

**How much has a standard two-bed apartment increased since pre-Covid?**

**+14%**  
increase in  
cost in  
2 years



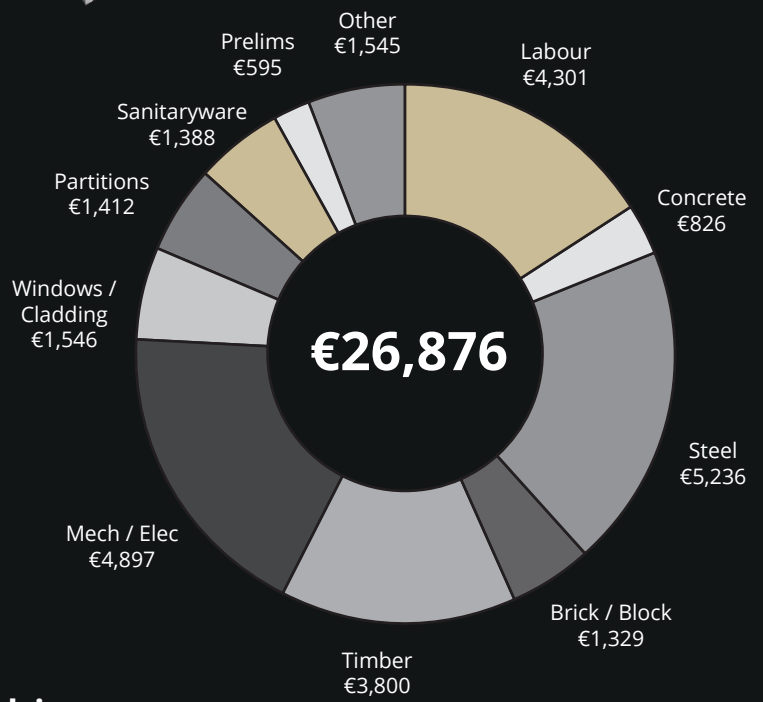
There has been a construction cost increase of  
**€26,876**  
in the 2 years since January 2020

The greater majority of the 14% increase occurred in 2021, due to sharp material price increases

**METHODOLOGY**

- Actual scheme tendered in January 2020 repriced using December 2021 rates (cost increase relates to 24 months)
- Rates split into Labour and Materials for repricing purposes
- Original 2020 rate (€/m<sup>2</sup>) applied to a notional 91m<sup>2</sup> (GFA) 2 bed apartment

NOTE: Costs relate to construction only and exclude VAT



**How could the main cost drivers affect the cost of a 2-bed apartment in 2022?**

SCENARIO MATRIX		POTENTIAL COST CHANGE SCENARIOS FOR 2022				
		A	B	C	D	E
Labour	% change	+3.00%	+3.25%	+3.50%	+4.00%	+4.50%
	€/apt	€2,310	€2,502	€2,695	€3,080	€3,465
Timber	% change	+5.00%	+7.50%	-5.00%	-10.00%	-15.00%
	€/apt	€630	€945	-€630	-€1,260	-€1,889
Steel	% change	+5.00%	+10.00%	+15.00%	-5.00%	-10.00%
	€/apt	€670	€1,340	€2,010	-€670	-€1,340
MEP	% change	+2.00%	+3.00%	+4.00%	+5.00%	+6.00%
	€/apt	€624	€935	€1,247	€1,559	€1,871
Windows	% change	+2.00%	+4.00%	+6.00%	-2.00%	-4.00%
	€/apt	€106	€212	€318	-€106	-€212
SCENARIOS (A-E)	% change	+1.98%	+2.71%	+2.57%	+1.19%	+0.86%
	€/apt	€4,340	€5,934	€5,640	€2,603	€1,895

MIXED SCENARIOS	
SCEN. 1	SCEN. 2
A	D
€2,310	€3,080
B	E
€945	-€1,889
C	E
€2,010	-€1,340
B	F
€935	€1,871
A	C
€106	€318
+2.88%	+0.93%
€6,306	€2,040

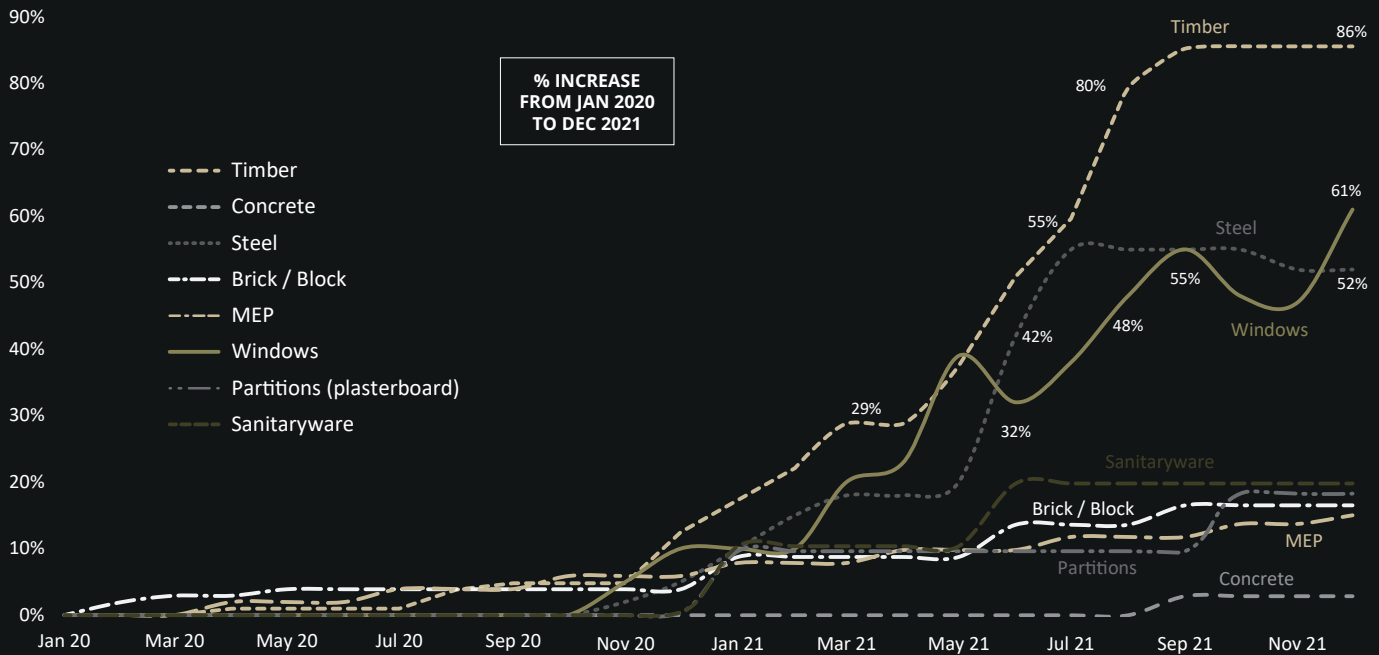
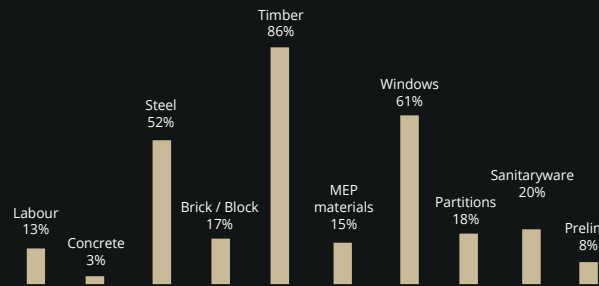


NOTE: The matrix includes the main cost drivers only. Other costs may be subject to change

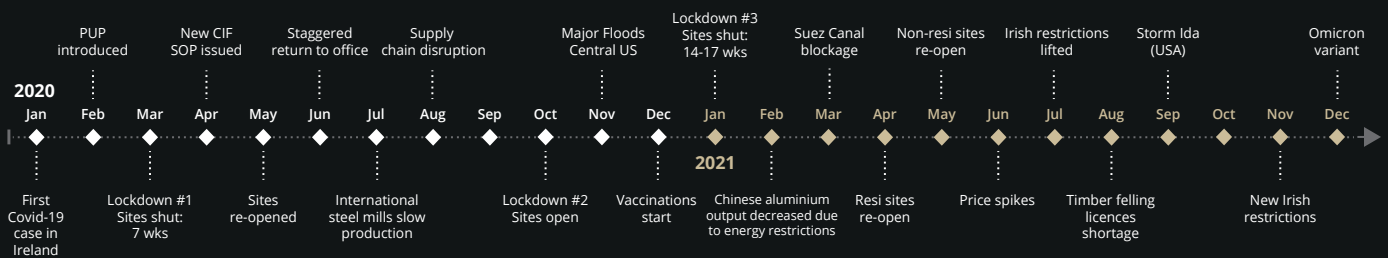
## LABOUR / MATERIAL COST MOVEMENTS OVER TWO-YEAR PERIOD (Q1 2020 - Q4 2021)



How much have input material costs increased since pre-Covid?



## What national & international events impacted construction costs?



## WHAT'S IN STORE FOR 2022...



International manufacturing disruption



Energy restrictions on manufacturing overseas



Continuing resource shortages well into 2022



EU Taxonomy & ESG impact on Real Estate



Flexibility in contracts to deal with fluctuating prices?



Bigger focus on carbon targets



Pricing volatility - imports, EU tariffs



Input costs levelling / reducing in H2 22



Carbon & other environmental taxes



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