



**Chartered Surveyors warn that construction sector output likely to fall to euro 14 billion by next year – down from euro 39 billion in 2007**

**Construction costs down 11% last year – prices now at year 2000 levels**

**EMBARGO 6.00pm Thursday 5th February 2009.** The President of the Society of Chartered Surveyors has said that unless the government provides strong and innovative leadership the construction and property sectors faces a massive increase in unemployment.

In a hard hitting address at the Society of Chartered Surveyors Annual Dinner, Sean McCormack said “there is no place for people who lack belief in positions of power and influence. The time ahead will be a test of character where we need to raise our game and respond to current challenges with confidence”.

McCormack pointed out that while the output of the construction sector in 2007 was euro 38.4 billion it now looked as if this could shrink to euro 14 billion by 2010 in the absence of policy intervention. He said such a dramatic fall could lengthen the economic depression and delay any prospect of recovery.

“In addition, the skills and experiences of the construction industry built up over the last decade would be lost, undermining the State’s ability to get real value for money at a time when the Society’s Construction Tender Price Index has shown a significant decrease in construction costs in the previous 12 months”

“In fact the latest figures show that construction costs fell by 11% in 2008, most of the reduction happening in the second half of the year. This means that we are actually back at price levels not seen since the year 2000.”

He welcomed the recent government announcement committing to the maintenance of investment in the Public Capital Programme and urged the timely implementation of this commitment thereby assisting towards the safeguarding of thousands of jobs in the industry.

Turning to the commercial property sector he said that despite the fact that we had arrived at a point where the risk associated with real estate had been re-priced significantly, an active trading market in property investments could not grow again until the availability of debt improved.

“Much depends on interbank confidence on a global scale and this will require some time. In the interim the lower interest rate environment eases debt servicing pressure and allows some breathing room to plan for recovery. Chartered Surveyors have a key role to play now and over the short to medium term in assisting the lending institutions and our customers with advice and strategy” he said.

He noted that while the volume of transactions in value terms had grown substantially in recent years, peaking at euro 3 billion in 2006, the country had suffered significant leakage of capital to markets around the world at an approximate ratio of at least 3 to 1 in favour of outside Ireland.

In conclusion he pointed out that membership of the SCS continued to increase over the past 12 months resulting in a membership of 2,200. Highlighting the diverse skills and varying employment opportunities available for Chartered Surveyors, McCormack noted that “while more challenges face Chartered Surveyors to adapt to current market conditions, the underlying need for expert services is a constant in principle”.

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Note to Editor:

Dating back to 1895, the Society of Chartered Surveyors is the largest professional body in Ireland representing Chartered Surveyors in both the construction and property industries. The Society has strong links with the RICS which represents over 110,000 members across 120 countries worldwide and is one of the most respected and high profile global standards and membership organisations for professionals involved in land, valuation, property, construction and environmental issues.

Representing over 2,200 qualified chartered surveyors and a further 1,000 probationers who are undergoing their assessment of professional competence in order to achieve the gold standard of chartered status, members of the Society are typically professionals employed in the land, property and construction markets through private practice, in central, regional and local government, in public agencies, in academic institutions, in business organisations and in non-governmental organisations.