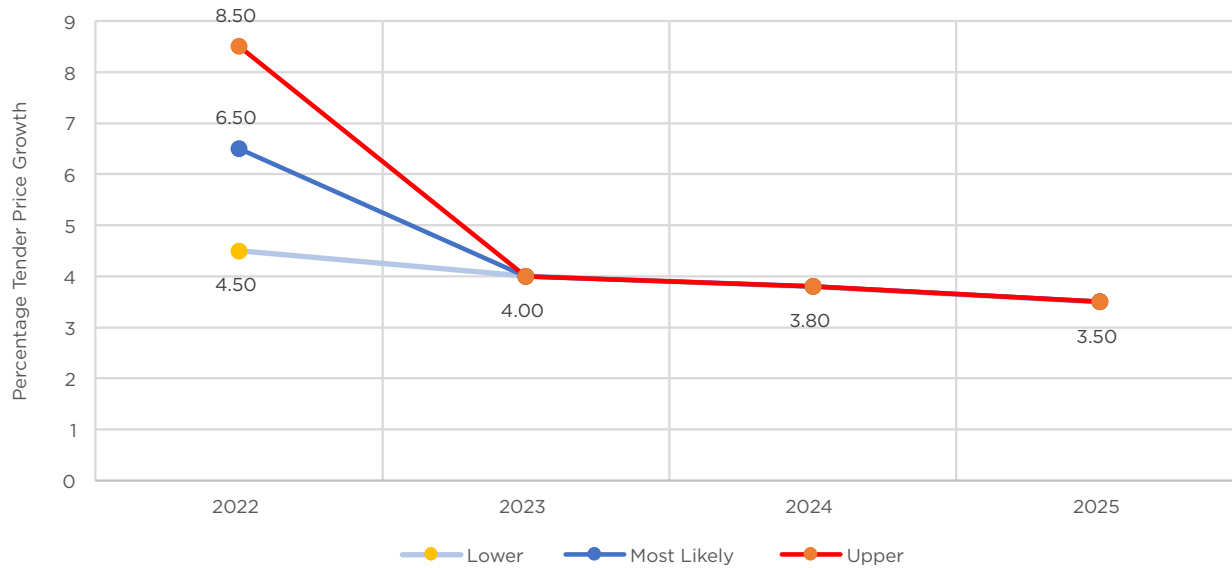




YORKS AND HUMBER

Source	% Uplift reported	DATED	2022	2023	2024	2025
Yorks and Humber	Lower	April 2022	4.50	4.00	3.80	3.50
Yorks and Humber	Most Likely	April 2022	6.50	4.00	3.80	3.50
Yorks and Humber	Upper	April 2022	8.50	4.00	3.80	3.50
Competitors/Others - Upper Range (Yorks and Humber)		April 2022	4.50	4.00	4.00	4.50
Competitors/Others - Lower Range (Yorks and Humber)		April 2022	2.00	2.00	1.50	1.50
BCIS (National)		31/03/2022	7.30	2.40	4.00	3.60

Tender Price Change - Yorks and Humber



OVERVIEW - Yorks and Humber

With a strong period of growth through 2021, demand for, and confidence in, construction in Yorkshire remains high in the early months of 2022. However, a shortage of skilled labour and materials across the industry is affecting the region's short-term ability to react to current demand for new developments.

We are currently seeing contractors being more selective over new opportunities, which is symptomatic of the sustained increased demand and confidence in continuing demand over the medium term. Contractors are targeting improved margin levels and lower risk, to create sustainable growth, which is adding to cost pressures within the overall Yorkshire market.

The previous willingness to absorb cost increases is now less evident, given sustained demand for labour and materials, so increased costs are being passed through to clients, along with increased prevalence of demand for contract-clause and risk-profile amendments. This is also producing broad-spreads in tender price returns across sectors. As a consequence, this effect may tend toward an uptick in insolvencies amongst contractors who sought to secure their order books during the initial demand slump in early 2020.

Despite the continued ongoing challenges faced by both demand-led and cost-led inflation, including energy price increases yet to materialise, the sector remains buoyant in both Leeds and Sheffield, with several large-scale developments in planning and underway. Developments such as the Leeds South Bank, where multiple residential and commercial schemes are underway, and several other large scale city centre development sites, all add to the ongoing advancement of the city.

The arrival of the UK Infrastructure Bank, in Leeds, is a step in the right direction towards “levelling- up”. However the advent of further demand arising out of specific levelling-up plans remains to be seen, and will only add to current demand for construction services. Such a situation will further strain the market's ability to respond, and will consequently drive up construction prices. As demand for construction increases, so too will the desire and need to adopt Modern Methods of Construction to improve efficiency, although the impact is not likely to provide actual cost efficiency within the short or medium term.