

# 'BUILD 2024' TO CEMENT PERFORMANCE And Capacity of Construction Sector

The 'Build 2024 - Construction Sector Performance and Capacity' report provides a comprehensive insight and several key findings into various aspects of the construction and built environment sector including costs, planning, skills, productivity and sustainability.

The report has outlined several initiatives that the public and private sectors have underway to increase the efficiency and productivity of the construction sector as it responds to the significant challenges of recent years, such as COVID-19 restrictions, inflationary pressures, and supply chain disruptions.

The number of apprentices in the construction sector exceeded 20,000 in 2023, to ensure that the pipeline of skilled workers in the sector continues to grow.

Publishing the Build 2024 report on 11 June, Minister for Public Expenditure, NDP Delivery and Reform, Paschal Donohoe said it shows that collaboration between the public and private sectors continues to increase the efficiency and productivity of the construction sector.

"It is vital to maintain the momentum and focus on measures that can assist in removing bottlenecks to delivering on the priorities outlined in the National Development Plan (NDP).

This report provides an evidence base that will enable approaches such as Modern Methods of Construction (MMC) to increase the output of the construction industry. Evidence suggests that an MMC approach has the potential to increase the speed of delivery of new homes, reduce costs, and advance improvements in quality and energy efficiency."

With the Government investing €165 billion up to 2030 under the NDP, the Minister noted that report provides "a very useful insight into the trends and initiatives underway" to increase productivity through innovation and digital adoption to meet NDP delivery ambitions.

He pointed out that 'Project Ireland 2040' necessitates a competitive, dynamic and sustainable construction sector capable of delivering new social, economic and climate resilient infrastructure. "To achieve this outcome, the construction sector must foster an innovative and



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sustainable approach capable of meeting the needs of our growing population."

## INCREASING INNOVATION

P.J. Rudden, Chair of the CSG Innovation and Digital Adoption Sub-Group, said that the Build 2024 Report builds on an increasing innovation and digital adoption ambition to accelerate delivery in design and construction of projects.

"Building Information Modelling (BIM) has been included in the scope of consulting services for major project values of €100 million and more since 1 January 2024. Over the next four years, BIM requirements will cascade down to projects below €1 million. BIM delivers projects to a higher quality and safety level, reduces waste and can deliver projects in a timelier manner."

Welcoming the report, the Construction Industry Federation (CIF) has

called for the continued commitment for a timely roll-out of infrastructural projects to meet demands of a growing population.

The report provides a comprehensive overview of the construction sector in 2023, with a summary of investment and funding, planning and delivery, costs, employment and enterprise, skills and transition to BIM and MMC, productivity, and sustainability, and highlights growth in the total investment in construction and housing output of over €31 billion in 2023.

## FOSTERING SUSTAINABLE CONSTRUCTION

Hubert Fitzpatrick, CIF Director General, said: "The report references the need for a competitive, dynamic, and sustainable construction sector capable of delivering new social, economic, and climate resilient infrastructure. To achieve this outcome, we must continue to foster an innovative



***“ We must continue to foster an innovative and sustainable construction sector environment capable of meeting the needs of our growing population ”***

*– Hubert Fitzpatrick, CIF Director General*

and sustainable construction sector environment capable of meeting the needs of our growing population.

“Also referenced is the report by the Housing Commission, which estimates that there is an underlying deficit between 212,500 to 256,000 homes, highlighting the critical need for timely and integrated delivery of infrastructure to support housing construction.”

The CIF Director General noted the importance of highlighting the growth in exports by construction companies, which have increased by 42% since 2020. “However, so too have costs with double digit growth across the Wholesale Price Index (+32% 2021 – 2023), SCSi Tender Price Index (+30% 2020 – 2023) and the Construction Output Price Index (+23% 2020-2023).”

Construction accounted for 6% of total employment and over 1,300 construction permits were issued in 2023. He said that the CIF welcomed the additional skilled roles added to the Critical Skills Occupation List in December 2023, which included Project Engineer,

BIM Manager and BIM Co-ordinator/ Technician.

#### **INCREASE IN CONSTRUCTION ENTERPRISES**

The number of construction enterprises has steadily increased from 2018 to 2021 with 70,459 construction enterprises now operating in Ireland, an increase of 22% since 2018. The population of construction and construction-related apprentices totalled 20,219 as of end 2023; an increase of 2,037 (11%) on the end of 2021 population of 18,182.

“Fitzpatrick said that continued support for the construction and infrastructure sector is required, given the importance of the sector to the economic development of Ireland, the challenge of recruiting and retaining people in the industry, and the challenges in relation to future delivery of the National Development Plan.

“Certainty of timeframe for rolling out infrastructural projects to construction stages is critical for maintenance of the momentum and stability within the domestic construction sector.”



#### **The report highlighted some positive trends in the construction sector in 2022 and 2023:**

- 41,000 planning permissions were granted for housing units in 2023: an increase of 21% over 2022.
- 17,601 homes were upgraded to a BER rating of B2 or above in 2023: an increase of 108% relative to 2022.
- Construction and construction-related apprentice registrations increased by 3% and 2% respectively in 2023, relative to 2022.