.
- For the 12 months to April 2009 there were 7,920 registrations, resulting in a decline of 70% when compared to the same period to April 2008.
- February-April (last 3 months) registrations were down by 74% on the same period in 2008.
- November-April (last 6 months) registrations were down by 73% on the same period in the previous year.

## RESIDENTIAL MORTGAGE LENDING

### MORTGAGE LENDING YEAR-TO-YEAR CHANGE

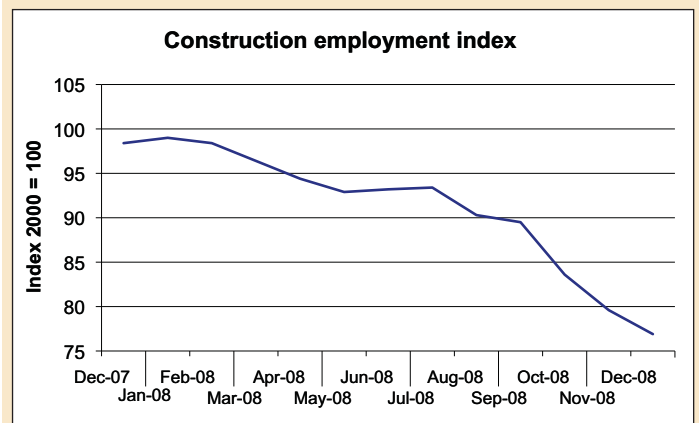


Source: Central Bank of Ireland

Residential mortgage lending was particularly weak in March 2009, with a net increase of just €20 million recorded during the month.

## EMPLOYMENT

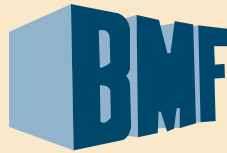
### CONSTRUCTION EMPLOYMENT INDEX



Source: CSO

Employment in private firms (with five or more persons engaged) in the construction industry decreased by 21.9% in December 2008 when compared with December 2007.

The final figure for November 2008 showed a decrease of 20.2% when compared with November 2007.



BUSINESS BULLETIN

**BUILDING MATERIALS**

**WHOLESALE PRICE CHANGES - MARCH 2008**

	Monthly % change Feb-Mar	Annual % change
<b>All materials</b>	<b>-0.6</b>	<b>-0.6</b>
Stone, sand and gravel	+0.3	+4.3
Cement	-	+8.0
Ready mixed mortar and concrete	+0.1	-0.2
Concrete blocks and bricks	+1.5	+0.5
Other concrete products	-	+0.7
Structural steel & reinforcing metal	-4.3	-6.5
Structural steel	-2.6	-3.1
Reinforcing metal	-7.3	-12.2
Rough timber (incl plain sawn)	-0.2	-7.2
Other timber (incl joinery)	-1.2	-2.3
Bituminous macadam, asphalt, etc	-0.1	-1.3
Bituminous macadam and asphalt	-0.2	-0.8
Bituminous emulsions	+2.4	-15.8
Electrical fittings	-	-3.9
All other materials	-	-3.0

Source: CSO

All material prices decrease by 2.6% in the year since March 2008.

Reinforcing metals (-12.2%) and bituminous emulsions (-15.8%) underwent the most significant reductions. This contrasts starkly with previous figures: from the period June 2007 to June 2008 their wholesale prices increased by +26.9% and +23.1% respectively.

**HOUSE COMPLETIONS**

	2002	2003	2004	2005	2006	2007	2008	2009	2009/2008
January	3,513	4,142	4,980		7,024	5,788	4,858	2,659	55%
February	4,098	4,667	6,028		7,112	7,052	5,029	2,613	52%
March	4,267	4,800	5,613		7,658	7,078	4,023		
Conversions	100	100	100		100	100	100		
<b>Quarter-total</b>	<b>11,978</b>	<b>13,709</b>	<b>16,721</b>		<b>21,894</b>	<b>20,018</b>	<b>14,010</b>		
April	4,151	5,390	6,548		6,326	5,964	4,848		
May	4,795	4,962	6,273	First 6 months combined	7,777	6,832	4,540		
June	4,394	5,457	6,315		7,802	6,064	4,238		
Conversions	100	100	100		100	100	100		
<b>Quarter-total</b>	<b>13,440</b>	<b>15,909</b>	<b>19,236</b>	<b>35,307</b>	<b>22,005</b>	<b>18,960</b>	<b>13,726</b>		
July	5,468	6,500	6,288	6,556	7,853	5,062	4,373		
August	4,458	5,018	5,300	5,865	6,861	5,903	3,605		
September	4,918	6,522	6,525	6,566	7,757	6,362	4,172		
Conversions	100	100	100	100	100	100	100		
<b>Quarter-total</b>	<b>14,944</b>	<b>18,140</b>	<b>18,213</b>	<b>19,087</b>	<b>22,571</b>	<b>17,427</b>	<b>12,250</b>		
October	5,021	6,243	6,688	7,854	8,586	7,397	3,827		
November	5,681	6,940	7,793	8,999	9,899	7,696	4,277		
December	6,531	7,778	8,203	9,610	8,364	6,429	3,534		
Conversions	100	100	100	100	100	100	100		
<b>Quarter-total</b>	<b>17,333</b>	<b>21,061</b>	<b>22,784</b>	<b>26,563</b>	<b>26,949</b>	<b>21,622</b>	<b>11,738</b>		
<b>Annual Totals</b>	<b>57,695</b>	<b>68,819</b>	<b>76,954</b>	<b>80,957</b>	<b>93,419</b>	<b>78,027</b>	<b>51,724</b>		

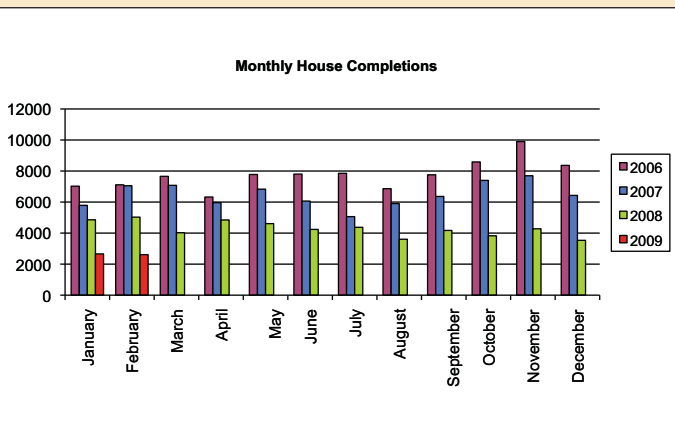
+ 5,200 + 5,200  
CSO adjusted: 86,157 88,219

Source: Department of Environment, Heritage and Local Government

There were 46,709 house completions from February 2008 to February 2009, down 63% on the same period last year.

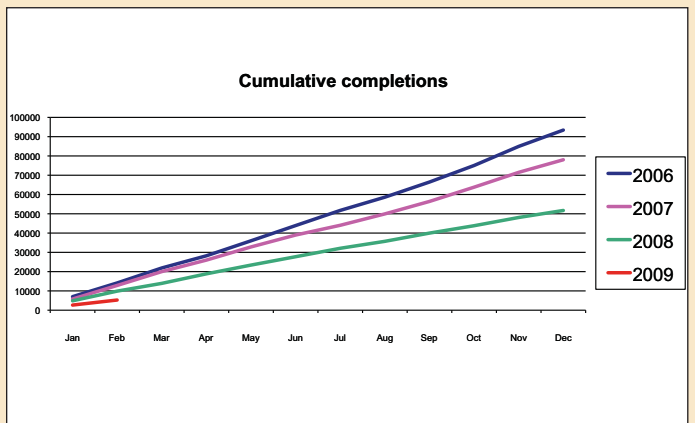
Notes:- (a) House completions data series are based on the number of new dwellings connected by ESB Networks to the electricity supply and may not accord precisely with local authority boundaries. These represent the number of homes completed and available, and do not reflect any work-in-progress. ESB Networks have indicated that there was a higher backlog in work-in-progress in 2005 than usual (estimated as being in the region of 5,200 units). This backlog was cleared through the connection of an additional 2,000 houses in Quarter 1 2006 and 3,000 houses in Quarter 2 2006.

**HOUSE COMPLETIONS**

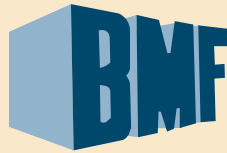


Source: DOE

**HOUSE COMPLETIONS**



Source: DOE



## HOUSE COMMENCEMENTS

### TOTAL NUMBER OF RESIDENTIAL UNITS COMMENCED (26 COUNTIES)

Monthly Totals												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2005	4,680	6,538	7,552	7,014	7,537	6,483	6,850	7,827	7,473	5,202	6,278	4,275
	78%	91%	100%	105%	96%	85%	108%	129%	141%	74%	106%	100%
2006	5,765	5,548	6,739	6,691	7,129	8,563	6,529	7,227	5,238	5,707	5,737	4,219
	123%	85%	89%	95%	95%	132%	95%	92%	70%	110%	91%	99%
2007	5,782	5,832	5,299	4,613	5,017	5,098	3,496	3,097	2,967	2,879	2,767	1,951
	100%	105%	79%	69%	70%	60%	54%	43%	57%	50%	48%	46%
2008	2,730	2,790	2,193	2,617	2,524	2,532	1,935	1,376	1,194	1,208	917	913
	47%	48%	41%	57%	50%	48%	55%	44%	40%	43%	33%	47%
2009	752											
	28%											

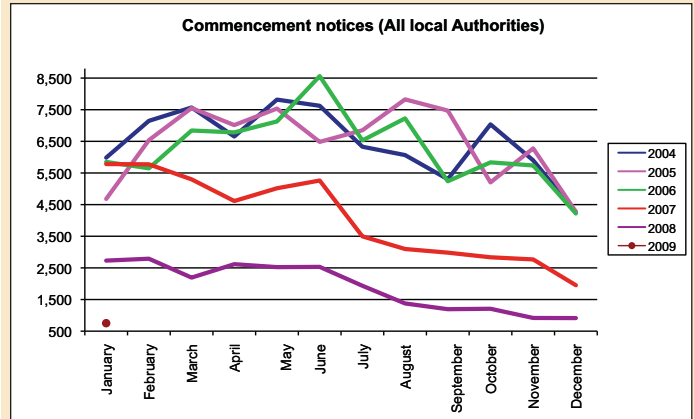
  

Cumulative												
2005	4,680	11,218	18,770	25,784	33,321	39,804	46,654	54,481	61,954	67,156	73,434	77,709
	78%	85%	91%	94%	95%	93%	95%	99%	102%	99%	100%	100%
2006	5,850	11,498	18,341	25,124	32,253	40,816	47,345	54,572	59,810	65,646	71,383	75,602
	125%	102%	98%	97%	97%	103%	101%	100%	97%	98%	97%	97%
2007	5,782	11,556	16,855	21,468	26,485	31,747	35,244	38,341	41,323	44,158	46,925	48,876
	99%	101%	92%	85%	82%	78%	74%	70%	69%	67%	66%	65%
2008	2,730	5,520	7,713	10,330	12,854	15,386	17,321	18,697	19,891	21,099	22,016	22,929
	47%	48%	46%	48%	49%	48%	49%	49%	48%	48%	47%	47%
2009	752											
	28%											

Source: DoE

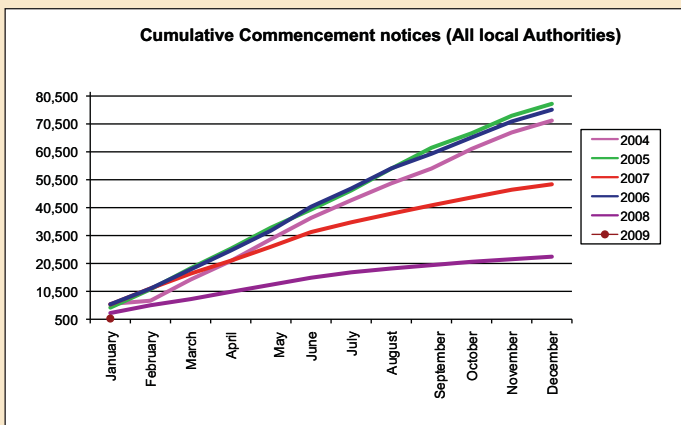
23,681 commencement notices were issued for housing units from January 2008 to January 2009. This characterises a decrease of 54% on when compared to the same period last year. The notices issued in January 2009 represent a 28% share of the notices issued in January 2008.

## HOUSE COMMENCEMENTS



Source: DoE

## HOUSE COMMENCEMENTS



Source: DoE

## PLANNING PERMISSIONS

### NUMBER OF PLANNING PERMISSIONS GRANTED BY TYPE OF CONSTRUCTION

Period	Number of Permissions				Total
	New Construction		Extension	Alteration and Conv	
	Dwelling	Other			
2006					
Q1	5,890	1,822	3,575	603	11,890
Q2	5,595	2,494	4,137	666	12,892
Q3	6,035	2,965	4,759	756	14,515
Q4	5,254	3,172	3,883	653	12,962
	22,774	10,453	16,354	2,678	52,259
2007					
Q1	5,709	4,995	4,033	651	15,388
Q2	5,636	6,229	4,751	695	17,311
Q3	5,880	5,411	5,210	837	17,338
Q4	5,028	2,767	3,841	694	12,330
	22,253	19,402	17,835	2,877	62,367
2008					
Q1	4,777	2,104	3,523	651	11,055
Q2	4,722	2,050	3,743	700	11,215
Q3	4,253	1,774	4,166	711	10,904
Q4	3,739	1,616	3,003	619	8,997
	17,419	7,544	14,435	2,681	42,151
Q4 2008/2007	74%	58%	78%	89%	73%
2008/2007	78%	39%	81%	93%	68%

Latest figures in all categories of granted planning permissions are down. The total figures for 2008 are 32% less than the planning permissions granted for 2007. Permissions were granted for 13,767 dwelling units for the fourth quarter of 2008, compared with 17,733 units for the same period in 2007, reflecting a decrease of 22%.