

# NTA Inflation Bulletin

## Cover Note

### June 2026



# Cover Note to the NTA Inflation Bulletin – June 2026

## Introduction

The Inflation Bulletin focuses on the construction sector in Ireland and presents the outcomes of a forward-looking analysis undertaken by the National Transport Authority (NTA). Its purpose is to provide Sponsoring Agencies with critical insights to inform inflation assumptions as part of cost estimation for projects and programmes where the NTA serves as the Approving Authority.

The Bulletin is updated on an annual basis, or more frequently where warranted by significant changes in macroeconomic conditions. The current edition, dated June 2026, supersedes the previous version issued in May 2025. It incorporates revised estimates of Tender Price Indices and updated projections of annual percentage price changes.

**Advice Note:** The inflation report in its entirety (Modelling & Analysis) was completed prior to the onset of the Middle East conflict which commenced on 28<sup>th</sup> February 2026 (modelling base date of November 2025). The report in its entirety has been prepared Grant Thornton and AECOM. All modelling, assumptions, and estimations contained herein have been developed by Grant Thornton and represent estimates rather than certainties; as such, they are subject to change. Considering current global developments, market conditions are inherently volatile. Accordingly, all inflation forecasts presented in the report should be interpreted with an appropriate degree of caution.

The Bulletin is accompanied by a comprehensive inflation report which provides details of the forecasting methodology used and presents the full set of forecast price indices. The Bulletin is also accompanied by a user guide which provides guidance on the practical application of these forecasts in project cost planning.

All associated documentation, including the June 2026 bulletin and supporting materials, is available on the official NTA webpage.

## Background & Context

The NTA requires robust monitoring of tender price inflation to ensure that cost estimates for infrastructure projects remain accurate and reflective of prevailing market conditions. Tender prices incorporate not only the underlying cost of construction inputs but also market factors such as risk allowances and profit margins, which can fluctuate significantly in response to economic, geopolitical, and supply chain developments.

Given the scale and complexity of transport infrastructure programmes, even minor deviations in inflation assumptions can lead to substantial budgetary impacts. Consequently, the NTA has appointed AECOM, with support from Grant Thornton, to prepare the 2026 inflation Bulletin update. The aim of the Bulletin is to provide a structured, evidence-based approach to forecasting such inflation changes and to enable Sponsoring Agencies to apply consistent and informed inflationary allowances during project planning and approval stages. The bulletin specifically provides Tender Price Indices and annual percentage price changes, which the NTA requires to be applied when assessing inflationary allowances for projects and programmes where it acts as the Approving Authority, unless otherwise agreed. This proactive approach to inflation monitoring and forecasting aims to support financial governance, mitigate cost overrun risks, and enhance confidence in long-term investment decisions.

It is important to note that forecasting is inherently uncertain and subject to unforeseen changes in macroeconomic and geopolitical conditions. Events considered low risk or unknown at the time of forecasting can significantly influence outcomes. While recent years have seen a return to greater stability following global supply chain disruptions and monetary policy tightening, emerging developments such as global trade conflicts could impact price stability. Consequently, continued vigilance in monitoring inflation remains critical.

## Approach

The inflation forecast model used for this Inflation Bulletin derives trends in inflation for tender prices, building materials, and land and property prices. It draws on a wide range of historical and forecast data sources, including but not limited to:

- The Central Statistics Office (CSO)
- The Department of Finance
- The Department of Public Expenditure and Reform
- The Society of Chartered Surveyors Ireland (SCSI)
- The Construction Industry Federation (CIF)
- Building Cost Information Services (BCIS) of the Royal Institution of Chartered Surveyors (RICS)
- The Central Bank of Ireland
- The Economic and Social Research Institute (ESRI)
- The European Commission
- The International Monetary Fund (IMF)
- The Organisation for Economic Co-operation and Development (OECD)

Full details of the methodology adopted are available in the Inflation Report.

## Usage & Implications

The Inflation Bulletin provides standard inflation assumptions for the construction sector to support consistent and robust cost estimation across transport infrastructure projects. The June 2026 Bulletin reflects an increase in the base tender price index and cost price index forecasts compared with the previous May 2025 edition. A primary driver of this increase is the impact associated with the implementation of the auto-enrolment pension scheme in Ireland, which directly affects labour rates. This upward revision highlights the importance of using the most current Inflation Bulletin when preparing or reviewing cost estimates to ensure alignment with prevailing economic conditions and regulatory changes.

For transport investment proposals already progressing through the NTA Project Approval Guidelines (PAGs), Sponsoring Agencies should ensure that the cost estimations of their proposals reflect the updated inflation assumptions as they advance, particularly at the next relevant PAGs phase.

## Next Steps

The June 2026 Inflation Bulletin should be used as the primary source of inflation rates for project and programme cost estimates for schemes where the NTA is the Approving Authority, unless otherwise agreed.

As highlighted earlier in this cover note, this inflation forecast was prepared prior to the Middle East conflict and does not include for any inflationary impacts associated with this event. The NTA will continue to monitor inflationary trends and publish updates as appropriate to ensure that cost estimation remains aligned with prevailing economic conditions.

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