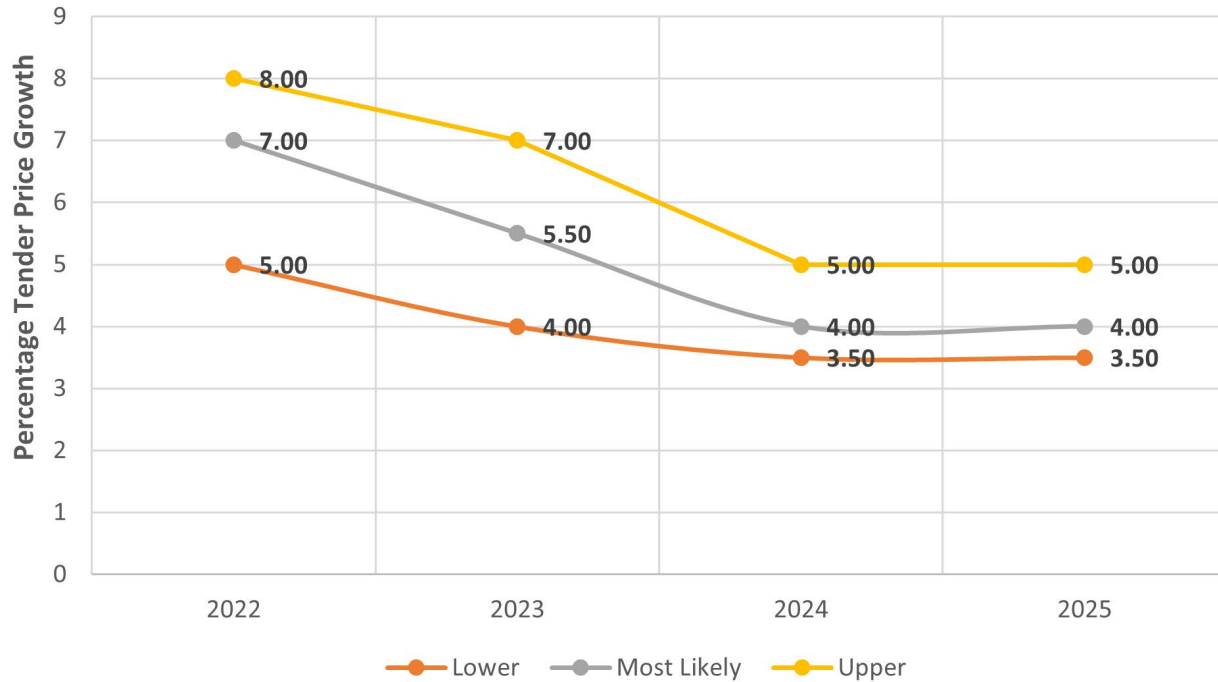


CARDIFF

Source	% Uplift reported	2022	2023	2024	2025
Cardiff	Lower	5.00	4.00	3.50	3.50
Cardiff	Most Likely	7.00	5.50	4.00	4.00
Cardiff	Upper	8.00	7.00	5.00	5.00
Competitors/Others - Upper Range (Wales)		7.50	4.50	4.20	4.30
Competitors/Others - Lower Range (Wales)		4.50	2.00	2.00	2.00
BCIS (National) TPI		7.80	6.20	3.30	3.40
BCIS (National) General Building Cost Index		10.00	4.00	3.30	2.90

Tender Price Change - Cardiff



OVERVIEW - Cardiff

According to ONS statistics, levels of output of the Welsh construction industry remain strong, each of the last four quarters having outrun the figures for the last full pre-Covid quarter, Q4 2019.

Output for the second quarter of the year was reported by ONS as being particularly solid, being up by almost 11% on the previous quarter and actually the fourth highest current value figure ever recorded. Notwithstanding that the figure includes a “changing value” component over and above volume, that strength in activity underscores just how active Wales’ construction activity is at present. However, the major story for construction in Wales was the advent, in the second quarter, of new infrastructure work orders in the region of £2bn, far in excess of any previous figure recorded for a quarter-year.

This will tackle a range of facets including greener public transport and rail developments to the Wales and Western regions, and forms part of the £8.1bn investment which the Welsh Government is proposing for the next three years to support the development of green infrastructure. This is in response to both climate change and rising energy prices, with the ambition to support a zero carbon economy, provide added sustainable benefits across Wales, investments into outdoor and recreational facilities and increased flood defences to areas at risk.

As was the case in the first half of the year, construction activity in and around Cardiff continues to run at a high level. The several large projects still nearing completion in the city centre look to be replaced by further major projects, maintaining the generally high levels of activity. In particular, the new interchange bus station works are due for completion imminently.

There are further substantial infrastructure works including the South Wales Metro scheme valued in the region of £734m, in addition to the new Butetown rail station extension in Cardiff Bay, intended to result in a more modern, greener and smoother service into Cardiff.

In the residential sector, there are additional large developments planned for both the west and east side of the city, which will inevitably exert pressure on trades’ availability, although offset somewhat by the period of time to take them to site and for the projects to come out of the ground.

Cardiff City Council announced £74m in capital spend for 2022-23 as part of a programme to tackle fire safety, repairs and homelessness. The proposal consists of circa 4,000 new homes and 2,800 new council homes. In general it is the Welsh government’s ambition to decarbonise the residential industry with 20,000 zero carbon new homes to be constructed. We are seeing this across the market within South Wales, through several housing frameworks.

OVERVIEW - Cardiff

Contract awards have been made for several large school projects, involving Tier 1 contractors, while in Newport and Swansea, several large projects are completing.

Overall value of construction work done for the second quarter of the year in Wales was up by almost 11% on the first quarter, and up in comparison with last year's second quarter by over 14%.

New orders volume figures for the second quarter of 2022 were up by over 300%, due to the rapid influx of major infrastructure works orders, a figure which is underscored by the uplift of 87% year on year for the last four quarters. The continuing completion of existing workload of course needs to be replaced by new work, but the mis-match between hitherto and current volumes in the market will stretch already stretched resources and will continue to drive tender prices upward.