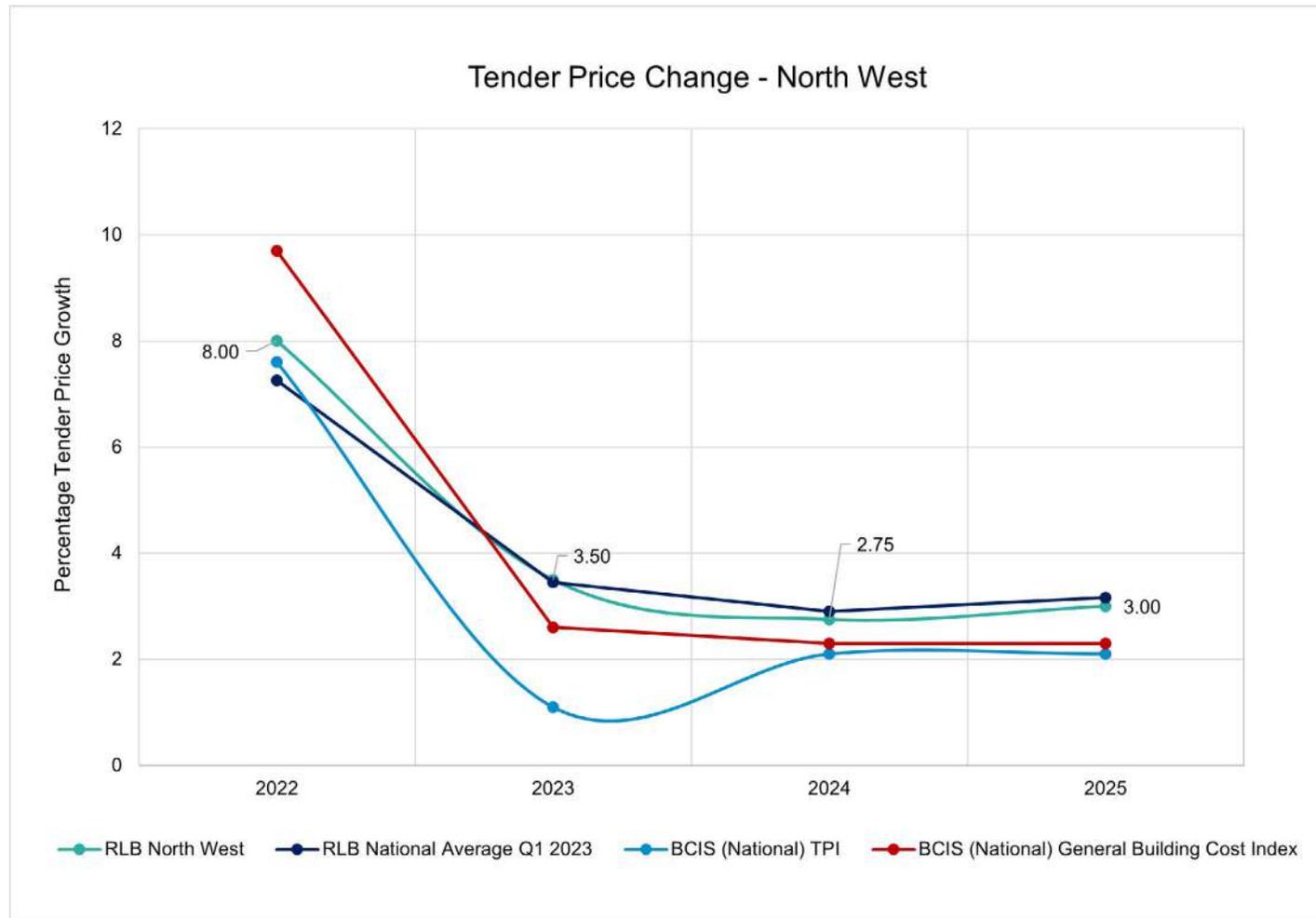


NORTH WEST & NORTHERN IRELAND

Source	% Uplift reported	2022	2023	2024	2025
Manchester		8.00	3.50	2.75	3.00
Liverpool		8.00	3.50	2.75	3.00
Competitors/Others - Upper Range (North West)		9.00	4.30	3.80	4.20
Competitors/Others - Lower Range (North West)		6.00	2.00	2.00	2.00
RLB National Average		7.26	3.45	2.90	3.16
BCIS (National) TPI		7.60	1.10	2.10	2.10
BCIS (National) General Building Cost Index		9.70	2.60	2.30	2.30

Tender Price Change - North West & Northern Ireland



OVERVIEW - NORTH WEST & NORTHERN IRELAND

The North West region and Northern Ireland continue to experience a challenging market as the economy has cooled over the last year. The key cities of Manchester, Liverpool and Belfast continue to produce encouraging growth despite the relative stagnation of the wider economy.

Total value of construction work carried out in the North West appears to have recovered to exceed pre-covid levels by 13% in the year to September 2022, according to ONS statistics. However, that uplift is muddled by the fact that repair and maintenance work is up by over 37% over the same period, whereas new work is only +3.5%. Within the new work, private industrial features as the principal growth area, showing an additional 80%, although still representing only 5% of the total market. Almost half of all new work done in the last year has been in the residential sector.

Total volume of new work orders for the year to September 2022 fell back significantly for 2022 as against 2021, to 4% down on 2019 volumes. Although new housing remained strong at +59% on 2019 volumes, infrastructure new orders were down over 60% since 2019. With private commercial steady, private industrial new orders became important, up by 90% and almost doubling the sectors share in the total of new work orders for the region.

On the ground, the volume of office, residential and student housing construction appears to have increased on the year, although for the hotels sector there appears to remain a decline. Liverpool however appears to be turning a corner, with a number of hotel schemes starting to progress.

Materials' price inflation continues to impact heavily on the industry and is expected to hold tender price inflation to typical historical levels through 2023, even though the market is affected by a cooling of the general construction-sector-wide economy.

Whilst optimism remains strong in the main, the overall reduced level of confidence across the sector as a whole is apparent. There is a reluctance, on the part of the major contractors, to compete in the current environment, which is causing clients to pause as they review already constrained budgets.

2023 will impose further challenges. We are seeing a growth in education project works in Manchester, and an expected upsurge in hotel developments in Liverpool and Belfast. Northern Ireland as a whole, will see growth in asset optimisation, however the impact of the wider cooling of the economy is very difficult to judge at present. Alongside the above, Manchester has also seen a cooling of its commercial sector. We are hopeful that confidence will return during the rest of the first half of 2023, with a number of schemes that are currently on hold looking to recommence, depending of course on an outlook of favourable market conditions and borrowing funds' availability and cost.