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Bank of Ireland economic pulse

May 2017



Regional
Pulse

Regional Pulse

May 2017

"Almost one in two Dublin households expects house prices to rise by more than 5% over the coming year. Outside of the capital, the figure is one in three."

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

The Bank of Ireland Regional Pulses bring together the views of consumers and firms in different parts of the country. The 3 month moving averages show an improvement in sentiment in Dublin in May 2017, with little change in the Rest of Leinster, some softening in Munster and more so in Connacht/Ulster.

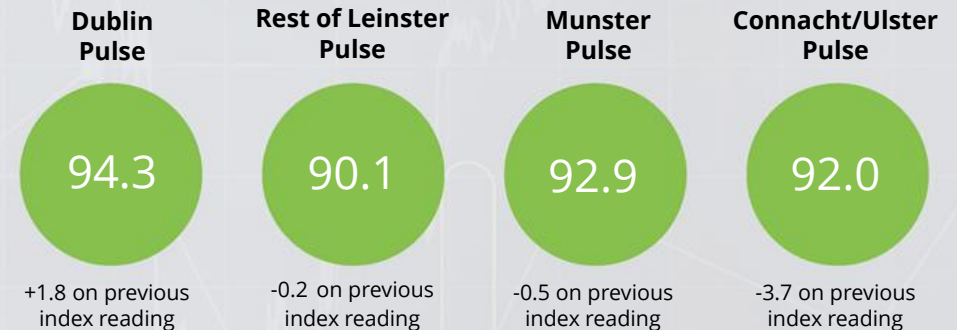
Households in Munster were particularly upbeat about the current economic situation this month; whereas households in Connacht/Ulster were noticeably downbeat about their own finances. The May survey also finds that near-term prospects for business activity and hiring were in positive territory in all regions, with Dublin ahead on the jobs front.

KEY POINTS

- Regional picture mixed in May
- Dublin Pulse strengthens
- Connacht/Ulster Pulse down

REGIONAL PULSES

Three Month Moving Averages



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

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GENERAL ECONOMIC SITUATION

Past 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
⬆️	12%	10%	11%	9%
⬆️	46%	45%	52%	45%
No Change	21%	21%	21%	24%
⬆️	14%	13%	10%	13%
⬇️	7%	9%	5%	8%
Balance	+21%	+17%	+27%	+17%
Change on previous reading	+1	-2	+6	+3

HOUSEHOLD FINANCIAL SITUATION

Past 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
⬆️	8%	4%	3%	4%
⬆️	17%	21%	23%	16%
No Change	51%	54%	56%	56%
⬆️	16%	13%	10%	12%
⬇️	7%	8%	8%	11%
Balance	+2%	0%	+2%	-5%
Change on previous reading	-5	0	-2	-8

GENERAL ECONOMIC SITUATION

Next 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
⬆️	8%	9%	8%	8%
⬆️	46%	44%	40%	44%
No Change	25%	27%	28%	27%
⬆️	13%	11%	13%	16%
⬇️	5%	6%	6%	5%
Balance	+20%	+19%	+16%	+17%
Change on previous reading	+1	0	-1	-3

HOUSEHOLD FINANCIAL SITUATION

Next 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
⬆️	7%	5%	6%	10%
⬆️	29%	30%	28%	26%
No Change	47%	50%	51%	49%
⬆️	13%	8%	9%	8%
⬇️	2%	5%	2%	5%
Balance	+13%	+11%	+14%	+15%
Change on previous reading	0	0	+4	-2

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House Price and Rent Expectations

DUBLIN

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	47%	38%
1% - 5%		38%	38%
Stay more or less the same		11%	18%
1% - 5%	↓ Decrease	1%	2%
> 5%		0%	0%
Balance		+65%	+57%
Change on previous reading		-4	+3

REST OF LEINSTER

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	36%	30%
1% - 5%		43%	41%
Stay more or less the same		16%	24%
1% - 5%	↓ Decrease	0%	1%
> 5%		0%	1%
Balance		+57%	+49%
Change on previous reading		+1	+5

MUNSTER

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	34%	31%
1% - 5%		43%	40%
Stay more or less the same		19%	24%
1% - 5%	↓ Decrease	2%	1%
> 5%		1%	0%
Balance		+53%	+51%
Change on previous reading		+2	+6

CONNACHT/ULSTER

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	30%	23%
1% - 5%		38%	37%
Stay more or less the same		26%	35%
1% - 5%	↓ Decrease	2%	1%
> 5%		1%	1%
Balance		+47%	+40%
Change on previous reading		-3	+1

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BUSINESS ACTIVITY

Past 3 Months	Change on previous reading	
	Balance	
Dublin	+27%	-4
Rest of Leinster	+26%	+8
Munster	+25%	+6
Connacht/Ulster	+28%	+10

BUSINESS ACTIVITY

Next 3 Months	Change on previous reading	
	Balance	
Dublin	+42%	-6
Rest of Leinster	+44%	-1
Munster	+39%	-6
Connacht/Ulster	+51%	+2

JOBS

Past 3 Months	Change on previous reading	
	Balance	
Dublin	+12%	+2
Rest of Leinster	+7%	+1
Munster	+8%	0
Connacht/Ulster	+9%	+1

JOBS

Next 3 Months	Change on previous reading	
	Balance	
Dublin	+19%	+3
Rest of Leinster	+12%	-1
Munster	+15%	-1
Connacht/Ulster	+16%	+2

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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