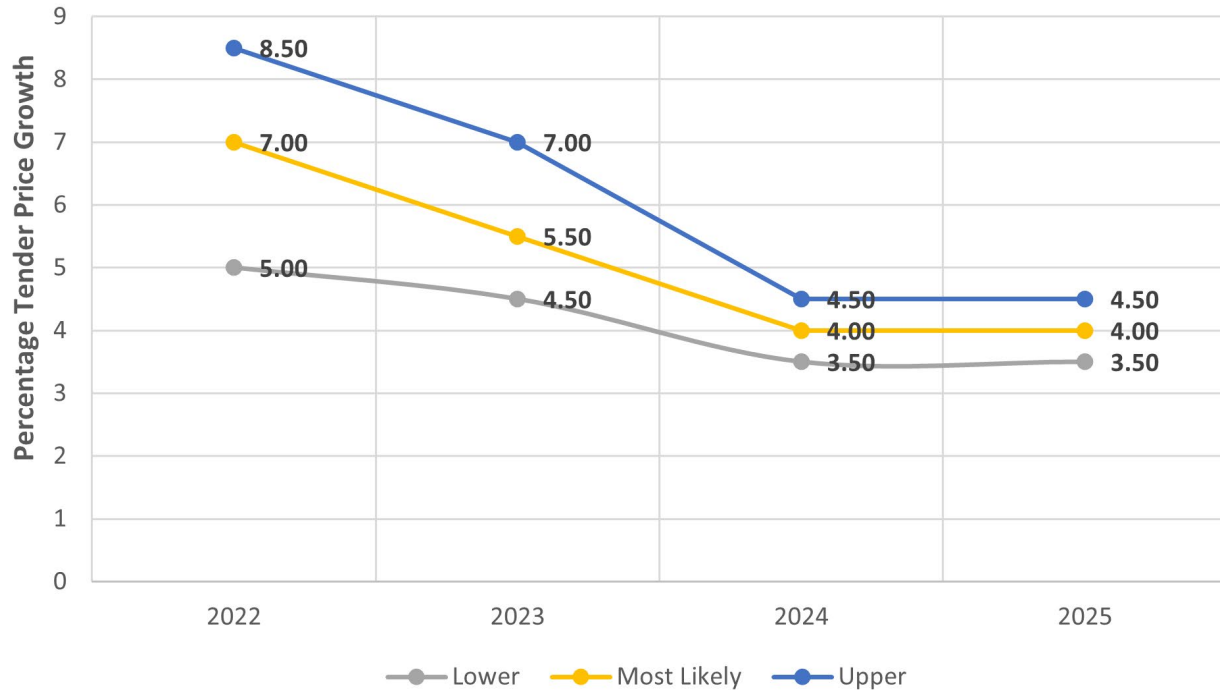


NORTH WEST

Source	% Uplift reported	2022	2023	2024	2025
Manchester	Lower	5.00	4.50	3.50	3.50
Manchester	Most Likely	7.00	5.50	4.00	4.00
Manchester	Upper	8.50	7.00	4.50	4.50
Liverpool	Lower	5.00	4.50	3.50	3.50
Liverpool	Most Likely	7.00	5.50	4.00	4.00
Liverpool	Upper	8.50	7.00	4.50	4.50
Competitors/Others - Upper Range (North West)		7.50	5.00	4.80	4.50
Competitors/Others - Lower Range (North West)		5.00	3.50	2.50	2.50
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 - North West



OVERVIEW - North West

Ongoing workload in the region is continuing at a high level of activity, with infrastructure and Industrial works for the second quarter of 2022 up by 40% and 123% respectively as against the corresponding quarter in 2021. In Particular, the new Everton stadium is proceeding rapidly, but is not stressing the local trades or materials markets as much as might be expected. This is due to the project drawing sub-contractors on a national basis, with a lesser reliance at this stage on local trades and suppliers.

On the wider stage, there is an issue in Liverpool due to the city council being in “special measures”, with the result that some projects are being stalled due to additional scrutiny over approvals and the like.

In the centre of Liverpool, it is clear that activity is relatively scant, a situation that is in common with the market in Manchester, where general business activity levels in the city centre have cooled since lockdown, even though we are now well beyond that lockdown experience.

ONS statistics support this overall impression of the construction market’s performance, the high level of activity noted above being followed by a question mark over

replacement workload entering the marketplace. In terms of new work, other than one, all sectors’ new work done is up, although the total uplift is less than half of one percent year on year by value. That result is caused by the rapid diminution of work done on new infrastructure projects, which are down by some 44% in value. Notably, that drop-off does not necessarily flood the market with labour, due to the higher plant labour ratios involved in infrastructure work.

In relation to replacement workload, new orders incoming to the market, although total new work volumes are down only 2% year on year, closer analysis is revealing. Comparing the second quarter of 2022 with that of 2021, shows a more than 20% fall in the figures just in, foremost among which are the 67% fall in “Private Commercial” work and the 84% fall in “Other new Work excluding Infrastructure” (which also excludes Housing). While “All new housing” is up 35% and “Private Industrial” is up 4%, they cannot compensate for the falls elsewhere.

In summary, the construction market in the North West, while busy at present, appears to be undergoing a transition phase wherein new replacement workload is tapering as against existing workload completion. That nexus could place considerable pressure on contractors and sub-contractors as input costs incur inflationary effects, some local and some imported, and yet the need for replacement workload demands tighter tendering.