

State of the Building and Construction Sector: Annual Monitor 2021-2022

The building and construction sector is relatively resilient

Most businesses described their financial performance for YE 31 March 2022 as neither positive nor negative.

OPINIONS ABOUT FINANCIAL PERFORMANCE IN LAST 12 MONTHS

		11 1025
14%	63%	20%
negative	neither positive nor negative	positive

TOP 5 REASONS FOR POSITIVE FINANCIAL PERFORMANCE

Customers wanted more work than projected 56%				
Better profitability 40%				
More efficient business 35%				
Highly skilled staff31%				
Higher margins 24%				
TOP 5 REASONS FOR NEGATIVE FINANCIAL PERFORMANCE				
Costs were higher than before 61%				

Costs were higher than before			61%
Materials shortages/delays			60%
Customers cancelled/delayed		53%	
Lower margins	43%		
Lower profitibility	43%		

Compared to the year before the COVID-19 pandemic, many rated their financial performance as worse.

OPINIONS COMPARED TO THE YEAR BEFORE COVID-19

40%	33%	23%
negative	neither + or -	positive

Most stated they were confident they would still be operating in 12 and 24 months' time.

BUSINESS CONFIDENCE IN THE NEXT 12 MONTHS			
44%	30%	24%	L
very confident	confident	unsure	

Most stated they had at least 6 months' forward work.

BUSINESSES FORWARD WORK

40%	42%	11%
more than 6 months	6 months forward work	none

Almost one-third stated they want to grow.

GROWTH PLANS

GROWTH PLANS		n=1029	Used recycled materials
30%	54%	<mark>9%</mark> 3	9%
grow	stay the same	become	
		smaller	
		plan to	

close

n=212

n=147

n=1029

n=927

Future demand could be unstable

While many end-users who delayed their builds or renovations in the last 12 months plan to recommence their work in the coming year, others stated they have longer timeframes or did not know.

PLANNED START-TIMES FOR FUTURE BUILDS AND RENOVATIONS n=276

		n=276
56%	20%	23%
within next 12 months	in 1 year or more	did not know
Timeframes were likely to be bas personal, economic and sector-r		
FACTORS LIKELY TO INFLUENCE DELA	YERS' TIMELINES	S n=276
Their personal financial situation changes	for the better	
47%		
Building costs stabilise		
34%		
Preferred materials/products become avail 33%	lable	
Other aspects of their personal situation ch	nange (e.g. their he	alth)
31%		
COVID-19 disruptions become more manag 29%	eable	
When a builder becomes available		
27%		
When their <u>preferred</u> builder becomes avai 27%	lable	
When consent is obtained		
15%		
An architect/architectural designer become 11%	es available	
When their <u>preferred</u> architect/architectura 10%	al designer become	s available
HOW DELAYERS CHANGED THEIR PLA	NS	n=86
Left out parts of the build renovation, poss	ibly to do in the fut	ure
410/		

41%

40% Used materials and fittings that aren't as energy efficient

Used materials and fittings that aren't as environmentally friendly

Used lower priced materials and fittings

24%

Down-sized generally

20%

19%

Workforce issues may affect the sector's capacity to meet demand

While most businesses reported having the same number of staff as they did 12 months ago, some said they now had more.

CHANGES IN WORKER NUMBERS COMPARED WITH 12 MONTHS AGO

Entry-level staff		
23%	61%	12%
ntermediate level staff		
13%	72%	11%
Experienced staff who wor	rk independently	
13%	70%	15%
Advanced/expert staff who	o mentor	
10%	77%	9%
more	the same	less
ooking forward, bu	usinesses generally perceive	
ooking forward, bu continue recruiting.	usinesses generally perceive	ed a need to
Looking forward, bu continue recruiting. TYPE OF STAFF REQUIR	usinesses generally perceive	ed a need to
Looking forward, bu continue recruiting.	usinesses generally perceive	ed a need to
Looking forward, bu continue recruiting. TYPE OF STAFF REQUIR Entry-level staff	RED AT EACH EXPERIENCE LEVEN	ed a need to
Looking forward, bu continue recruiting. TYPE OF STAFF REQUIE Entry-level staff Intermediate	RED AT EACH EXPERIENCE LEVER 36% 44% rk independently 57%	ed a need to

technicians were identified as the most sought-after staff, but they were also identified as the staff most difficult to recruit.

TYPES OF STAFF NEEDED AND THE MOST DIFFICULT TO RECRUIT n=648







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End-users are embracing new trends in building design

Many end-users building new said they were incorporating energy-efficient features into their new homes, with the main 'drivers' being to have healthier homes and reduce future (energy) operating costs.

TOP 5 FEATURES OF NEW BUILDS New house/townhouse/apartment

ergy efficient appliances			n=131
ergy enicient appliances	500/		
	52%		
art heating system			
	48%		
lar panels			
	47%		
ple glazed windows			
38%			
art appliance control system			
33%			

This was also the case with end-users involved in major renovations.

TOP 5 FEATURES OF MAJOR RENOVATIONS n=119 **Double glazed windows** Insulation in the roof cavity Insulation in the walls Insulation under the floor 32% New or improved heating system 30% With respect to new building trends and areas of greatest interest to end-users, investment may be required to support further capability-building. **CAPABILTIES REQUIRING MORE SUPPORT AND INVESTMENT** Buildings which are 'greener' or more energy-efficient (e.g. highly insulated buildings, buildings with solar panels, etc.) 31% Buildings which take account of climate change (e.g. zero emission buildings or passive homes)

Business owners'/managers' capabilities (n=1029) Workers' capabilities (n=784) Workers' interests (n=784)