

ECONOMICS



# Global Construction Monitor

Q3 2024

Responses were gathered in conjunction with the following organisations:



Canadian Institute of  
Quantity Surveyors

Institut canadien des  
économistes en construction



# Headline construction activity growth softens somewhat, with divergent trends across sectors

- Construction Sentiment Index eases over the quarter but remains mildly positive
- A rising share of respondents are now reporting insufficient levels of demand, with financial constraints also still a widely cited factor negatively impacting activity
- Material cost pressures appear to soften somewhat, as projections for total construction cost inflation over the next twelve months are scaled back

The Q3 2024 RICS Global Construction Monitor results point to a slight slowdown in headline activity growth, with trends at a sector level turning more divergent. Nevertheless, expectations for the coming twelve months remain positive, even if confidence in the outlook has been tempered marginally compared to the previous iteration of the survey.

## Construction Sentiment Index (CSI) moderates across most world regions

At the global level, the CSI posted a reading of +8 in Q3, down from a figure of +15 returned in each of the previous two quarterly reports. Moreover, the latest value, while still consistent with a positive outlook overall, is the least elevated reading since the latter stages of 2022. Displayed in Chart 1, most regions saw some degree of softening in their CSI readings this quarter. At the weaker end of the scale, the headline index registered a figure of -2 in APAC (down from +7 in Q2), representing the worst reading across the region since 2020. Alongside this, Europe recorded a reading of +7 compared to last quarter's figure of +12. Across the Americas, although the Q3 CSI return of +18 is still comfortably in positive territory, it is down from much stronger readings of

+27 and +32 seen in Q2 and Q1 respectively. Lastly, MEA was the only region to see its CSI improve this quarter, with the latest figure coming in at +28 (up from +24 previously).

When viewed at the country level (as depicted in Chart 2), Saudi Arabia and the UAE continue to exhibit robust CSI readings, driven by strong growth in workloads being reported within all sectors. Furthermore, expectations for the coming twelve months are similarly upbeat across the board. Meanwhile, in contrast to the regional aggregate picture, some APAC nations such as the Philippines and India are experiencing altogether stronger conditions at present, with forward-looking metrics painting a positive assessment for the construction market. By way of contrast, sentiment remains downbeat across China, with the government's recently announced stimulus package yet to feed through into a pick-up in market confidence.

Elsewhere, the country level data throughout Europe is somewhat mixed, as Spain in particular stands out as returning an upbeat CSI figure, while Germany returned a clearly negative headline reading. Sitting in the middle, France, Italy, the Netherlands and the

Chart 1 - Construction Sentiment Index by Region

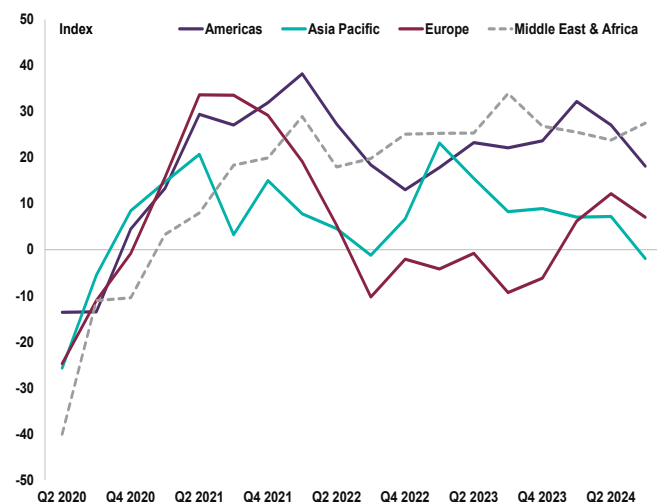
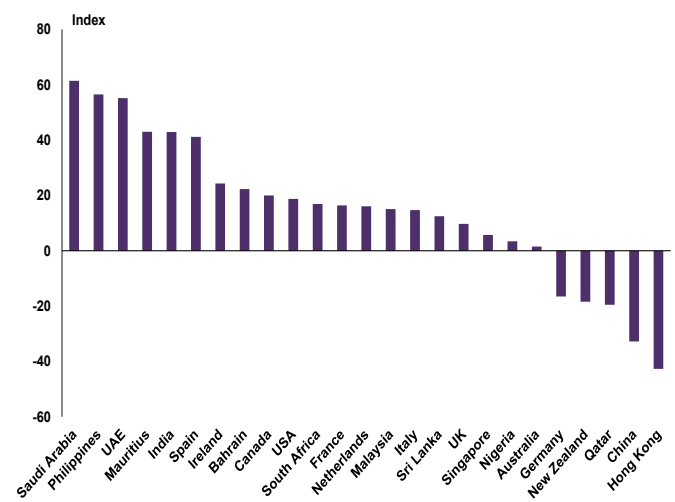


Chart 2 - Construction Sentiment Index by Country





UK all posted flat to mildly positive readings in Q3, although, in most cases, there was no significant improvement compared to last quarter.

**Outlook for workloads remains positive, but expectations have been trimmed slightly**

Chart 3 illustrates twelve-month workload expectations at the sector level across all four broad regional blocs. As has been the case for the past several reports, MEA continues to demonstrate the most well-rounded expectations, with all sectors anticipated to deliver strong growth in workloads, led by infrastructure (in net balance terms). Across the Americas and APAC meanwhile, although the outlook for infrastructure remains solid, respondents envisage only modest growth within the private residential sector. In both regions, expectations for housing development activity over the year ahead were scaled back compared to the previous results.

For Europe, infrastructure and private residential workloads are expected to see reasonably solid growth, while the outlook is a little flatter for private non-residential/commercial. APAC also displays relatively tepid expectations for private non-residential workloads, with the net balance of +12% slightly downgraded on the reading of +17% seen beforehand.

**Insufficient demand increasingly viewed as a limiting factor**

Chart 4 shows the share of respondents highlighting specific factors to be impediments across the construction market. In keeping with the feedback received over the past four quarters, financial constraints are the most widely referenced barrier to market activity globally. That said, at 63%, the proportion of contributors citing this factor has eased compared to a recent high of 71% back in 2022. Likely relieving the pressure to a certain extent, the global credit conditions measure registered a reading of +2% in Q3, much improved on a figure of -20% last time.

Chart 3 - Twelve-month expectations by sector

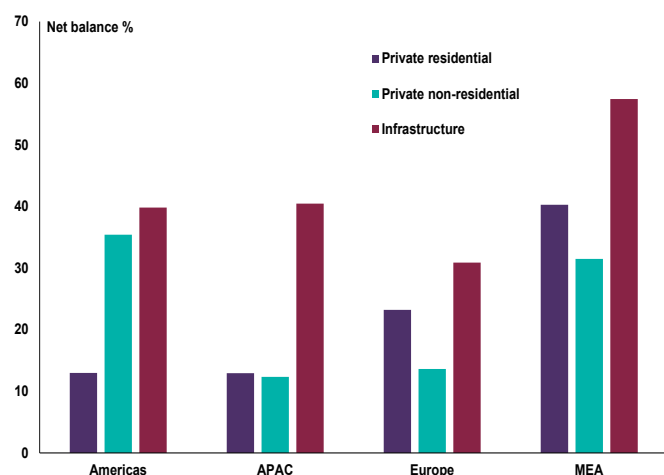
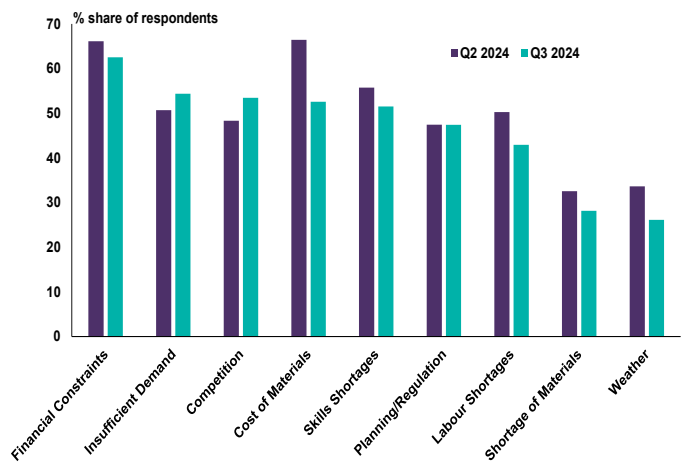


Chart 4 - Factors Limiting Construction Activity



Significantly, chiming with the general slowdown in growth reported this quarter, insufficient demand is now the second most frequently cited factor seen to be limiting activity, with 54% of survey participants reporting this in Q3 (the highest share since 2021). Interestingly, although still a problem, the latest results show a noticeable reduction in the percentage of respondents singling out the cost of materials as a restrictive factor during Q3 (from 66% to 53%). Moreover, 53% is the lowest share of contributors reporting troubles with material costs since 2020. Just as importantly, twelve-month projections for material cost inflation have been further trimmed this quarter (shown on Chart 5 on the next page), now sitting at 4%, which is again the least elevated since 2020.

**International markets increasingly targeted for construction workers**

While the share of respondents reporting shortages of skilled workers and general labour has also fallen back modestly in the latest results, such shortfalls remain an ongoing challenge for the industry globally. In an extra question included in the Q3 survey, respondents were asked if they are seeing increasing levels of recruitment of personnel from nations outside of their local market. When viewed at a regional level, 67% of respondents based in MEA stated that they are seeing an increase in this type of hiring, while the respective shares answering in the affirmative stands at 66% in Europe, 60% across North America and 50% within APAC.

On a similar theme, respondents were also asked if they were aware of any government policies that are aimed at attracting foreign workers into the construction sector. Both MEA and APAC displayed the highest share of contributors answering 'yes' for this question, at 51%. Meanwhile, 43% of respondents across North America reported being aware of such policies while the proportion was considerably lower across Europe, at 30%.

Chart 5 - Global twelve-month cost projections

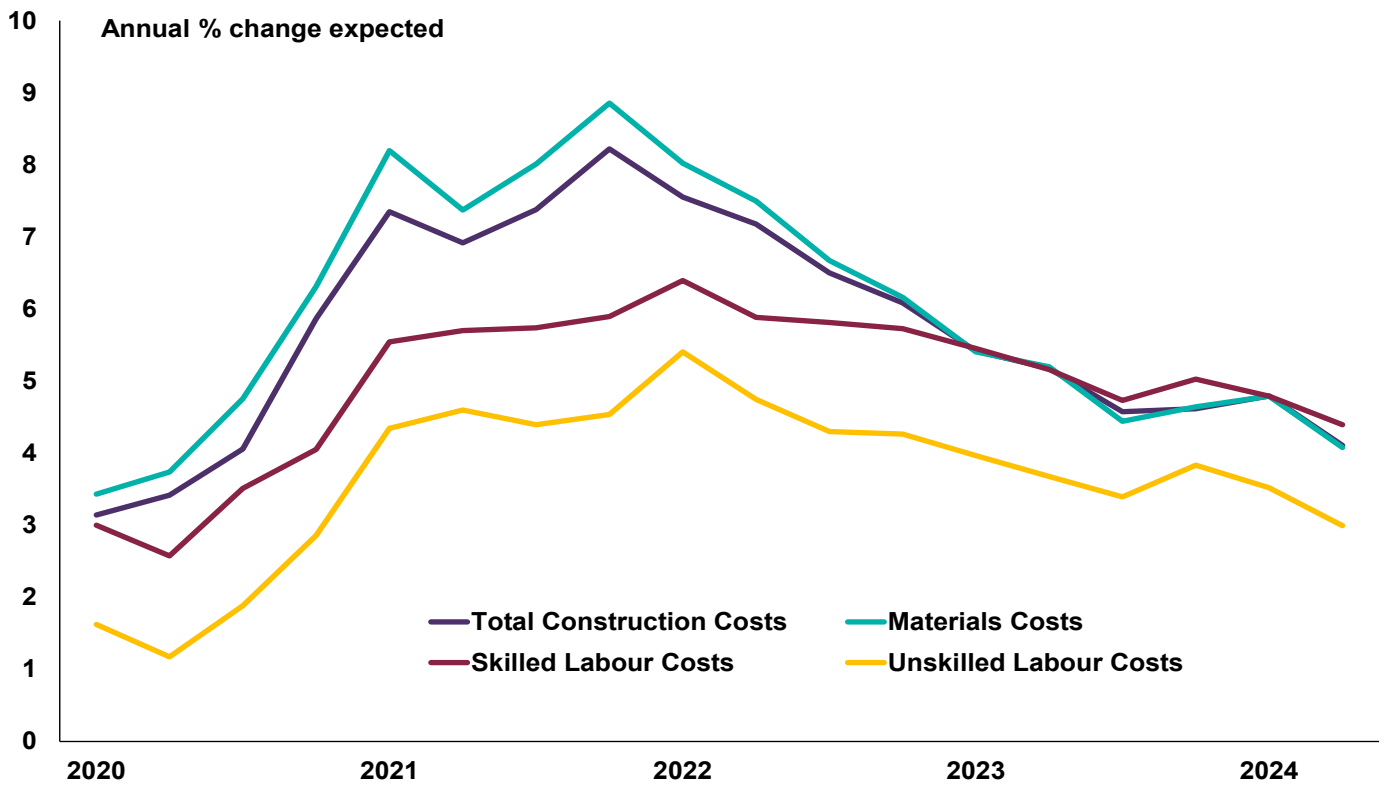
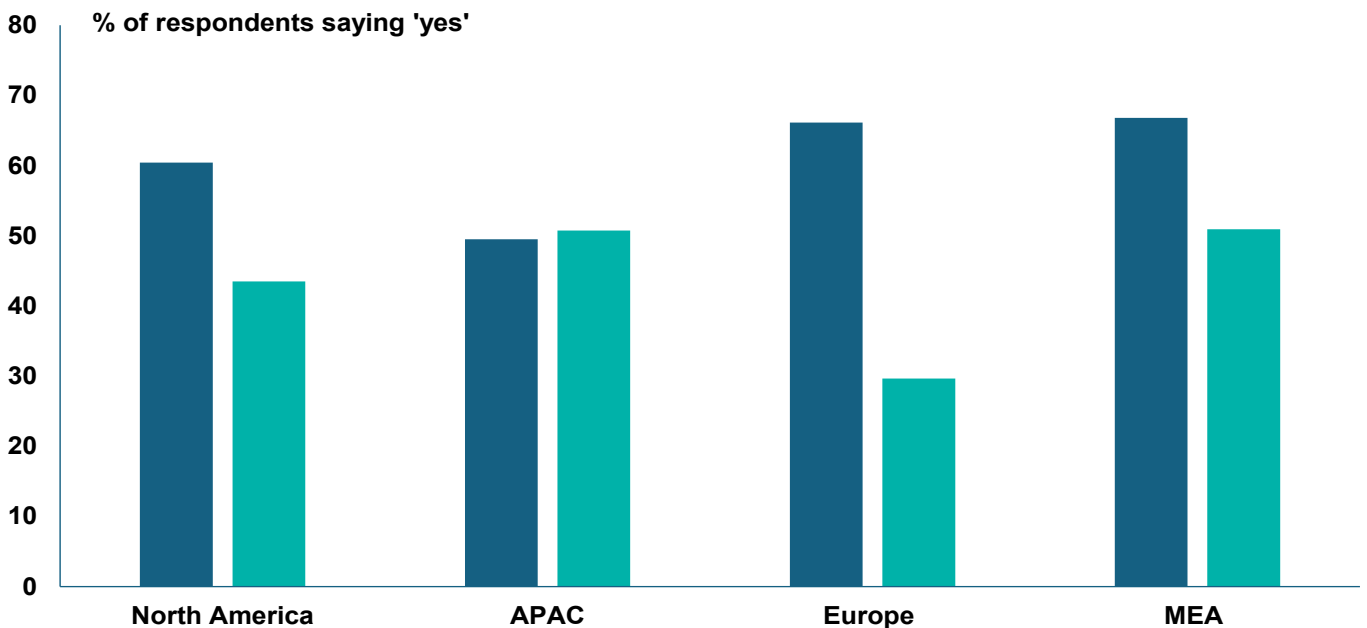


Chart 6 - Recruitment of international workers

- Are you seeing increasing recruitment of personnel from outside of your local market?
- Are you aware of any local government policies aimed at attracting foreign construction workers?



# APAC: Headline index weakens slightly although mixed country-level trends remain evident

The headline Construction Sentiment Index (CSI) for APAC deteriorated at the aggregate level in Q3, posting a reading -2 compared to +7 last time. Similar to the results in the previous quarter, mixed signals are visible across different nations, as shown in Chart 1. India and the Philippines stand out as seeing noticeably stronger feedback compared to the regional picture, with the latest CSI readings still exceeding +50. Elsewhere, Malaysia also returned a positive reading for the headline index over the quarter (+15), with Sri Lanka posting a similar figure of +13. Meanwhile, the CSI in Singapore and Australia remains in neutral territory for now. On the weaker end of the scale, China, Hong Kong, and New Zealand continue to exhibit subdued sentiment, adversely affected by macroeconomic headwinds.

## Mixed picture for workloads across APAC

At the aggregate level, both the residential and non-residential sectors saw a negative trend in workloads in Q3, recording net balances of close to -20%. Meanwhile, momentum across the infrastructure sector has also softened, posting a net balance of +4% this time, down from +20% previously. However, as shown in Chart 2, the picture is mixed at the country level. With strong impetus, India and the Philippines display well-rounded growth, both in terms of current workload indicators and future expectations. While Malaysia also recorded a solid pick-up in construction workloads across the private residential (+25%) and infrastructure (+10%) sectors in Q3, the picture was much flatter for private non-residential. Nevertheless, all categories are expected to see a rise in output over the year ahead. Despite a flat current picture across the private sector, and a negative trend in public works over the quarter, Sri Lanka displays optimistic expectations for the outlook over the next twelve months. Meanwhile, in Australia and Singapore, the infrastructure sector emerges as the sole driver of construction activity, showing positive readings for both the current and expected workload metrics. Seeing weaker trends altogether, Hong Kong, China, and New Zealand experienced a fall in workloads across all sectors in Q3. This serves as a cautionary note that China's stimulus package has yet to bolster market confidence.

## Material costs ease while financial constraints persist

Chart 3 compares the factors reported to be holding back the construction market. In Q3, there was a welcome sign that easing inflation is leading to fewer respondents expressing concerns over material costs (moderating to 57% from 74% in Q2). On the other hand, financial constraints remain one of the top hurdles in APAC, as confirmed by 70% of respondents again this quarter. Moreover, there was a slight increase in the share of contributors citing competition and insufficient demand as an impediment this time.

In Australia, Singapore and India, skill shortages are mentioned as a limiting factor by around 60% of survey participants. In response to this, in Australia, around 59% of respondents have seen increased hiring of personnel from overseas, the highest among all APAC nations covered. Interestingly, 63% of respondents from Hong Kong report being aware of government initiatives in place to attract foreign workers, significantly higher than the global average of 44%. Across many other parts of APAC however, the share of contributors stating that government measures are focussed on attracting international workers into the construction sector is below the worldwide average.

Chart 1 - Construction Sentiment Index

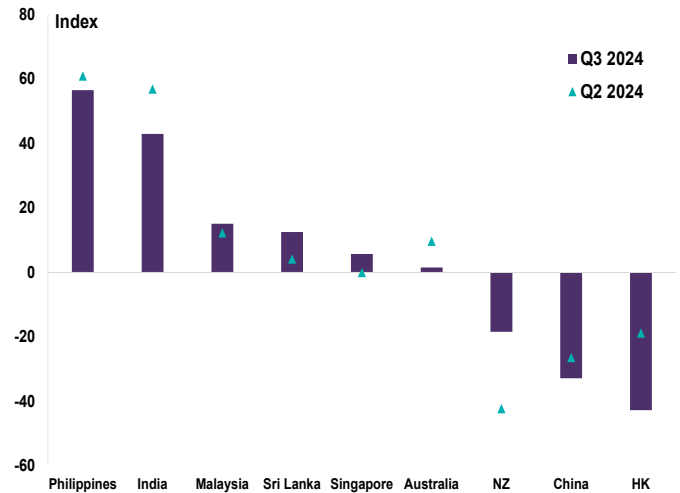


Chart 2 - Current and Expected Workloads by Sector

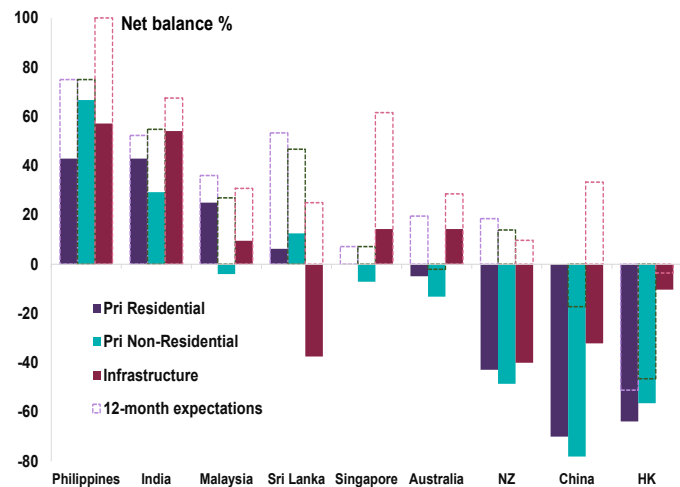
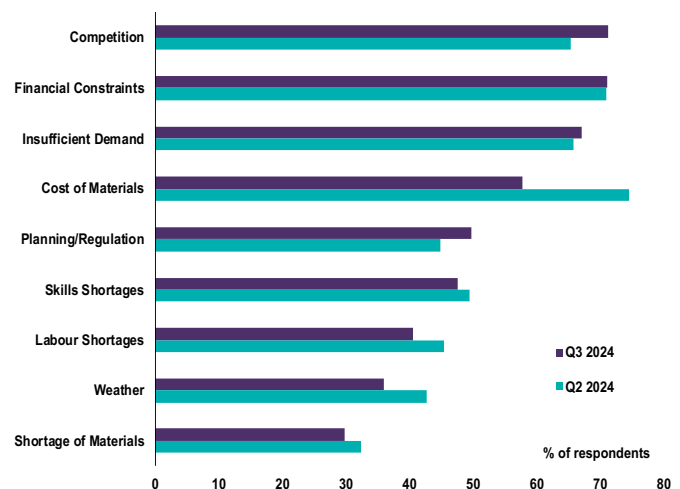


Chart 3 - Factors Limiting Activity



## Regional comments from survey participants in APAC

### Australia

Demand for housing has not decreased. - Adelaide

Introduction of BPIC in QLD is driving labour rates up. - Brisbane

Elections and Olympics. - Brisbane

Land price increase, short supply of land, ageing senior staff. - Brisbane

CFMEU. - Brisbane

Government is attempting a soft landing for the economy. The RBA is trying to control inflation with the only tool they have: the cash rate. The RBA is pressuring the government to reduce spending, which may affect the construction industry. High interest rates are leading to less private market investment. This unprecedented situation makes it hard to predict the next 12 months. The industry is cautious and expects less growth. - Brisbane

The upcoming state election has temporarily delayed decision-making on large infrastructure projects. - Brisbane

Due to housing shortages across major Australian cities, the government has moved to restrict migrant intake. - Brisbane

Unions. - Brisbane

Visa issuing - time constraint. - Brisbane

Significant public expenditure on energy and health is placing increased pressure on labour, particularly skilled labour. - Brisbane

Retail shift to online. - Carlingford

Residential market has dipped significantly, and commercial works have stalled/delayed in the past 6 months. Bankruptcy of trade contractors and builders is up. - Hobart

Industrial relations remain the most significant impact on blue-collar workers. White-collar shortages are driven by concurrent mega projects in Melbourne and Sydney. - Melbourne

Interest rates, state budget. - Melbourne

Federal government policy affecting major projects. Funding issues for large infrastructure rail projects likely to cause a 2-year delay. - Melbourne

High construction costs due to increased resource prices. - Perth

Labour shortages are halting work. - Perth

Skilled labour is becoming harder to find with the volume of work. - Perth

Tense political situation due to war in some parts of the world. - Perth

Government budget constraints. Some projects have had to be re-tendered due to delayed decisions. Inadequate. - Perth

More than 1,000 builders, big and small, have collapsed in recent years. Key factors include financial mismanagement, project delays, cost overruns, inability to adapt to changing market conditions, competitive pressures, thin profit margins, legal disputes, and contractual issues (fixed price contracts). - Sydney

Delays in approvals, increased regulation, unwillingness to accept undue risk, and a drop in the participation rate of delivery contractors. - Sydney

Government policies. - Sydney

Lack of available development sites and high land costs. - Sydney

Energy market stalled, and construction is very late to start. - Sydney

Procurement models. - Sydney

Low demand from infrastructure spending and private sector. - Sydney

Higher labour and material cost. - Sydney

Lack of available development sites and high land costs. - Sydney

### Bangladesh

The political situation in the country. - Chittagong

### Brunei

Change in government policy resulting in low work executed in the private sector. - Bandar Seri Begawan

Slacking demand, reduced purchasing power of the general public, high borrowing costs, increased failure of small to medium businesses, and deteriorating employment opportunities are factors contributing to the decline in the construction industry. - Bandar Seri Begawan

### China

Next year will mark the beginning of a recovery. - Shanghai

Policy factors play a dominant role. - Shanghai

Government fiscal stimulus. - Shanghai

Enhance regulatory oversight. - Baoding

Make payments on time as stipulated in the contract. - Beijing

Fair competition, government regulation, and a truly standardized, open, and transparent trading market. - Beijing

The current downturn in China's construction market provides an opportunity to address the poor-quality work that resulted from the previous boom. There is now time to focus on producing high-quality projects. - Guangzhou

Industry competition is intensifying, leading to difficulties. - Guangzhou

1. the primary influence is the government's macro-control policies on the real estate market. 2. the impact of the national macroeconomic conditions. - Guangzhou

The construction market is becoming increasingly sluggish. - Wuhan

Deepening reforms are beneficial for the healthy development of the industry. - Zhuhai

The reduction in foreign investment, adjustments in real estate policies, and decreased exports have directly led to a

sharp decline in the number of construction projects. - Suzhou

### Hong Kong

Government policy in construction affects both private and public buildings.

The construction market in Hong Kong is influenced by COVID-19 disruptions, labor shortages, regulatory changes, rising material costs, sustainability trends, infrastructure projects, geopolitical tensions, and technology adoption.

Property prices are falling, and the economy has not yet recovered.

The economic downturn in Hong Kong is causing difficulties for private investments, reducing demand for labor and other professionals in the construction market.

Low demand, reduced backlog, retrenchment, and staff leaving the sector.

There is a current and looming trade skills shortage, with over 70% of skilled workers being over 50. The government has increased labor quotas from mainland China, but construction unions resist, citing exploitation concerns.

Over the past 30 months, Hong Kong's construction and consulting market has contracted significantly, favoring Chinese-speaking staff and prompting an exodus of foreign professionals. Mainland China staff have filled these vacancies. Coupled with a budget deficit and weak economic demand in China, Hong Kong is now less attractive to international construction professionals.

Supply of labor from other regions.

Government policies, interest rates, inflation, and competition with other countries.

USA-China ties and land bid policy.

Political environment and government policy.

Decline in private residential and office demand, leading to fewer new project opportunities for construction contractors.

Statutory requirements, local economic conditions, and property market conditions.

Government input on new projects and a decrease in rent in the commercial sector.

Migration to other countries, economic confidence, political conflict, difficulty finding good jobs, and government fiscal policy.

Ageing population in the long run. Ageing labor force in the construction market, with people seeking jobs with fewer working hours and less interest in labor-intensive work.

Sluggish market growth due to the economy.

### Taiwan

Low local salaries. - Taipei

### India

Statutory approvals from government authorities. - Bengaluru

Design consultants deliverables getting

## Regional comments from survey participants in APAC

Rising material costs, driven by global commodity price increases and supply chain disruptions, are straining budgets. Labour shortages, worsened by the pandemic, have led to inconsistent availability and higher costs. Additionally, regulatory issues further complicate the market. - Chennai

Heavy rains, driven by changing climatic patterns, are also a deterrent. - Chennai

Huge lack of skilled professionals and a missing system or flow of protocol in projects. - Delhi

Supply exceeds demand for residential and commercial buildings. - Dombivli

Global uncertainty. - Hyderabad

Government policies. - Hyderabad

The government has been releasing many projects simultaneously, leading to a shortage of skilled personnel. - Hyderabad

Lower quality of available products in the market. - Hyderabad

Shortage of skilled engineers and workers. - Hyderabad

Political reasons. - Kattankulathur

Professionalism and training of skilled workers. - Pune

Availability of good engineers and skilled labour. - Thane

Residential property demand is rising, while commercial and industrial property demand remains low. - Trivandrum

Corruption. - Vadodara

### Indonesia

The political and economic instability (wars in EU and Israel) and US Election results are turning worse. - Jakarta

### Japan

Shortage of Skilled labor and aging population. - Tokyo

Regulations on working hours and rising turnover rate. - Tokyo

### Malaysia

Shortage of graduates, especially in Quantity Surveying, due to the weakness of the Malaysian Ringgit against the Singapore Dollar. Many graduates have left for Singapore. - Georgetown

The rise in data centres has caused severe water and power shortages for other construction sectors, increasing demand in the existing market. - Johor Bahru

Current exchange rates may affect material prices. - Johor Bahru

Inclement weather changes and geopolitical issues. - Kuala Lumpur

Competition. - Kuala Lumpur

The tensions in the Middle East and Ukraine will significantly impact the global market, especially oil prices. - Kuala Lumpur

Shortage of skilled workers and contractors prioritizing profit over workmanship. - Sabah

The surge in building new data centres in southern Malaysia has caused a temporary acute labour shortage. - Puchong

### New Zealand

Lack of government and private projects, influx of professionals from South Africa and India leading to overcapacity and lack of opportunity for locals. Imported staff costs less initially until they catch up with the cost of living. - Auckland

New government austerity. - Auckland

Government change. - Auckland

Government cuts spending and new projects. - Auckland

Interest rates, residential market. - Auckland

Changes in government and shifting priorities have delayed and postponed infrastructure projects, creating uncertainty in the construction market. - Auckland

Government spending. - Auckland

Current economic conditions are negatively impacting the construction industry. - Auckland

Change in government. - Auckland

The National Party government, elected in mid-October 2023, is tightening its control over spending on government-funded capital projects. - Christchurch

Cuts by the new government are impacting the public sector and economy. - Christchurch

We are in a full-blown recession; it's very tough. - Christchurch

Government change has caused a pause and a dip in confidence for investors and house builders. - Hamilton

New Zealand is technically in recession. - Queenstown

Immigration policy does not cater for graduate or mid-range Building Surveyors from overseas, and there are no NZ Building Surveyors coming through. - Rolleston

More focus on infrastructure currently. - Wellington

Big slowdown in activity, contractors dropping margins, slow residential sales. - Wellington

### Philippines

Increase in construction costs (upfront) due to sustainability concerns. - Makati

With rising competition, stricter contract conditions, and standardized onerous terms, construction costs are higher, profit margins lower, and performance damages and penalties increased. - Mandaluyong

Infrastructure projects on the increase. - Manila

Other related construction supplies. - Manila

Slow government processes and effects of

natural disasters. - Olongapo City

Government legislation and direction affect the market at both federal and local levels. - Paranaque

### Singapore

War, political instability, and low oil prices.

After the COVID-19 lockdown, labour costs surged due to shortages, and material prices increased, raising tender prices across all sectors. While prices have stabilized in areas like public housing, specialized construction remains costly due to a lack of skilled workers. At the management level, there is a persistent shortage because many engineering professionals do not pursue careers in construction or related fields.

Government is reluctant to recruit foreigners into the country.

Singapore will see several mega projects begin construction in 2025. As a result, material and subcontractor costs are likely to rise and remain high for a few years.

### Sri Lanka

Present bad financial status in the country. - Colombo

Everything depends on the selected president. - Colombo

Political imbalance. - Colombo

Political changes significantly impact the construction market through regulatory shifts, funding alterations, and labor policies. New laws can affect building codes and costs, while political stability influences investor confidence. Trade policies also impact material availability, affecting project budgets. - Colombo

Increased university intake, but many graduates go to KSA and the Middle East. Increased use of IT/software, but costly in service delivery. - Colombo

Political unrest. - Colombo

Political changes and downturn in the industry. - Dehiwala

Economic downturn and political uncertainty. - Kotte

Due to Sri Lanka's financial crisis, there is uncertainty in the construction sector regarding the initiation of mega projects. - Panadura

Country economy, awaiting formation of new government within the next few weeks. - Thalahaena

### Thailand

The general economic status remains in the doldrums. With the new government in place, it is hoped that their fiscal policies will pull Thailand out of slow growth. - Bangkok



# Europe: Outlook remains slightly positive across the region in general

The Q3 2024 GCM results for Europe continue to show a mixed picture at both the sector level and when viewed across different countries. That said, the general assessment for construction activity over the year ahead remains modestly positive. Moreover, there appears to have been a broad easing in several of the factors seen as market impediments over the recent past, and this could pave the way for a more meaningful pick-up in momentum moving forward.

## Construction Sentiment Index remains positive across most European nations tracked

Shown in Chart 1, most European markets returned modestly positive CSI readings in Q3, with Italy, Ireland and the UK seeing minimal change compared to last time. Outperforming the broader narrative however, Spain saw a considerable improvement in sentiment this time around, with the CSI climbing to +41, up from a figure of +17 previously (in keeping with the better macroeconomic news-flow emerging across the nation in recent months). Meanwhile, the CSI moved out of negative territory in France, posting a reading of +16 in Q3. Moreover, this marks the first positive CSI figure for France since early 2023. Conversely, the CSI slipped back below zero in Germany, falling to a reading of -17, which comes as a setback following two positive quarterly readings beforehand.

## Infrastructure and private residential sectors set to lead the recovery going forward

Chart 2 displays expectations for the coming twelve months at aggregate regional level. With respect to workloads across the construction industry in the year ahead, both the infrastructure and private residential sectors exhibit firmly positive projections, with the former seeing a small upgrade in the latest results. Alongside this, private non-residential activity is also expected to rise, albeit more modestly in comparison to the other two categories covered.

When disaggregated at the country level, respondents based in Italy and France are most upbeat about the prospects for growth in infrastructure works over the year ahead, posting net balances of +63% and +60% respectively. Across the private residential sector, expectations are especially robust in Spain, with a net balance of +79% of contributors anticipating a pick-up in development activity. Even so, all European market tracked are expected to see some degree of uplift in private housing construction output. With respect to private non-residential, the outlook appears more varied. Indeed, respondents in Germany foresee a largely flat picture ahead, while only modest growth is anticipated in the UK, France and the Netherlands. On the other hand, Spain is expected to see a firm rise in private non-residential activity.

## Material cost pressures reportedly easing

As illustrated in Chart 3, the latest results point to an easing in several factors said to be limiting market activity. Perhaps most notably, there has been a significant moderation in the share of contributors referencing material costs as an impediment, with the current 43% share the lowest since 2020. Alongside this, while financial constraints remain the most widely referenced market hindrance, the share of respondents reporting this issue has also softened slightly of late, currently standing at 52% (down from a recent high of 72% at this point last year). Likely contributing to this slight easing in pressures, contributors in aggregate report that credit conditions improved during Q3, with the net balance turning positive at +13% compared to a reading of -23% last time. Furthermore, a net balance of +22% of respondents envisage a further loosening in lending conditions over the twelve months ahead.

Chart 1 - Construction Sentiment Index by Country

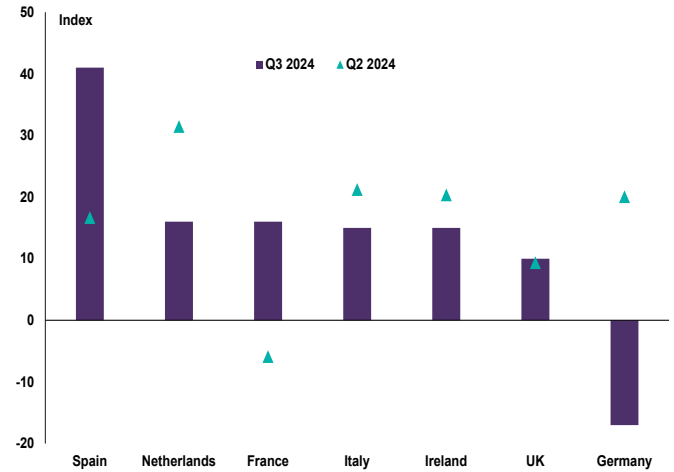


Chart 2 - Twelve-month Expectations

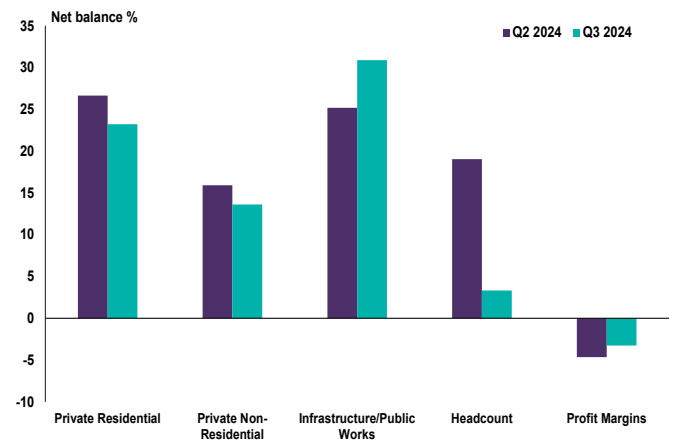
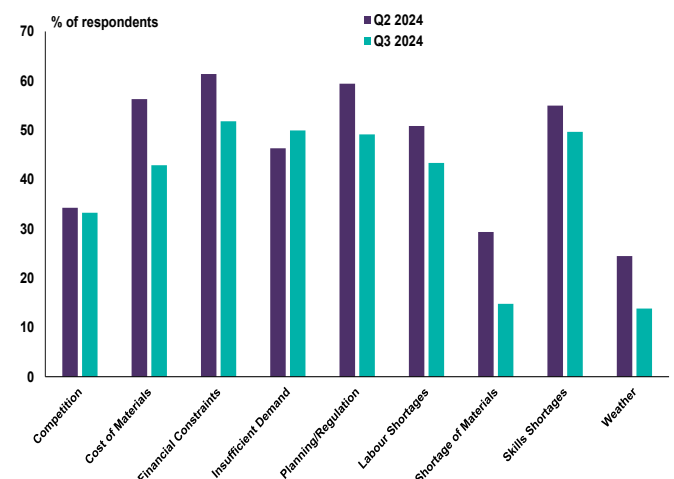


Chart 3 - Factors Limiting Activity





## Regional comments from survey participants in Europe

### Austria

Private clients are currently largely “on hold”, meaningful state funding is lacking and banks are not fulfilling their responsibilities (financing). - Vienna

### Belgium

Permits are difficult to obtain for complex projects. - Brussels

Difficult getting out of country workers due to government policies. - Brussels

### Cyprus

Extremely low fees by competitors. - Nicosia

### Czechia

Shortage of skilled labour seems to be a basic issue. - Prague

### France

Increase in various payroll taxes planned. - Carcassonne

Current French political situation. - Fayence

Corruption, lack of ethics. - Fontenay aux roses

### Germany

State overregulation and long procedures for creating building regulations. - Berlin

The supply of building land is very limited. - Düsseldorf

Negative sentiment on the part of investors, cautious prospects for the future. This leads to cautious investments and a lack of revival of the market. - Hamburg

Housing construction has virtually come to a standstill because the rents required to cover the costs of new construction cannot be achieved. New offices are virtually no longer being built outside of Hamburg. - Hamburg

Overregulation, total costs too high. - Munich

Negative: too many legal regulations, bureaucracy, high construction costs, too high interest rates - Schondorf am Ammersee

### Greece

There is some impact from the huge hellinicon project. Athens

### Ireland

Skills shortages and material costs. - Cork

Regulation for environmental considerations / planning policies / demand exceeding resources supply. - Dublin

Lack of skilled professionals - Dublin

Labour shortages. - Dublin

Commitment by clients to commence projects. - Dublin

High rates from planning authorities. - Dublin

High demand on M&E for data centre work continues to put pressure on prices. - Dublin

### Italy

Italian administrative processes for demolition and reconstruction are being blocked since the government has to take decisions on procedures. - Milan

Chronic shortage of staff and skills - Milan

### Netherlands

European regulation blocking the development of new projects in the local market. - Amsterdam

### Portugal

Contractors have full order books and are very selective about which projects they take on. - Lisbon

### Romania

Limited investment leading to reduced number of projects. - Bucharest

Unexpected public works demand for specialists, therefore most of the skilled and experienced project managers and engineers have left the private sector. - Bucharest

### Spain

Land cost is very high. Spain is booming in all sectors and the costs are increasing rapidly. - Madrid

Application of the housing law and restrictions on working in urban environments (logistics, access, road occupancy, etc.). - Madrid

Easing of administrative procedures for immigrants, which contributes to easier hiring by companies. - Madrid

Lack of land opportunities. - Tarifa

Shortage of skilled labour. - Villalón de Campos

### Sweden

Hot market. - Malmö

### United Kingdom

No school leavers going into construction sector. Banks are also causing problems with lack of lending. - Ederney

Many organisations have slowed down or paused development activity due to higher costs and uncertainty in the aftermath of political changes and the current economic climate. - London

Fire Safety works on site has become more important. - London

Land for 50-60 houses in great demand and prices increasing. However because of the BNG obligations, which can be much as £25 k per house, owners are reluctant to take off the value. - Newcastle

The number of contractors has reduced. Contractors are picking and choosing work and pricing appropriately. - Stirling

Uncertainty of taxes and financial constraints now Labour are in government. - Wimbourne

# Middle East and Africa: Construction sector activity remains robust with forward looking sentiment still positive

The latest (Q3 2024) results of the GCM across the Middle East and Africa are largely consistent with the findings seen in recent quarters. As such, feedback surrounding the current state of the construction market remains upbeat with expectations also remaining similarly robust. Nevertheless, whilst the results paint an overall positive picture, there has been some loss of impetus within a couple of nations across the region, while financial constraints and material costs continue to hinder activity more generally.

## Construction Sentiment Index remains firmly positive

The Construction Sentiment Index (CSI) remained upbeat at the regional aggregate level in Q3, posting a reading of +28 (marginally up from last quarter's +24). This latest reading extends a sustained period of strong growth in construction activity within the MEA region and continues to highlight the region's outperformance compared to the global average picture (global CSI came in at +8 this quarter).

Disaggregating this figure at a country level (Chart 1) shows that Saudi Arabia continues to shine, with a CSI reading of +61. Whilst slightly lower than +64 in Q2, the figure remains firmly in expansionary territory. The UAE follows closely behind, with a recorded CSI of +55, in line with last quarter's reading of +54. On the other end of the scale, Qatar's run of weak survey feedback persists, with the CSI returning a figure -20 for this quarter (marking the 13th consecutive negative reading). Respondents in Qatar attribute this decline largely to a post Football World Cup slowdown as well as citing global macroeconomic and geopolitical factors. Elsewhere, Nigeria exhibits a pronounced softening in its CSI, from +22 last quarter to +3 this quarter. Participants cite soaring inflation rates as well as ineffective government policies as the reason for this shift in construction sentiment.

## Current workload trends and twelve-month expectations remain robust

Chart 2 illustrates the current workloads net balance alongside twelve-month expectations at the sector level. All three sectors tracked exhibit a positive trend in workloads for Q3, with infrastructure (net balance +41%) leading the way, as was the case in Q2. Private residential and private non-residential have also posted positive gains with the former moving from +32% to +40% and the latter from +24% to +31%. Twelve-month expectations are even more positive when compared to the current trend, with infrastructure, once again, being projected to deliver the strongest growth over a twelve-month time horizon. Interestingly, whilst the recent trend in profit margins appears to have deteriorated (net balance was -24% this quarter vs -4% last quarter), respondents still envisage margins improving over the coming twelve months, with a net balance of +20% expecting an expansion.

Turning to current barriers to construction activity (Chart 3), the cost of materials has emerged as the most widely reported impediment, with 73% of respondents mentioning this factor. Financial constraints have long been the most extensively cited barrier, and 72% of survey participants continue to state that this factor has negatively impacted their activity. Interestingly, whilst the cost of materials remains a major hindrance, there has been a decrease in the proportion of respondents reporting difficulties acquiring materials with the share falling from 49% to 35% this quarter.

Chart 1 - Construction Sentiment Index by Country

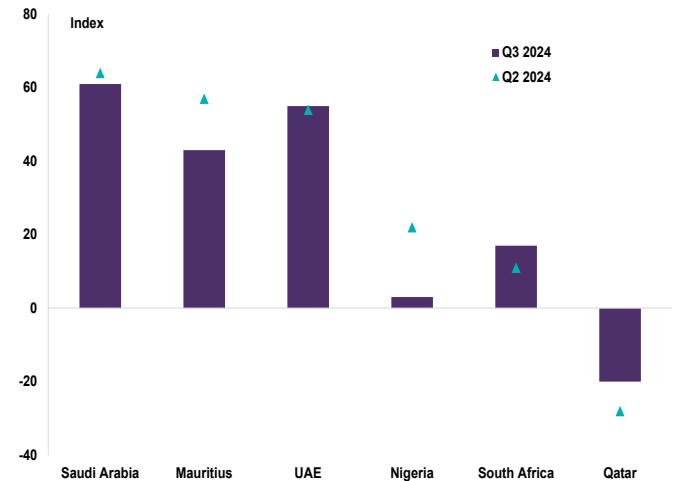


Chart 2 - Current Conditions and Twelve-Month Expectations

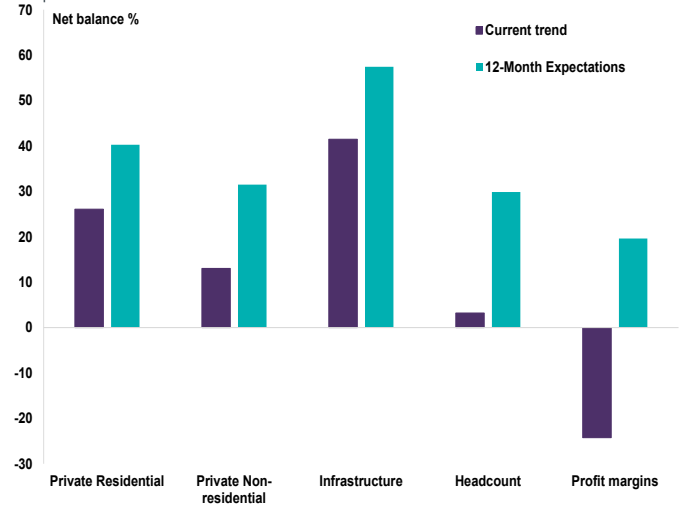
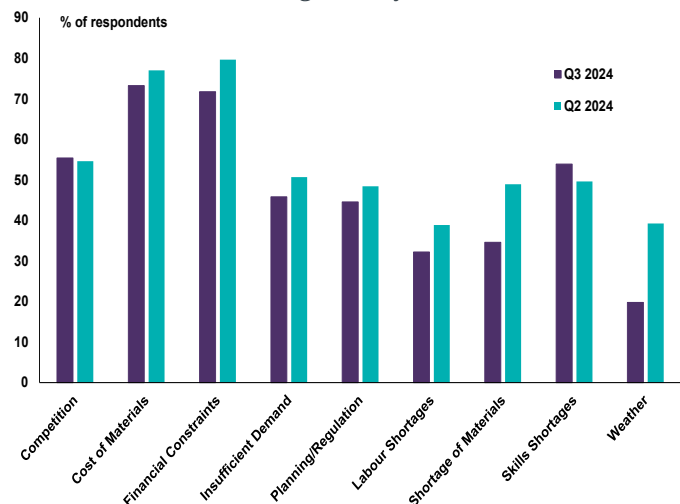


Chart 3 - Factors Limiting Activity



## Regional comments from survey participants in MEA

### Bahrain

Hiring of expat workers becoming very difficult. - Manama

The increase in major projects in neighbouring countries (e.g. Saudi Arabia) is attracting skilled & professional workers away from Bahrain market. - Manama

### Botswana

Botswana depends heavily on diamonds and with current market conditions, construction is going to suffer. - Gaborone

The government policy still imposes restrictions in hiring foreign skilled professionals / workers which makes procurement of scarce skills difficult. - Gaborone

Lack of skilled personnel, price escalation and remoteness of the projects. - Maun

### Eswatini

Reliance upon external funding which comes with tied conditions in the form of imported professional and technical resources from the donor (or rather lender) country. Increase in systemic corruption at government and parastatal level. Lack of positive financial support from the private sector to construction firms. - Mbabane

### Ghana

Cost of building materials. - Accra

Technology deployment in construction works is very low in Ghana. - Accra

Inflation affecting building materials. - Kumasi

The rainy weather is affecting construction planning massively. - Weija

Road network, government officers' efficiency & interest for foreign investment project. - Conakry

### Kenya

The budget of government is tight. - Nairobi

### Kuwait

Due to competition, quality of work may be affected. - Ishbiliya

Lower governmental expenditures. - Kuwait

### Malawi

Corruption and delayed payments is the main issue. - Lilongwe

### Mali

Due to high inflation rate and the poor currency performance, cost of materials and hiring of skilled professionals has gone up significantly and it is expected to go up some more till the end of the year. - Loulo

### Mauritius

Shortage of skilled personnel and migration of skilled personnel abroad. - Ebene Cybercity

Lack of capital/funds and fall in loan repayment

capacity by new buyers. - Mauritius

2024 Mauritius general elections. - Nationwide

Shortage of manpower on local market. - Phoenix

Policy and regulation changes. - Quatre Bornes

Shortage of labour, not well paid salaries causing mass immigration to well off countries. Increase in shipment costs causing increase in price of imported construction materials. - Riviere Du Rempart

With the national elections being held over the next month, decisions in respect of new projects have come to a standstill. The construction sector will pick up again probably in another 3 months after the new cabinet is constituted and new policies are put in place. - Rose Hill

### Nigeria

High inflation and the unstable foreign exchange rate create uncertainty. - Abuja

Inconsistent government policies has led to inaccurate planning by firms/contractors. - Abuja

The rate of inflation is at an all time high and the purchasing power of individuals has been greatly reduced as a result of bad government policies and systemic corruption. - Ikoyi

The construction market in Nigeria is shaped by several key factors and challenges. Economic instability, frequent inflation and volatile exchange rates significantly impact the cost of construction materials, many of which are imported. This unpredictability leads to budget overruns and delays. Additionally, high interest rates make financing construction projects difficult, especially for small-scale developers and individual builders. - Lagos

We are currently facing high inflation, high interest rate and huge reduction in the federal and state governments capital budgets. - Lagos

Very high rate of Inflation, over 500%. - Port Harcourt

### Oman

Poor quality of workmanship as a result of the employment of unexperienced unqualified workforce. - Muscat

Workforce-related issues, material supply chain, poor management of projects, and poor planning. - Muscat

### Qatar

Clients negative assessment to Contractor claims resulting in reduced payments and cashflow issues. - Doha

Construction decline after hosting the Fifa event. - Doha

Construction market in the area is experiencing a slowdown after FIFA 2022 projects. - Doha

Continued war in the Middle East. - Doha

Currently, the market is saturated because of no much new project in place. - Doha

Deferment of major infrastructure projects by Government severely impacting sectors including supply chains. - Doha

Delay in payments from Government and Quasi Government Entities. - Doha

Downward trend in Qatar continuing as predicted 12 months after World Cup games. KSA and UAE workload will continue in sustained upward trajectory. - Doha

Global macro economic factors are negatively depressing sentiment. - Doha

Infrastructure/energy investment cycle still favours energy. - Doha

Lack of demand and new projects. - Doha

Low wages, cash flow constraints. - Doha

Post FIFA 2022 slump in market. - Doha

Recent announcement of New Law No 12 of 2024 relating to private sector job nationalisation. Details not yet fully known. - Doha

Redundancy in jobs. - Doha

Subdued. - Doha

The government is not embarking on new projects currently. - Doha

The increase in construction projects in neighbouring countries leading to less resources, workforce, materials, etc. - Doha

Uncertainty over government expenditure. - Doha

Unoccupied residential buildings, slow economy after FIFA world cup, expect market to rise up after announcing projects for Vision 2030. - Doha

Mostly the material procurement from overseas, Qatar is not manufacturing the Fit-out and ID finishes items. - Doha, Qatar

### Saudi Arabia

Government policy must change compare with other Middle East countries related to the employment, visa and other rules and regulation for the expatriates. - Dubai

Clarity of employers requirements and increasing number of changes. - Jeddah

Saudiisation, Red Sea shipping issues, local authority requirements. - Jeddah

The number of professional/labours/contractors/consultants is more than the demand in the construction industry. - Jeddah

Location, build ability of iconic designs, shortage of international competent contractors. - Neom

Poor local supply chain networks that cannot sufficiently ramp up their workload. - Neom

Lack of decent supply chain partners, issues with banks providing contractors with the necessary performance securities such as bonds, insurances etc. - Red Sea

Entertainment facilities to be increased. - Riyadh



## Regional comments from survey participants in MEA

Financial delays, incomplete designs, PMVC offices still delaying the handover and issuance of TOCs. - Riyadh

Government policies to be changed with more pace to liberalize certain areas while keeping traditional and religious beliefs in place. - Riyadh

Huge governmental investment in projects in various sectors. - Riyadh

Incomplete design. - Riyadh

KSA continues to be bouyant. - Riyadh

Language and fee on dependent ID. - Riyadh

Market capacity - number of contractors vs amount of work. - Riyadh

Saudi-ization is causing significant issues. - Riyadh

Saudization Law to reduced expat manpower in the Kingdom to giveway to local employment. - Riyadh

Tender prices will increase due to a huge number of giga projects commencing the construction stage. - Riyadh

The country is pushing employment of Saudi nationals in all areas of the economy including construction in order to meets the Kingdom's 2030 Vision. Graduates are being introduced directly into Saudi businesses from High School and graduate programmes. - Riyadh

Uncertainty of employer decisions. - Riyadh

Some projects in KSA are competing against each other for staff and offering crazy salaries. - Umluj

### South Africa

Mafia intimidation. - Cape Town

Semi-Gratation. Demand of population moving to Cape Town region. - Cape Town

Current interest rates and global unrest. - Centurion

Local market. - Centurion

Political uncertainty and long delays in the adjudication and award processes for new appointments. - Dannhauser

Corruption and the business mafia. - Durban

There is too much government bureaucracy that is stifling service delivery. - Durban

We are in recession, not economic stimulus. High costs, no investors/investment or government projects. - Durban

Late payments of contractors and consultants resulting in increased costs. - Durban North

Crime & investments. - Johannesburg

Issues of corruption and extortion are crippling the industry. - Johannesburg

More contract and project management training required, particularly for emerging contractors. - Johannesburg

Uncertainty as to what the Government of National Unity will look like following the elections at the end of May. Appears people are still fence sitting waiting to see if change

is coming. The fact that only 16 million people voted out of an eligible population of 42 million gives some ides to the level of apathy people have reached in terms of governmental options. - Johannesburg

Work permit issue delays. - Johannesburg

Politics. - Pietermaritzburg

Awaiting interest rate cuts that could assist in growth. - Pretoria

Budget cuts in government are the cuase. The budget is distributed over multiple years to ease the presure on their side. This is after the new coalition government and a change in power after the major party lost majority of their seats. - Pretoria

Investors are somewhat hesitant in commencing new projects due to new government composition. - Pretoria

Crime, construction mafia, violent strikes, government corruption, local violent protests all add to project delays and increased costs. - Rivonia

High interest rates. - Sandton

I freelance in South Africa but also do work on projects in Zambia and Zimbabwe. I'm hoping the new SA government will provide more work but so far I've not seen any movement yet. Zimbabwe and Zambia seem to be getting more tourist related activity. - Thabazimbi

### Uganda

Bad credit conditions, poor estimates. - Kampala

### United Arab Emirates

Authorities delays and their undefined requirements. - Abu Dhabi

Emiratisation is now having a significant impact on employment of new staff. The KSA market is also absorbing much needed skilled labour resources. - Abu Dhabi

Environmental concerns. - Abu Dhabi

Government investment into future growth is increasing. - Abu Dhabi

Lack of international contracting organisations to tackle large and mega projects. - Abu Dhabi

Large developers implementing Framework Agreements. - Abu Dhabi

Localization is increasing, in country value is given more priority. - Abu Dhabi

Logistic law expected to be applied to limit the weight of the trucks. - Abu Dhabi

The market has been in slow down. - Abu Dhabi

Upswing. - ABU DHABI

War. - Abu Dhabi

Increased real estate sector activities. - All Emirates

Availability of competent staff. - Dubai

Competition and quality of deliverables. -

Dubai

Concurrency of major projects in KSA outstripping the availability of competent contractors and subcontractors. This places more pressure on the construction market supply chain within the Middle East region. - Dubai

Continued volatility in Ukraine and Palestine. - Dubai

Decision making. - Dubai

Deliveries via the Red Sea. - Dubai

Due to peak summer and working being reduced during mid noon hours, there is a slow down in construction projects. - Dubai

Due to the enormous investors from various parts of Europe and continuous investment flow, many new developers coming up from India & Middle East. - Dubai

Emiratisation. - Dubai

Employer demandng market and Contractor's are sufferring with very meager margins of profit. Need a balanced approach in the construction sector. - Dubai

Geopolitical tensions in the region can impact investor confidence and project financing, causing fluctuatuons. Green Building Regulations can lead to increased costs and require upskilling of the workforce. Digital transformation necessitates significant investment and training. Increased competition lead to price wars, affecting profit margins and project viability. - Dubai

Government backed developers awarding large scale contracts having a negative impact on pricing for smaller developers. - Dubai

Increase in insurance premiums. - Dubai

Inflation. - Dubai

Lack of consistency in contractor prices. - Dubai

Lack of qualified people, good standard contractors and subcontractors. - Dubai

Logisitical challenges and geopolitical factors. - Dubai

Need to change high expectations by clients at lowest costs and impossible construction period leading to disputes. - Dubai

Salary packages in KSA. - Dubai

Shortage of skilled staff. - Dubai

The UAE construction market is facing challenges due to the fluctuating oil prices, which impact investor confidence and funding availability. This can lead to delays and cancellations in projects, particularly those reliant on government or oil-related funding. - Dubai

The unwillingness and/or demand triggering insufficient time being spent during the pre-contract and procurement stages leading to contracting two or more parties into an unclear and unfair situation for all parties. This is due to reluctance to evolve and adapt to the ever changing construction sphere that exists in the UAE. - Dubai

Oversupply. - Dubai, Riyadh

# North America: Skills remain the key challenge with workloads seen as gaining momentum

The general tone to the Q3 2024 RICS Construction Monitor results in North America remains positive (conducted in conjunction with CIQS in Canada and AACE in the USA). That said, the headline readings for the Construction Sentiment Index (CSI) are slightly down compared with Q2. Chart 1 shows that in Canada, the CSI edged lower (from +23 to +20) while in the USA, it slipped from +25 to +19.

## Infrastructure continues to lead the way

Looking at the key activity indicators in both Canada and the USA, it is unsurprisingly in the infrastructure arena where the current workloads metric is strongest. In the case of Canada, the positive net balance readings are fairly similar for the social, transport and energy components, while, in the USA, feedback around the energy sector is particularly upbeat (net balance +50%). Looking ahead, the readings for new business enquiries are a little less positive than previously, retreating from +20% to +15% in Canada and from +17% to +10% in the USA. This is despite respondents pointing to an improvement in the credit environment over the past three months and the anticipation that this trend will gather pace over the coming year.

Significantly, expectations for workloads remain solid in both markets, with infrastructure viewed as likely to continue to be the mainstay of growth. In the case of Canada, residential activity is expected to gather some momentum, but the uplift in this segment of the construction industry in the USA is projected to be more modest.

## Profit margins remain under pressure for now

Feedback from contributors around the profits picture is still a little downbeat. For Canada, a net balance of -9% suggested that margins declined again in third quarter (compared with -11% previously). In the USA, the comparable result was -13%, which was the same as in the second quarter. There continues to be a more positive perception regarding the outlook however, with net balances of +15% and +22% expecting some improvement in margins in Canada and the USA respectively. In terms of the point estimates for tender prices and construction costs, these are now viewed as likely to increase at a broadly similar pace over the year ahead.

## Skill shortages remain the principal challenge

Chart 2 captures the results to the question around the key obstacles to activity. Once again, a lack of skilled labour comes out top of the pile in both countries with the trades remaining the main area of concern; project managers and quantity surveyors also continue to be highlighted. Meanwhile, despite the expectations for a more supportive credit environment in the year to come, financial constraints have yet to diminish to any material degree according to the feedback provided for the latest survey.

In additional questions included in the Q3 Monitor, respondents were asked if they are seeing an increasing level of recruitment in the construction sector from international markets, and whether government measures are being implemented to encourage such an outcome. The results for both questions are shown in Chart 3. They suggest that foreign recruitment is particularly prevalent in Canada. This is, moreover, consistent with the insights provided for the second question which point to more being done by the Canadian government to facilitate international recruitment.

Chart 1 - Construction Sentiment Index

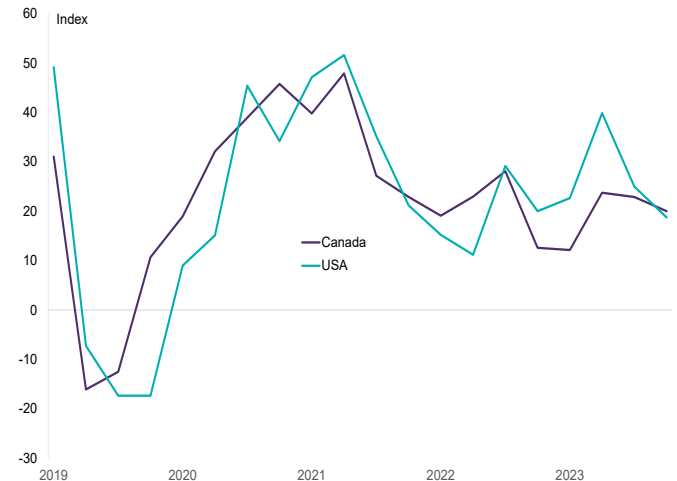


Chart 2 - Key Obstacles to Activity

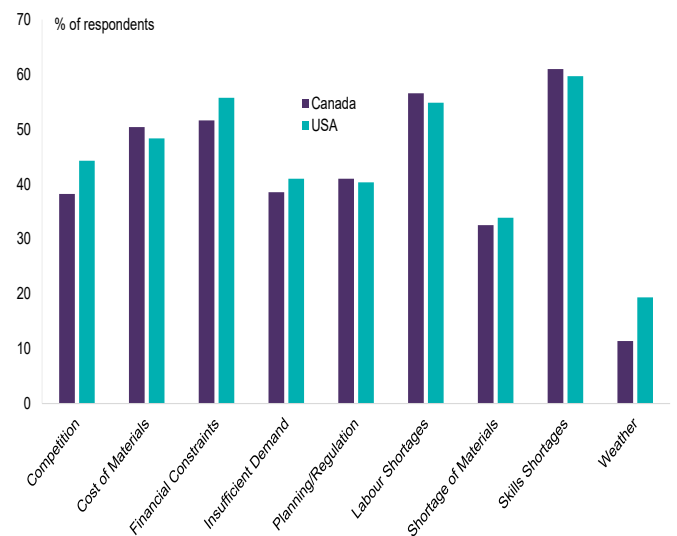


Chart 3 - Recruitment from Overseas and Government Measures to Encourage Trend



## Regional comments from survey participants in the Americas

### Bahamas

Requirement of importing materials, Government policy to protect local jobs, however education has been poorly funded over the last 20 years, culture and work ethic - Nassau

Fuels for operating equipment, machines, and lack of natural resources - Nassau

US elections - Nassau

### Barbados

The shortage of professionals, skilled and unskilled workers - Bridgetown

### Brazil

Market suffering from high interest rates - Sao Paulo

### Canada

**Labor Shortages:** The construction industry faces significant labor shortages due to an aging workforce, fewer young workers entering the field, and a lack of specialized skills in areas like project management, engineering, and skilled trades. **Supply Chain Disruptions:** Global supply chain disruptions have impacted the availability of construction materials such as steel, timber, and concrete. This leads to project delays, increased material costs, and contract renegotiations - Ajax

Interest rates are slowing development as Bank of Canada has indicated that they expect a continual decrease through to Q1 2025. It appears private developers are holding on project kick offs until Q1/2 2025 due to this - Calgary

Since Canadian Government opened the labour market, experienced skilled professionals are moving to other neighbour countries, i.e Canadians are moving to US - Calgary

Despite a labor shortage in the construction sector, unemployment is rising due to economic policies and increasing inflation - Calgary

Unchecked immigration - Calgary

Imminent provincial and national elections have temporarily stalled infrastructure public works spending. Imminent elections/promises lowering utilities and retail fuel/oil pricing - Chilliwack

Long lead delivery times for equipment - Collingwood

Migration has caused an unbalance in housing and stress on the basic life needs - Edmonton

Stable oil prices are increasing the number of project out to market - Edmonton

Immigration issues - Edmonton

Shortage of skilled trades over several trades, plus an aging demographic in trades. There is a critical short of housing, especially for affordable housing. The Healthcare is experiencing a lack of doctors & healthcare workers, and the infrastructure is lacking proper facilities, as many of current buildings are well beyond their lifespan and in need of replacement - Halifax

Construction companies without skilled trades bidding on complex projects - Halifax

The Presidential Election in the USA is impacting new investment because the automotive industry has leveraged government funding to offset startup costs for their new facilities - Kingsville

Lead times on materials are still far to long - Kitchener

Financing cost, regulations, provincial government not following the lead of the federal plan - Montreal

Finance, interest rates, infrastructure delays - New Westminster

Housing Market is increasing becoming over-valued - Niagara Falls

More people from Hong Kong moving to Canada to work - Oakville

AI technology - Ottawa

Political uncertainty plays a part in the public sector projects - Ottawa

Sales of new homes are down considerably - Richmond

Delays due to permits & approvals - Surrey

Commercial buildings slow down. Working from home impact - Toronto

Canada and Hong Kong seem to have an immigration agreement where people from Hong Kong with a degree can get a work permit easily in Canada. We are seeing a lot of people from Hong Kong - Toronto

The need for affordable housing - Toronto

Quality of contract documents is declining significantly. It is impacting project costs - Toronto

High interest rates, low housing supply in metropolitan areas not keeping up with rapid population growth - Toronto

The current market situation is not good, houses cannot be sold, and construction cannot be carried out - Toronto

The unstable availability of products and materials continues to impact construction pricing and schedules - Vancouver

More demand than supply - Vancouver

Shortage of skilled trades - Vancouver

High interest rates and building costs combined with lack of demand are pushing amount of new projects down - Vancouver

Lack of seasoned personnel in management positions, especially lack of contractual roles and responsibilities with owners, contractors, AHJ's, and consultants. This issue has an amplifying affect on all other industry challenges - Vancouver

Pre-sale requirements for new builds and the slow sales market - Vancouver

Interest rates - Vancouver

Lack of contractors creating little competition therefore tender prices usually come in higher than QS estimate - Whitehorse

It appears that 2025 could be a rebound year for the construction sector as I am seeing Municipal and Provincial Governments develop projects that were not on the horizon or shelved 12 months ago - Winnipeg

September and October have been busy months for us since most architectural firms and governments have had the vacation season pass from last summer - Winnipeg

### Cayman Islands

Familiarity to international standards - George Town

High cost of living negatively impacts new personnel attraction to islands - George Town

Fuel and shipping costs - George Town

Mainly skilled labour shortages, due to a small labour pool with lots of development on the island leading to contractors getting over stretched. This has been further exacerbated by the government reducing the amount for work permits they approve across the board - Camana Bay



## Regional comments from survey participants in the Americas

### Dominica

Governmental policies/ lackthereof - Roseau

### Grenada

Hurricane event caused serious damage to the islands on 1st July 24. This has resulted in significant demand and escalation in labour rates and material costs. This is expected to last for 2 years - Hillsborough

### Jamaica

Client prepared to work with contractor they know... Even if the cost is high - Freetown

### Mexico

Proposed tariffs being introduced or forced on Chinese companies operating in Mexico by US government - Monterrey

### Peru

Push for standardised contract forms to promote more efficient infrastructure delivery - Lima

### Trinidad and Tobago

Lack of foreign currency - Port of Spain

Lack of education commitment from the young person coming into the construction industry - Scarborough, Tobago

There is very little activity in the construction sector at present. We are moving into national elections this year and the trend is for enhanced government spending leading up to the elections. There is, therefore, heightened expectations for an increase in construction activity. We are seeing migration of our construction resources to the near by Guyana where the discovery and production of gas and oil, brought a lot of infrastructure development - St. Augustine

### United States

Competition - more and more very large projects - Boston

We have an election coming up in the US in 3 weeks which will likely have a big impact on pricing, spending, inflation, labor, etc -Dallas

Cost of material continues to increase, albeit increasing at a slower pace - Doylestown

Use of HV. High value centers - Houston

Labor shortage and unawareness about it in government entities - Houston

Construction opportunities continue to grow leading to general inflation and shortage of materials and workers - Houston

Credit availability and softening multifamily demand due to increased pipeline and supply - Houston

Expect union workers wages to increase base on inflationary factors - Los Alamos

Uncertainty due to the upcoming presidential election - Los Angeles

Wages - Los Angeles

Immigration - New York

Skills - New York

Getting use to the new 485x rules and tax breaks - New York

The construction market in New York and the U.S. faces several challenges: Labor Shortages: About 40% of the workforce may retire soon, making it crucial to attract younger talent. Rising Costs: Material prices and labor costs are increasing project expenses. Supply Chain Issues: Disruptions still affect material

availability. Interest Rates: Higher rates complicate project financing, risking delays. Demand Outlook: Strong demand in public and manufacturing sectors, while retail declines - New York

Presidential elections and interest rates - New York

The US market is good but with many contradictions, exacerbated in an election year. Much of the unskilled (and even skilled) trades use undocumented labor. The government knows this. Policy improvements are possible, but not politically feasible. The economy needs immigration, and the government and industry know this, but saying it is a political liability. The most recent legislative effort was killed for political points. The economy is doing well, but many do not believe it - Philadelphia

Too much regulation - Portland

Still plenty of work - Redmond

Illegal immigration - San Diego

Labour shortages - San Francisco

As it is an order-based industry, it is sensitive to market changes - Taylor

We are seeing the labor problem as more localized - there are areas and states where hiring is very difficult but also areas where there is ample supply of labor - Virginia Beach

Current geopolitical atmosphere with USA elections set for Q4 the outcome will have some impact on the financial trade and construction sectors - Washington DC

Declining faith in the credit, debt burden, and fiat currency of the US Government - Washington DC

## Global Construction Monitor

RICS' Global Construction Monitor is a quarterly guide to the trends in the construction and infrastructure markets. The report is available from the RICS website [www.rics.org/economics](http://www.rics.org/economics) along with other surveys covering the housing market, residential lettings, commercial property, construction activity and the rural land market.

## Methodology

Questionnaires were sent out on 11 September 2024 with responses received until 18 October 2024. Respondents were asked to compare conditions over the latest three months with the previous three months as well as their views as to the outlook. A total of 2422 company responses were received globally.

Net balance = Proportion of respondents reporting a rise in a variable (e.g. occupier demand) minus those reporting a fall (if 30% reported a rise and 5% reported a fall, the net balance will be 25%). Net balance data can range from -100 to +100. A positive net balance reading indicates an overall increase while a negative reading indicates an overall decline.

RICS Construction Activity Index is constructed by taking an unweighted average of current and 12-month expectations of four series: residential workloads, non-residential workloads, infrastructure workloads and profit margins. Global and regional series are weighted using the World Bank's GDP PPP (2017 constant prices) data series. Current responses were weighted using the prior years GDP (e.g. the 2020 responses were weighted using 2019 GDP data). Where responses are not sufficient to form a national-level sample, they are binned together to fill in any gaps in regional coverage.

## Disclaimer

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