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Bank of Ireland 
economic pulse

October 2016

 Regional
Pulse

Regional Pulse

October 2016

“Munster households are leading the charge on the home improvement front with one in three likely to spend some money doing work in the next 12 months, compared with one in four in other regions.”

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

The Bank of Ireland Regional Pulses (3 month moving averages) show that sentiment was up in Dublin, the Rest of Leinster and Munster in October 2016 and broadly unchanged in Connacht/Ulster.

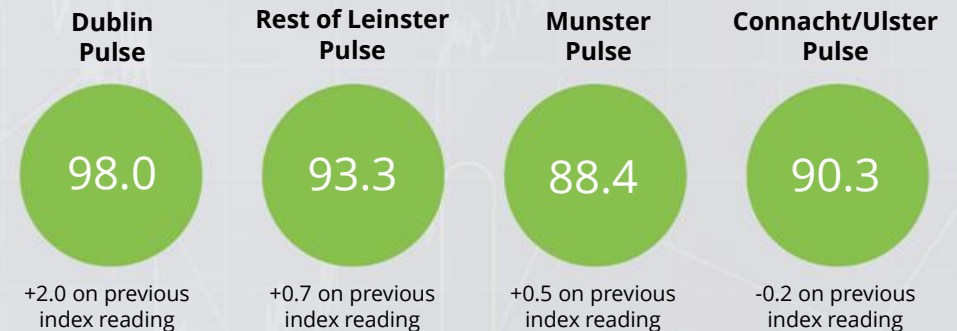
Households in each of the regions were less positive about the economic outlook this month, though with Budget 2017 containing a number of measures that should support disposable incomes, they were more upbeat about their own financial prospects. The October data show a jump in the share of respondents in Munster and Dublin that expect house prices to rise over the coming year, while expectations for near term business activity and hiring were softer this month in all regions apart from Munster.

KEY POINTS

- Pulse readings up in three out of four regions in October
- 72% of Dubs think it is cheaper to buy than rent
- Just one in three in Connacht/Ulster consider it a good time to sell

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
⬆️	11%	6%	9%	8%
⬆️	49%	49%	46%	49%
No Change	20%	23%	25%	32%
⬆️	9%	13%	11%	4%
⬆️	10%	7%	9%	5%
Balance	+21%	+17%	+18%	+25%
Change on previous reading	+2	-7	-5	+12

HOUSEHOLD FINANCIAL SITUATION

Past 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
⬆️	8%	5%	6%	3%
⬆️	18%	22%	18%	21%
No Change	48%	49%	52%	53%
⬆️	15%	15%	15%	19%
⬆️	11%	9%	9%	5%
Balance	-2%	0%	-2%	-2%
Change on previous reading	-6	+2	-1	+4

GENERAL ECONOMIC SITUATION

Next 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
⬆️	10%	6%	8%	7%
⬆️	41%	41%	47%	45%
No Change	26%	27%	25%	24%
⬆️	14%	15%	13%	13%
⬆️	6%	7%	4%	7%
Balance	+18%	+12%	+21%	+17%
Change on previous reading	-5	-6	-4	-1

HOUSEHOLD FINANCIAL SITUATION

Next 12 Months

	Dublin	Rest of Leinster	Munster	Connacht/Ulster
⬆️	8%	7%	6%	6%
⬆️	29%	31%	27%	29%
No Change	44%	49%	47%	51%
⬆️	11%	7%	14%	9%
⬆️	5%	5%	1%	3%
Balance	+13%	+14%	+11%	+14%
Change on previous reading	+1	+2	+6	+7

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House Price and Rents Expectations

DUBLIN

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	39%	36%
1% - 5%		43%	43%
Stay more or less the same		11%	19%
1% - 5%	↓ Decrease	3%	1%
> 5%		1%	1%
Balance		+58%	+56%
Change on previous reading		+2	+5

REST OF LEINSTER

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	28%	26%
1% - 5%		42%	37%
Stay more or less the same		22%	29%
1% - 5%	↓ Decrease	2%	1%
> 5%		1%	1%
Balance		+47%	+44%
Change on previous reading		+1	-1

MUNSTER

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	31%	28%
1% - 5%		43%	35%
Stay more or less the same		18%	33%
1% - 5%	↓ Decrease	2%	1%
> 5%		2%	1%
Balance		+49%	+45%
Change on previous reading		+3	+3

CONNACHT/ULSTER

Next 12 Months

Change		House Prices	Rents
> 5%	↑ Increase	18%	24%
1% - 5%		39%	31%
Stay more or less the same		37%	41%
1% - 5%	↓ Decrease	2%	0%
> 5%		1%	1%
Balance		+35%	+39%
Change on previous reading		+3	+4

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BUSINESS ACTIVITY

Past 3 Months	Change on previous reading	
	Balance	
Dublin	+25%	-7
Rest of Leinster	+25%	-1
Munster	+27%	+2
Connacht/Ulster	+29%	-3

BUSINESS ACTIVITY

Next 3 Months	Change on previous reading	
	Balance	
Dublin	+44%	-2
Rest of Leinster	+37%	-1
Munster	+32%	+1
Connacht/Ulster	+22%	-9

JOBS

Past 3 Months	Change on previous reading	
	Balance	
Dublin	+12%	-1
Rest of Leinster	+7%	-1
Munster	+10%	-1
Connacht/Ulster	+14%	-3

JOBS

Next 3 Months	Change on previous reading	
	Balance	
Dublin	+15%	-3
Rest of Leinster	+12%	-2
Munster	+10%	+4
Connacht/Ulster	+10%	-1

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, 800 firms in industry, 800 services firms, 250 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.

Contact us at

EconomicPulse@boi.com

Dr Loretta O'Sullivan,
Group Chief Economist,
+353 (0) 766 244 267

Conn Creedon,
Senior Economist,
+353 (0) 766 235 134

Mark Leech,
Media Relations Manager,
+353 (0) 766 234 773

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

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