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# Bank of Ireland economic pulse

December 2017

 Regional  
Pulse

# Regional Pulse

## December 2017

“The widespread expectation is that house prices and rents will increase in each of the four regions in the coming year.”

Dr Loretta O’Sullivan,  
Group Chief Economist, Bank of Ireland

The Bank of Ireland Regional Pulses capture the views of consumers and businesses around the country. The December 2017 readings (3 month moving average basis) indicate that sentiment was up on the month in Connacht/Ulster, more or less flat in Dublin and the Rest of Leinster and down in Munster.

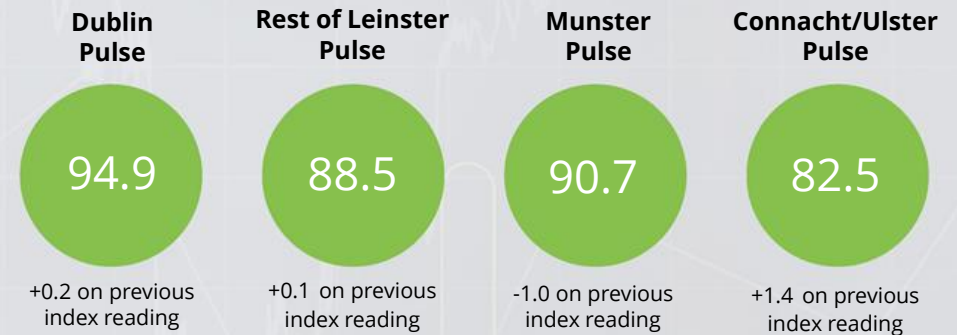
The consumer picture was softer this month with Dublin, the Rest of Leinster and Munster households downgrading their assessment of the current economic situation and Connacht/Ulster households more downbeat about their own current financial situation. On the business front, near-term expectations for activity and hiring were in positive territory, albeit down on November in all regions bar Connacht/Ulster.

### KEY POINTS

- Sentiment mixed across the regions in December
- Connacht/Ulster Pulse up on the month
- Munster Pulse down

### REGIONAL PULSES

Three Month Moving Averages



Rest of Leinster refers to Leinster excluding Dublin. Ulster only refers to Cavan, Donegal and Monaghan.

# Regional Pulse

December 2017

## GENERAL ECONOMIC SITUATION

Past 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
↗	10%	8%	10%	9%
↖	50%	52%	47%	39%
No Change	20%	18%	22%	28%
↘	14%	12%	11%	16%
↙	6%	8%	10%	6%
Balance	+22%	+20%	+18%	+14%
Change on previous reading	-10	-5	-3	+2

## HOUSEHOLD FINANCIAL SITUATION

Past 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
↗	4%	6%	5%	3%
↖	26%	24%	22%	17%
No Change	51%	52%	53%	61%
↘	13%	11%	16%	17%
↙	5%	6%	3%	3%
Balance	+6%	+6%	+4%	0%
Change on previous reading	-1	0	+3	-6

## GENERAL ECONOMIC SITUATION

Next 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
↗	8%	7%	9%	10%
↖	45%	40%	43%	35%
No Change	26%	28%	28%	34%
↘	13%	14%	11%	11%
↙	2%	6%	7%	6%
Balance	+22%	+15%	+18%	+15%
Change on previous reading	+2	-7	+2	0

## HOUSEHOLD FINANCIAL SITUATION

Next 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
↗	9%	4%	4%	6%
↖	30%	30%	28%	31%
No Change	48%	53%	57%	51%
↘	10%	7%	8%	7%
↙	2%	2%	1%	1%
Balance	+17%	+14%	+13%	+17%
Change on previous reading	-1	-3	+3	+4

# Regional Pulse

## December 2017

### House Price and Rents Expectations


#### DUBLIN

Next 12 Months

Change	House Prices	Rents
> 5% 	53%	46%
1% - 5% 	34%	33%
Stay more or less the same	9%	15%
1% - 5% 	2%	2%
> 5% 	0%	0%
Balance	+69%	+62%
Change on previous reading	0	+3





#### REST OF LEINSTER

Next 12 Months

Change	House Prices	Rents
> 5% 	38%	30%
1% - 5% 	42%	43%
Stay more or less the same	16%	22%
1% - 5% 	1%	1%
> 5% 	1%	1%
Balance	+57%	+50%
Change on previous reading	-1	0





#### MUNSTER

Next 12 Months

Change	House Prices	Rents
> 5% 	39%	34%
1% - 5% 	40%	38%
Stay more or less the same	15%	24%
1% - 5% 	3%	1%
> 5% 	1%	0%
Balance	+57%	+52%
Change on previous reading	+1	+5

#### CONNACHT/ULSTER

Next 12 Months

Change	House Prices	Rents
> 5% 	26%	18%
1% - 5% 	40%	40%
Stay more or less the same	28%	34%
1% - 5% 	2%	1%
> 5% 	2%	2%
Balance	+44%	+36%
Change on previous reading	-2	-5

# Regional Pulse

## December 2017

### BUSINESS ACTIVITY

Past 3 Months	Change on previous reading	
	Balance	
Dublin	+28%	-1
Rest of Leinster	+24%	+1
Munster	+25%	+4
Connacht/Ulster	+19%	+1

### BUSINESS ACTIVITY

Next 3 Months	Change on previous reading	
	Balance	
Dublin	+32%	-8
Rest of Leinster	+28%	-4
Munster	+26%	-6
Connacht/Ulster	+22%	0

### JOBS

Past 3 Months	Change on previous reading	
	Balance	
Dublin	+9%	-3
Rest of Leinster	+10%	0
Munster	+9%	+2
Connacht/Ulster	+4%	-1

### JOBS

Next 3 Months	Change on previous reading	
	Balance	
Dublin	+12%	-5
Rest of Leinster	+9%	-2
Munster	+5%	-3
Connacht/Ulster	+12%	+7

# Background

## THE ECONOMIC PULSE

Bank of Ireland's new economic indicator for Ireland – the Economic Pulse – is based on a series of surveys. Each month households and firms are asked for their views on a wide range of topics including the economy, their financial situation, spending plans, house price expectations, business activity and hiring intentions. Key business sectors such as industry, services, retail and construction are covered, as well as regions. The information gathered is combined into high level indices, with responses to individual questions also provided along with analysis and insights.

## GATHERING THE DATA

Ipsos MRBI are undertaking the fieldwork for the surveys on behalf of Bank of Ireland. A best practice approach to data collection and methodology has been adopted within a harmonised EU framework.

1000 households, 500 firms in industry, 800 services firms, 500 retailers and 250 construction firms participate in the surveys each month.

## USING THE INFORMATION

Business and consumer surveys provide essential information for economic surveillance, short-term forecasting and research.

They are also useful for policymakers, as well as helping firms with business planning.

Survey data are a key complement to official statistics, with high frequency and timeliness among their main qualities.

## THE EU DIMENSION

Bank of Ireland is partnering with the European Commission on the surveys. The data collected will feed into the Joint Harmonised EU Programme of Business and Consumer Surveys. This is a Europe-wide sentiment study which has been running since the 1960s. The data generated within this framework are particularly useful for monitoring economic developments at EU and Euro area level and also allow the situation in Ireland to be compared with that of other Member States.

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**Note:** Balances are calculated as the difference between positive and negative responses (using weighted averages for questions with multiple options).

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