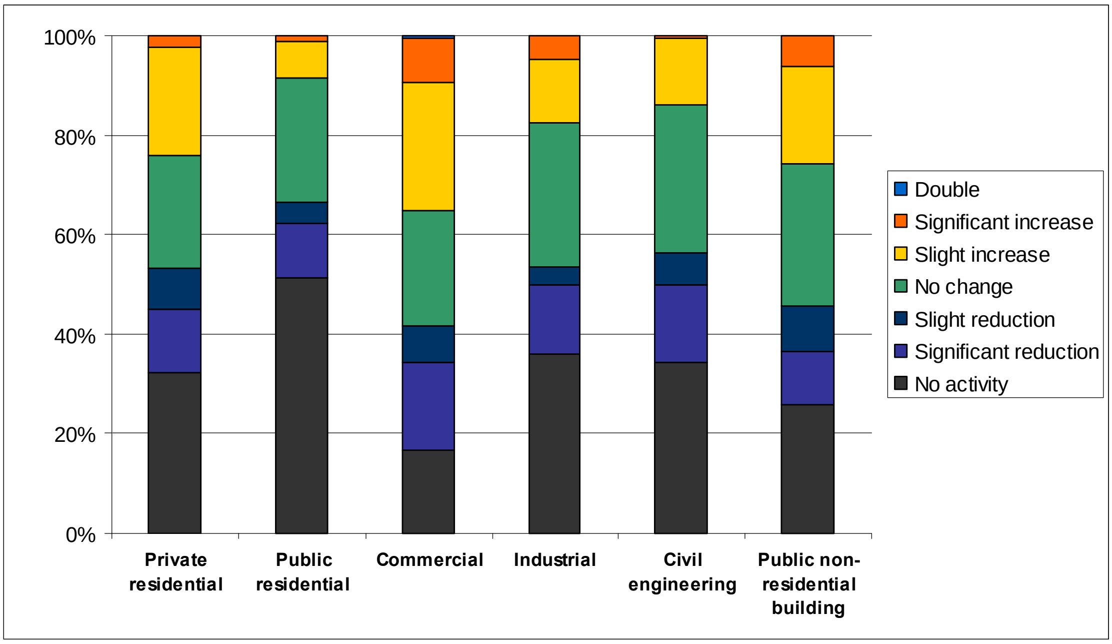
Quarterly Construction Sentiment Survey (Q1 2011)

Review of Quarter 1 2011: Workload

Over the last three months (January to March 2011) please assess any change in your workload compared to the period October to December 2010 in the following areas. If you do not work in a particular area, leave it blank.

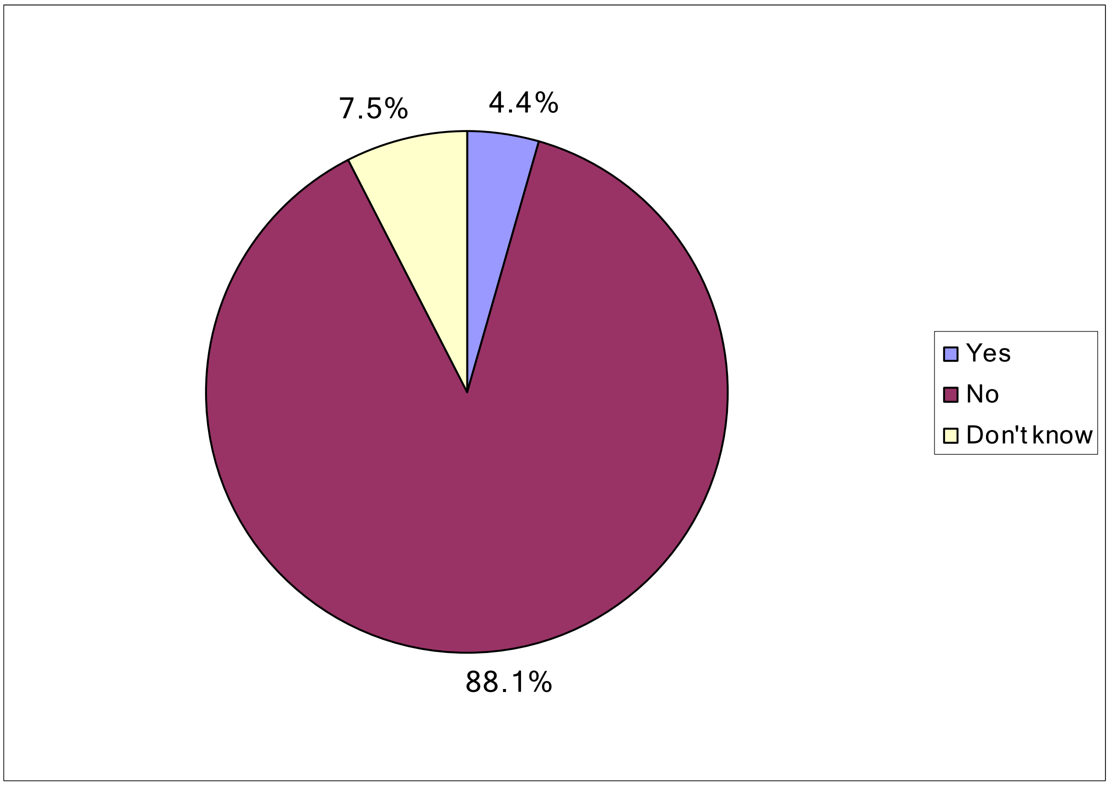


- There are still some contractors working in the domestic extension market business that are very busy (with up to 6 tenders being received per week)
- The "significant increase" in "Public Non Residential" is probably a more of a reflection of the fact that schools, 3rd level education facilities, prison work, etc is the only type of work available for tendering rather than a real increase in this area
- People are becoming increasingly budget and cost concious and are having estimates done where previously they would not have done so. Also increase in middle east work in relation to prep of BOQs and M&E work.
- We have seen a 'healthy' increase in our workload
- I am at Stage 2A of a student housing scheme and are updating cost plans at the moment; only other main work is school projects. A small amount of work is for a commercial client in the UK.
- Public works contracts pre and post contract requirements seem to be ignored by some consultants and hence same consultants work load is reduced which results in the ability to under cut fees in order to obtain projects.

- We have begun the new replacement hospital at Grangegorman, as wel las progressing various other projects on site
- As a company i notice a significant increase in the quantity of projects that we are tendering for at present in the Munster Region. I am not aware of the statisitcs of how many of these projects make it to site, so i am unable to comment. As a company our workload has increased significantly in the Munster Region
- different services being provided eg procurement etc
- We only deal in Commercial Property so for no change read we do not do this type of work.
- The public sector Employment Control Framework has resulted in the retiring chartered surveyors not been replaced within the organisation, as a result the workload has increased, however, this is offset to some extent by a reduction in the number of students applying for surveying courses.
- Due to the exceptionally7 low level of activity my answers may not be representative of an anecdotally reducing marketplace
- We were due to commence preparation of tender documents two commercial projects in January last, both appear to have been shelved
- Our increase in commercial and industrial is primarily because of work in the UK and Germany
- We have seen a significant reduction in both Commercial Office Fit Out and Retail Fit Out Projects coming on stream.

Skills Shortages in Construction

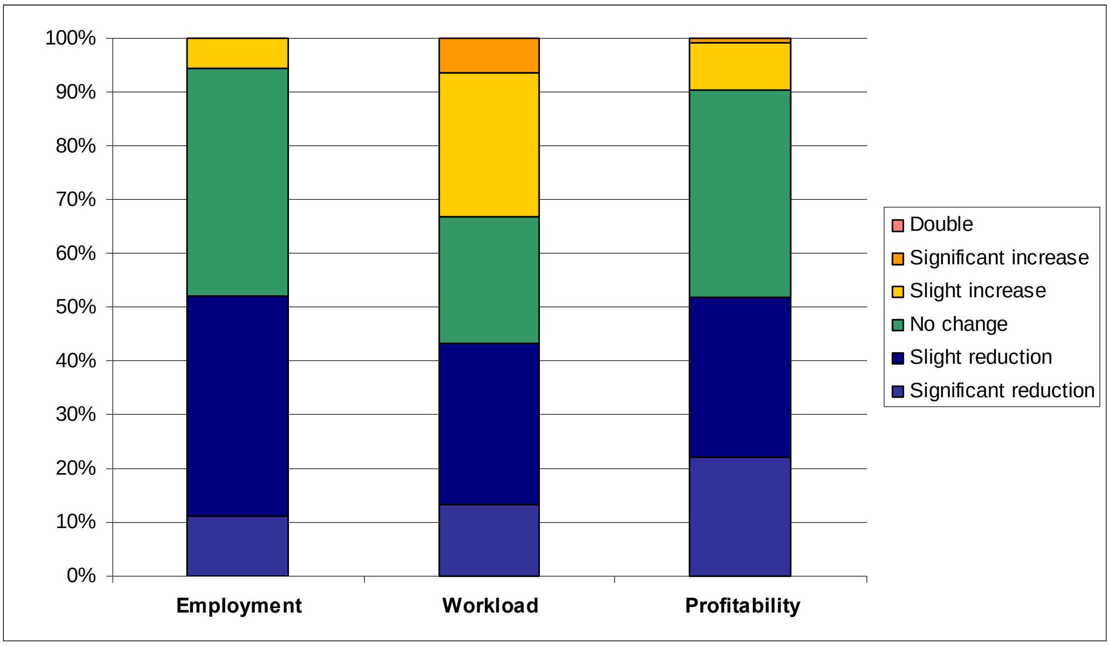
Do you foresee any shortages in construction skills over the next quarter
(April to June 2011)?



- QS's with a good contractual knowledge able to tackle the GCCC documents
- Skilled Practioners across the wide range of built environment disciplines
- I see a shortage in 2012 in all sectors. The main problem being that sub contractors are going out of business for various financial reasons and there are no replacements
- Demand will be minimal
- From my persepctive, I think there is a surplus of skills in the country currently relative to the workload available
- Correct application of external insulation, huge number of graduate quantity surveyors emigrating
- Carpenters, electricians
- Unfortunately there is not the jobs to use up our current high level skill base
- QSs
- Impact of reduced budgets for Summer Works and Emergency Works will impact in the third quarter.
- Assistant QS
- Across the board
- Mechanical & Electrical Engineering Coordinators

Forecast for Q2 2011 : Employment, Workload, Profitability

Over the current quarter (April to June 2011) how do you expect the following to change, compared to the previous quarter?



- With a reduction in the work force the work load for those left increases to cope with the reduction in staff
- As self employed, I am constantly having to review if I can continue to run my company in this current environment. Wages are cut by 80% and there it is a struggle to keep them at that level
- Companies are more efficient and profit margins will increase
- There has been a servious reduction in the number of studens entering the professions in the last two years, this is going to rsult in a serious graduate shortage in 2/3 year time which will take several years again to redress as the lead in period for graduates is 4 years.
- whilst the level of enquiry last quarter slightly increased, monetary constraints where the overriding factor in preventing work proceeding, the recent increase in lending rates will further dampen the market.
- Reduced budgets for Summer Works and Emergency Works projects on schools will lead to a reduction in activity in small scale projects amongst consultants..
- In current Climate Profit would better be described as survival /no loss.It is hard to make a financial profit.
- Small practices with 4 to 8 employees are uncompetitive against 1)sole traders who are able to provide services with little overheads and 2) larger firms who have a greater depth of resources to fall back on. Clients who want a very reasonable cost chose the sole trader, and client (public sector) who want the assurance that the firm has a depth of personnel seem to go with the larger organisations. The SME's are getting squeezed from both ends, and it will lead to continuing wind down of small QS firms
- Practice are being forced to shed staff, in order to cut costs, due to the highly competitive tendering environment for prof QS services, while projects are becoming harder to deliver in terms of meeting time, cost and quality performance objectives in the down turn, which means projects consume more time/ fee, profitability on projects is a challenge.