



# Wexford **PEOPLE**

## INSIDEBUSINESS

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### Construction sector tender prices are set to continue to rise

CONSTRUCTION tender prices increased by 2.9 per cent in the second half of 2016, according to the latest Tender Price Index published by the **Society of Chartered Surveyors Ireland**.

And while the index relates to non-residential construction projects, the **SCSI** said it was inevitable that rising prices would have a knock on effect on house building costs.

Wexford-based Chartered Surveyor Micheal Mahon, Chair of the Quantity Surveying Professional Group of the **SCSI**, said that while the rate of increase is higher in Dublin, price inflation is also now being experienced in the regions.

'The continued rise in tender prices is reflective of the increasing level of construction activity across the country, most notably in the Greater Dublin Area (GDA), where tender price inflation was 3.4 per cent in the last six months of 2016.

'Outside of Dublin the figure was 2.5 per cent. This is in line with expectations as construction activity continues to increase year on year albeit from a very low base. For the first half of 2017 we are forecasting a similar trend with prices rising at 3.3 per cent in the GDA and 2.8 per cent elsewhere,' said Mr Mahon. According to the **SCSI**'s index prices increased by 6.3 per cent for the year as a whole. In recent years the trend with tender prices has been one of consistent increases - they rose by 5.5% last year and 5% in 2014 - and the **SCSI** is predicting that this will continue in the short term. 'Previously the **SCSI** highlighted its concern in relation to the upward pressure on building costs. While this tender index relates to 'non-residential' construction, the industry must be viewed holistically,' said Mr Mahon.