



State of the Nation - June 2023

Construction in Healthcare Outlook 2023

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Healthcare Review State of the Nation

Let's work together to build more for healthcare in Ireland

Kevin Duke, Chairman, Duke McCaffrey

When it comes to healthcare projects, despite facing historical challenges of under-resourcing and inadequate funding, there is tremendous hope for positive change in our healthcare system.

One crucial solution lies in the construction of new and upgraded healthcare facilities that align with regulatory requirements and cater for our rapidly aging population, which is growing by 60,000 each year.

Looking ahead to 2030, with over one million people aged 65 or older in Ireland, the government's commitment to increasing public hospital beds by 2,600 by 2027 is commendable. However, this target alone will need further adjustment as research from the Economic and Social Research Institute highlights the need for a much greater scale of expansion, estimating a demand of 4,000 to 6,300 beds across both public and private hospitals in the next seven years.¹

This specific challenge is just one aspect of the puzzle. The nursing home sector, in particular, is also projected to experience a staggering 54% increase

in demand by 2030, requiring an infrastructure that currently does not exist.

New builds aside, for facilities already active, intensive retrofits are required. Research shows 44% of Ireland's acute care portfolio is below the recommended rating for functionality based on an assessment provided by the HSE.² Moreover, with the Corporate Sustainability Reporting Directive (CSRD) putting further compliance strains on the sector, it is concerning to note that only 28% of the top 120 energy users in the HSE portfolio exceed a B3 Display Energy Certificate rating.³

Undoubtedly, there is an unquestionable need to reinvigorate and transform Ireland's healthcare facilities which is encouraging for the built environment. Sustainable buildings, patient-centred and new state-of-the-art facilities are much needed to meet these soaring capacity requirements.

In addition to the required funds and investment, there are a multitude of factors, ranging from skills shortages to fluctuations in material costs, intricate

bidding processes, and regulatory demands that are posing significant obstacles.

Historically under-resourced and under-funded, what is the future for Ireland's healthcare construction sector?

Construction sector impact

These hurdles have led to unfortunate delays, exerting pressure on healthcare providers and the profit margins of supply chains - in some instances leading to regrettable liquidation. Since the beginning of 2023, 42 Irish construction companies folded within just four months.⁴

Recent PwC research also shows that only 40% of engineering and construction CEOs said the final outcome of their projects usually meets or exceeds targets for financial performance.⁵

¹ <https://pubmed.ncbi.nlm.nih.gov/30277279/>

² <https://www.thejournal.ie/healthcare-esri-3663068-Oct2017/>

³ Spending Review 2022-Healthcare Capital Investment in Ireland

⁴ <https://www.globalconstructionreview.com/42-companies-bust-construction-insolvency-epidemic/>

⁵ <https://www.pwc.com/gx/en/issues/c-suite-insights/the-leadership-agenda/four-moves-to-improve-big-project-cost-forecasting.html>

Let's work together to build more for healthcare in Ireland

With private sector activity slowing down due to sky-rocketing construction and finance costs, public sector projects are often increased by governments to replace turnover and construction GDP. However, the pace of replacement activity has been slowed by unexpected factors. Current healthcare projects are facing budget overruns, delays, and, in some cases, have been disposed of or repurposed for alternative uses - such as provision for migrant workers.

The prominent example of these challenges can be reflected in the delivery of the new National Children's Hospital. It is widely recorded that initially estimated to cost around €800 million in 2014, with an anticipated completion date of August 2022, the project has faced unprecedented projected construction cost exceeding €1.73 billion, with completion expected by March 2024 at earliest.⁶

With the recent overspend announced by the Department of Health in its first three months of the year to the value of €170m, it would be easy to blame disorganisation or lack of knowledge in budgeting for the critical need of new facilities. With growing numbers in population and an aging community, there is no doubt that Ireland is in desperate need of new healthcare facilities.

What can we do to make change happen?

While fundamental challenges exist - not least the need for financial investment, there is collective determination to drive positive change from Ireland's government and the wider construction community.

There are a number of recent measures and experiences that can help the industry not to just respond to the current challenges but to make a positive contribution.

- The use of multi-annual funding plans that respond to the current Housing crisis could be considered for the healthcare sector so that stakeholders can make long term strategic decisions and invest in the infrastructure that will facilitate the ongoing investment that is required to address the challenges presented.
- The response of the sector during the pandemic when facilities were regularly developed and delivered on a fast track basis shows that the ability and skillset to deliver is available; the lessons learned need to be captured, acknowledged and implemented
- Finally, on a macro level it is widely accepted that there is a skills shortage throughout the industry and there needs to be a more positive outlook presented by the industry collectively if we are to encourage school leavers, graduates and the like to join the resource pool.



Riverstick Care Centre, Co Meath



Opening of Riverstick Nursing Home, Co. Cork



Duleek Nursing Home, Co Meath

⁶ https://www.oireachtas.ie/en/debates/debate/joint_committee_on_health/2022-10-05/3/

The EU Taxonomy is helping investments in Ireland's healthcare sector.

Executive Summary

The national development plan and sustainability directives like the EU Taxonomy are spurring strategic construction investments in Ireland's healthcare sector - both refurbishments and new modular projects.

The increased focus on healthcare construction has come at a time of great uncertainty and economic volatility, characterised by unprecedented material costs, labour shortages and sky-high energy prices.

Often, construction companies put forward tenders for projects only to find that, months later, they risk running at a loss. On top of this, public funded projects are notorious for logjams, which, combined with supply chain delays, intensifies inflation risks - the cause of many recent insolvencies in our sector.

Despite the challenges, we remain optimistic about the future of healthcare construction in Ireland. The issues troubling our industry are, in our view,

an invitation - both for construction companies and the government - to reconsider how we approach building the future of healthcare in a way that is truly sustainable for all.

“Incentivising large-scale projects to invest in solar, would help to secure a brighter future.”



Alicia Torres Castro
Head of ESG at Duke McCaffrey

Part 1: Where are we now?

Ireland's healthcare sector is ripe for invigoration

“The construction industry has a vital role in driving Ireland’s economic recovery by getting people back to work and delivering the housing and infrastructure this country requires. However, the pandemic has left a deep scar. From cash flow issues and legal disputes to productivity challenges, the industry will need time to adjust and recover.” - **Tom Parlon, Construction Industry Federation Director**

The opportunity exists: We need to make it happen

Ireland’s healthcare sector is ripe for invigoration. The need is apparent. The opportunity is clear. But delivering healthcare projects - from hospitals to local clinics to nursing homes - can be fraught with risk putting pressure on finances and the construction industry itself.

That is not to say investors and contractors should shy away from the sector. Rather, we need to be smart. Indeed, Ireland’s demand for healthcare construction is unduly positive in both the short and longer term.

As an industry, PwC research, shows 94% of surveyors rate the overall outlook for the Irish construction sector as positive over the next 12 months, up from 77% since 2020.¹ Therefore, despite the volatility disrupting project planning and delivery, it is fair to say things are more hopeful than they have been for a long time. As a nation, we are awakening from a slumber - a prolonged period of underinvestment, intensified by, firstly, the grave recession of 2008 and then again by the onset of the COVID-19 pandemic in 2020.

Should Ireland explore more public private partnerships for healthcare?

Today, the investment funds needed are so significant that the next generation of healthcare-built environments may lean on both the public and private sector investors working together.

Reflecting on the pros and cons of Procure 21 (superseded by P22) - a Public Private Partnership set up in the UK in 2003. Whilst, on the face of it, there seemed to be ‘selling off public properties’

to the private sector, it resulted in boosting the construction sector and to date P21 has delivered over 600 projects to the value of over circa £3.5bn.

There is also a sense of urgency for refurbishments and undertaking new modular projects for expansions, spurred on by population growth, the need for up to date facilities and the sustainability directives rather than hard-fast deadlines.

One hope that Ireland’s government may have is the recent boost in ratings to AA standard or similar across all ratings agencies. This could facilitate state level borrowing at reduced interest rates and should provide further impetus to strategic investment in the healthcare sector.

1 <https://www.pwc.ie/publications/2022/scsi-pwc-construction-market-monitor-2022.pdf>

Part 1: Where are we now?

Ireland's healthcare sector is ripe for invigoration

A convergence of challenges.....Requires divergence in thinking

With the necessary investment needed in healthcare construction, could it come at a time of great uncertainty and volatility?

We are seeing intense stress on construction supply chains due to project slowdowns and hiking material and labour costs.

These circumstances have been triggered by a convergence of social, political and economic trends, namely Brexit, COVID-19, climate-centric regulations and heightening geopolitical tensions. Across all sectors, the repercussions of these tectonic shifts have caused disruption, and for Ireland's construction sector, the challenge is no different. In fact, one could argue it is even more pronounced as a small open economy on the western edge of Europe.

The construction industry, after all, is heavily reliant on the physical procurement of goods and skilled tradespeople. But as inflation pressures mount and supply chain vulnerabilities become even more exasperated, many construction players are finding it impossible to deliver projects within budget or even at all.

Do we need to introduce a change in how construction projects are delivered in Ireland?

In today's volatile market, upended further by new legislation, transforming the mechanisms behind project delivery from end-to-end is crucial to success but so is the need for financial structures to support the whole design and build model.

To thrive during these uncertain times and satisfy the healthcare industry's glaring built environment needs, the construction value chain must evolve.

But, of course, moving forward is only possible with a thorough understanding of where we are now. As the saying goes: "The first step in solving any problem is recognising there is one." With that in mind, we must first develop a deep understanding of the real-time challenges plaguing our industry.

As a cost consultancy and project management team, Duke McCaffrey witnesses the risk to the construction process on a day to day basis and it is clear the one area for improvement will be to understand that supply chains cannot continue to cut costs or work at risk for large scale construction projects.



“The first step in solving any problem is recognising there is one.”

CASE STUDY: Why are construction projects being delayed?

The public procurement process has long been criticised for its rigidity and lack of flexibility. While these were once seen as positives in driving value for money, due to certain elements being out of their control, they have now almost become inhibitors to progress, preventing projects from being approved, commenced and completed.

The issues with the planning process are well documented and the various interjections by government - including SID, SHD, LRD and so forth - have, despite their well-intentioned basis, ended up creating more confusion and greater delays in delivering planning permissions.

The unfortunate timing with regard to issues in respect of macro infrastructure deficits, perceived conflicts of interest and other issues in An Bord Pleanála have further exacerbated the situation. Indeed, the planning system is now seen as entirely dysfunctional.

Of course, it is hoped that the forthcoming proposals regarding a “reinvented” planning system are worth the wait and respond to the many issues that have plagued the process in recent times.

However, while planning is undoubtedly an issue impacting project delivery, there are also significant logjams in public funded projects progressing through the various approval gateways within numerous government departments and similar authorities.

As a construction consultancy, we have encountered significant delays in achieving approvals at all stages, and submissions have appeared to be stuck in the approvals process for many months.

There are a number of reasons for these delays, ranging from internal resourcing issues within departments (retirements, promotions, replacement staff, etc) through to outdated cost limits being applied. In the latter case,

these do not reflect the current construction sector requirement in terms of inflationary pressures or indeed changing regulatory environments - NZEB and the like.

In some instances, the applications were based on competitively tendered schemes where there was an urgent need to commence construction to achieve completion by designated dates. However, the approvals process still dragged on for far too long - even with full acknowledgement of the urgent nature of the application.

The situation is starting to show improvement with a recognition that delays in approvals are, in effect, adding significant additional cost to schemes in a time when construction cost and price inflation continue to sustain unprecedented levels.

Part 2: Real Time Challenges Acknowledging challenges as catalysts for solutions

As an industry, we know where we need to go to deliver the future vision of healthcare in Ireland. But the journey is proving insurmountably challenging due to several strong headwinds.

While each obstacle on its own might seem a conquerable deterrent, the fusion of all these challenges at once is creating pervasive pandemonium within the Irish construction sector that must be addressed.

Below, we will analyse each headwind in detail.

Industry volatility

Construction costs have inflated dramatically in the past two years, while increasing by 4% in the second half of 2022 according to the SCSI.¹ This was on the back of 6-7% increases in each of the preceding 6 month periods. Price increases have been driven by materials shortages and supply chain volatility. As the Central Bank of Ireland recently noted, the COVID-19 pandemic and the war in Ukraine,

in particular, have triggered intense tremors within global supply chains.²

The war in Ukraine has had the most pronounced impact in the last year, hiking commodity and energy prices and triggering further construction cost inflation in Ireland. But even before geopolitical tensions hit boiling point, the cost of many critical building materials, including timber, steel and cement, had risen as a result of the fallout of continued disruption relating to the pandemic.

With unprecedented price hikes and critical goods in short supply, many contractors are experiencing acute delays that are disrupting project delivery timelines while, in turn, upward costs. The rate of increase in materials has abated and in some, very rare, instances materials have come back close to pre-Covid and Ukrainian conflict levels but the overall trend in material prices is still upward.

Increased complexity

Volatile costs are a burden in themselves, but even more so due to their impact on bidding processes. Price inflation substantially erodes contractors' already narrow profit margins.

Moreover, the tender process has been made more complex by these unpredictable figures. It is now harder for contractors to feel confident

in the numbers they put forward when bidding for new projects - especially in cases where the price is fixed. In the public procurement regime, especially, the problem is exacerbated because tenderers are generally required to hold their prices for up to 6 months.

Already, we've seen contractors pushed to the brink of collapse by market volatility, and predictions assert more are likely to fall. PwC analysis suggests that over 1,000 Irish businesses could become insolvent in 2023³, noting that construction firms are most at risk.

Labour costs

Recent research shows that nearly two-thirds (63%) of construction companies operating in Ireland are struggling to recruit the talent they need⁴ - a problem exemplified by statistics showing that, in 2007, the construction sector employed 11% of the labour force. Today, this figure stands at just 5.9%.⁵

There are several reasons for this decline, including a lack of skilled labour available, being unable to find individuals with specialist skills and the cost of living crisis diverting people from opting for careers in the construction arena. Regardless of the cause, the lack of new entrants within the sector is undoubtedly creating capacity constraints.

¹ <https://scsi.ie/tender-price-index-february-2023-2/>

² <https://www.centralbank.ie/docs/default-source/publications/financial-stability-notes/rising-construction-costs-and-the-residential-real-estate-market-in-ireland.pdf>

³ <https://www.pwc.ie/media-centre/press-releases/2023/restructuring-update-q4.html>

⁴ <https://constructionblog.autodesk.com/ireland-construction-skills-survey/>

⁵ [https://www.centralbank.ie/docs/default-source/publications/quarterly-bulletins/quarterly-bulletin-signed-articles/where-are-ireland-s-construction-workers-\(conefrey-and-mcindoe-calder\).pdf](https://www.centralbank.ie/docs/default-source/publications/quarterly-bulletins/quarterly-bulletin-signed-articles/where-are-ireland-s-construction-workers-(conefrey-and-mcindoe-calder).pdf)

Part 2: Real Time Challenges Acknowledging challenges as catalysts for solutions

Interestingly, while the cost of living crisis is deterring people from committing to long-term careers in construction, the average cost of labour is also rising, increasing by 4% in the last year and further tightening profit margins.

Moreover, while numerous markets within the European region are attractive to foreign EU workers, analysis from government sources indicates Ireland is a less enticing prospect to potential employees, initially because of the 2008 financial crisis but now due to the well published current housing and accommodation crisis. The lack of potential accommodation is now limiting take up of employment offers across a wide range of sectors.

Personnel changes

The soaring cost of building materials, supply chain issues and labour shortages all mean that construction projects often take much longer than anticipated, leading to another slightly unexpected problem: an increased likelihood of

personnel changes, leading to bottlenecks within the delivery process.

Stakeholder communication, after all, is a fundamental aspect of pushing the construction lifecycle forward. But in a volatile marketplace, players are often finding that their key contacts move on or are promoted before projects are completed, often drawing execution to a standstill.

Digital disruption

The fourth industrial revolution is already augmenting how we live and work. Still, despite technical advances, the construction industry is worryingly behind the curve when it comes to embracing technology.

KPMG research found that only 8% of the construction companies could rank as ‘cutting edge technology visionaries’. In comparison, 64% of contractors and 73% of project owners rank as ‘behind the curve’ in deploying valuable tools like robotics, automation and data analytics - all of which can enhance supply chain transparency and project efficiency.¹

Despite the blatant need for digital transformation, 60% of construction companies aren’t planning to invest in any modern construction methods or emerging technologies over the next five years.

While recent government announcements encouraging the use of “Modern Methods of Construction” (MMC) in the industry are welcome, the take up is still a challenge. Many sectors within the construction industry are not suitable for such techniques and technologies.

Indeed, the recent failures and withdrawals of many modular construction suppliers in the UK highlights the challenges that the industry faces in making MMC sustainable long term notwithstanding the substantial difference in the size of the construction sector in both UK and Ireland.

The domino theory

With insolvencies on the rise, contractors, sub-contractors, and suppliers are at risk of falling foul of the “domino theory” - the possibility of being pulled into insolvency due to the failures of another firm.

After all, construction projects usually involve an extended web of players. Should one firm within this ecosystem become insolvent, every organisation tied to the project be afflicted.

¹ <https://assets.kpmg.com/content/dam/kpmg/ie/pdf/2017/10/ie-global-construction-survey.pdf>

Part 2: Real Time Challenges

Acknowledging challenges as catalysts for solutions

Political challenges

While the government has shown a solid commitment to investing in Ireland's healthcare infrastructure, market volatility is eroding the power of funding promises.

Project Ireland, for example, sets out a high-level strategy to invest €116 billion in our nation's infrastructure. However, the investment is without a well-framed delivery plan, and market volatility means the number could quickly lose its purchasing power.

As PwC analysis notes: "The investment needs to be viewed as current expenditure because if there are any adverse market changes, be it from geopolitics, Brexit or anything else, history has demonstrated that infrastructure suffers."

Moreover, reforms to the Public Spending Code have introduced much-needed changes to the construction industry. These reforms, although challenging for construction firms that previously approached public sector project appraisals as

estimations, are ultimately beneficial in ensuring greater rigour, assurance, and oversight to prevent overspending.

While we appreciate the reforms introduced by the Public Spending Code, it is imperative we work together to bring forth further amendments. With the market as volatile as it is, focusing on fixed-priced contracts and mandating contractors to manage project risks puts additional stress on the industry.

By continuously refining and improving the regulatory framework, we can foster an ecosystem that encourages industry participation, innovation, and long-term success.

The weight of expectation

There is one final headwind the construction industry must contend with. In charting the course towards a more resilient healthcare industry, our sector must also accelerate the path to net-zero emissions. It is widely acknowledged and accepted across the

construction sector that it is a significant contributor to embodied and whole life carbon - the obvious response to this is to look at retrofit and refurbishment as the response to requirements for new and enhanced healthcare facilities. However, that in itself presents challenges which are sometimes insurmountable as with the inherent capacity challenges making areas, wards, wings, buildings and the like available for retrofit and/or refurbishment is not always possible.

The next chapter will explore the governance, risk and compliance challenges and opportunities facing our sector.

Part 2: Real Time Challenges

An Overview

94%

Surveyors rate overall outlook positive

OVERALL, A POSITIVE OUTLOOK

94% of surveyors rate the overall outlook for the Irish construction sector as positive over the next 12 months, up from 77% since 2020, according to a study undertaken by PwC.

<https://www.pwc.ie/publications/2022/scsi-pwc-construction-market-monitor-2022.pdf>

54%

Projected increase in nursing home beds

DEMAND FOR NURSING HOMES WILL INCREASE

Beyond hospitals, the nursing home sector is set to face a projected 54% increase in demand by 2030, for which there simply isn't the infrastructure today.

<https://www.thejournal.ie/healthcare-esri-3663068-Oct2017/>

4000-6300

Estimated target for number of hospital beds

TWICE AS MANY HOSPITAL BEDS ARE NEEDED THAN PREDICTED

By 2030, there will be over one million people over 65 in Ireland. While the Irish government has committed to increasing the supply of public hospital beds by 2600 by 2027, analysis by the Economic and Social Research Institute indicates these plans will not be sufficient to meet demand, estimating a much more significant need of between 4000 and 6300 beds across public and private hospitals in the next seven years.

<https://pubmed.ncbi.nlm.nih.gov/30277279/>

RECRUITMENT IS AT CRITICAL

Two-thirds (63%) of construction companies operating in Ireland are struggling to recruit the talent they need.

[https://www.centralbank.ie/docs/default-source/publications/quarterly-bulletins/quarterly-bulletin-signed-articles/where-are-ireland-s-construction-workers-\(conefrey-and-mcindoe-calder\).pdf](https://www.centralbank.ie/docs/default-source/publications/quarterly-bulletins/quarterly-bulletin-signed-articles/where-are-ireland-s-construction-workers-(conefrey-and-mcindoe-calder).pdf)

63%

Two thirds of companies are struggling to recruit

PRICE INCREASE DUE TO MATERIAL SHORTAGE & SUPPLY CHAIN VOLATILITY

Construction costs have inflated dramatically in the past two years, while increasing by 4% in the second half of 2022 according to the SCSi.¹ This was on the back of 6-7% increases in each of the preceding 6 month periods. Price increases have been driven by materials shortages and supply chain volatility. As the Central Bank of Ireland recently noted, the COVID-19 pandemic and the war in Ukraine, in particular, have triggered intense tremors within global supply chains.²

¹ <https://scsi.ie/tender-price-index-february-2023-2/>

² <https://www.centralbank.ie/docs/default-source/publications/financial-stability-notes/rising-construction-costs-and-the-residential-real-estate-market-in-ireland.pdf>

4%

Construction costs increase the second half of 2022

Summary of Uplift Costs

REF	BUILDING MATERIAL, LABOUR, PLANT AND MARGIN	MARCH 2020	Q2 2023	OVERALL % INCREASES
1	Reinforcement bar	€ 900 Per Tonne	€ 1,600 Per Tonne	78%
2	Hardcore	€ 25 Per M ³	€ 40 Per M ³	60%
3	Concrete	€ 80 Per M ³	€ 150 Per M ³	88%
4	Joinery - Fire Door	€ 700 Per Door	€ 1,100 Per Door	57%
5	Brickwork	€ 120 Per M ²	€ 180 Per M ²	50%
6	Partitions & Ceilings	€ 55 Per M ²	€ 85 Per M ²	55%
7	Roof - Concrete Tile	€ 35 Per M ²	€ 60 Per M ²	71%
8	Insulation	€ 25 Per M ²	€ 50 Per M ²	100%
9	Structural Steelwork	€ 1,900 Per Tonne	€ 3,750 Per Tonne	97%
10	Metal Cladding - Copper	€ 220 Per M ²	€ 400 Per M ²	82%
11	Cladding - KS1000	€ 55 per M ²	€90 Per M ²	64%

Part 3: Governance, Risk and Compliance

Working together to ensure the National Development Plan works

The commitment from the government to invest €165 billion into healthcare between 2021-2030, with €5.7 billion dedicated to infrastructure by 2025, signifies a momentous step towards shaping the future of healthcare in our nation.

Recent announcements by the Minister for Public Expenditure to accelerate approximately 150 building projects, with a significant focus on the health sector, further exemplify the dedication to progress.

While acknowledging the necessity of setting targets to drive healthcare advancement, it is crucial to address the historical challenges associated with budgetary management in the public health sector. The unpredictability of forecasts, budget overruns, and inadequate spending control have been persistent issues. Consequently, the current National Development Plan (NDP) presents both added pressure and opportunities for construction companies.

But it's not just that more healthcare built environments are needed; new buildings and refurbishments must now align with an array of environmental objectives under CAP 23, the EU Taxonomy and Corporate Sustainability Reporting Directive (CSRD).

The demands of these regulations, while undoubtedly beneficial and necessary for combating climate change, are intense and widespread, challenging construction companies to profoundly transform their approach to project management and reporting through both quantitative metrics and qualitative disclosure requirements.

However, for all the compliance requirements being enforced, cost is still a major concern. Concrete remains one of the most common building materials and yet, due to its manufacturing processes, accounts for almost five per cent of worldwide CO2 production. Unfortunately, green options currently tend to come at a greater fiscal cost.

In an industry that is already feeling the financial squeeze of inflation and supply chain disruption, reaching for net zero almost feels like trying to touch the clouds for many players.

Saying this, with the right environmental construction expertise, construction companies can deliver returns on investment. After all, a very welcome by-product of energy-efficient assets is lower energy costs. The market appeal of sustainable sites should not be underestimated.

Organisations such as the Sustainable Energy Authority of Ireland are helping to drive lasting change through the provision of grants. Still, we need to see a fundamental mindset shift in construction practices that are required in order to see the European Green Deal realised.

The industry is waking up to its impact globally and acknowledging that it needs to do better. There is also a growing awareness within client and promoter organisations that setting embodied carbon and similar targets will help raise awareness and drive a more holistic approach to sustainability. The industry's recognition of this is evidenced by for example plans for ARM 5 to be issued in late 2023/ early 2024 which will be aligned with ICMS and will enable raw data in terms of quantification of works to be more aligned with the effective measurement of embodied carbon impacts.

Conclusion

How can we, the construction supply chain make a difference?

Undoubtedly, the construction industry is currently undergoing a metamorphosis, marked by challenges that serve as catalysts for innovation. These obstacles present unique opportunities to foster resilience, drive positive reform, and emerge stronger than ever before.

Our optimism is well-founded. By 2027 the CIF, for example, believes that the Irish construction industry has the capacity to create over 100,000 additional jobs, increase construction-related exports by €2 billion and increase output to €20billion up to 2020 and over €25billion by 2027.

Our industry, after all, has proven its fortitude time and time again over decades past. The current landscape, , albeit volatile, is also an invitation to recalibrate: to assess the weaker aspects of operations, supply chains and compliance with a view to re imagining performance for the better.

But companies can't do this on their own. What's needed is greater collaboration, technological innovation and enhanced operational and capacity planning.

INDUSTRY GOALS

2027

Create 100k more jobs in construction

€2bn

Increase in construction related exports

2027

Increase output to over €25bn

Kevin Duke, Chairman and Founding Partner of Duke McCaffrey

About Kevin

Co-founder of Duke McCaffrey, Kevin has been involved in the construction industry since 1990 and has extensive experience in all aspects of the cost control, administration and management of construction projects, having worked in the UK, Ireland and Europe.

He has been involved in the tendering of projects in excess of €300m in both 2021 and 2022 for the public and private sectors using a variety of procurement routes.

Kevin is currently working with a broad spectrum of developers and promoters including the HSE, AIB, NAMA, State Street International, Grangegorman Development Agency, Attestor Capital, InfraRed Capital, Durkan Homes, Woodfort Developments, Red Rock Developments, Park Edge Developments, Greenbriar Developments, ARA Europe and Victoria Homes.

He is leading the procurement and delivery of a range of residential, third level educational and health sector projects within the public procurement protocols and has particular experience in claims, dispute and conflict resolution.

“The dispute resolution aspect of construction has always interested me. Through many years experience, the skills and, more recently my Diploma in Construction Law, have given me an ability to take a helicopter and pragmatic view for resolving conflict.”



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