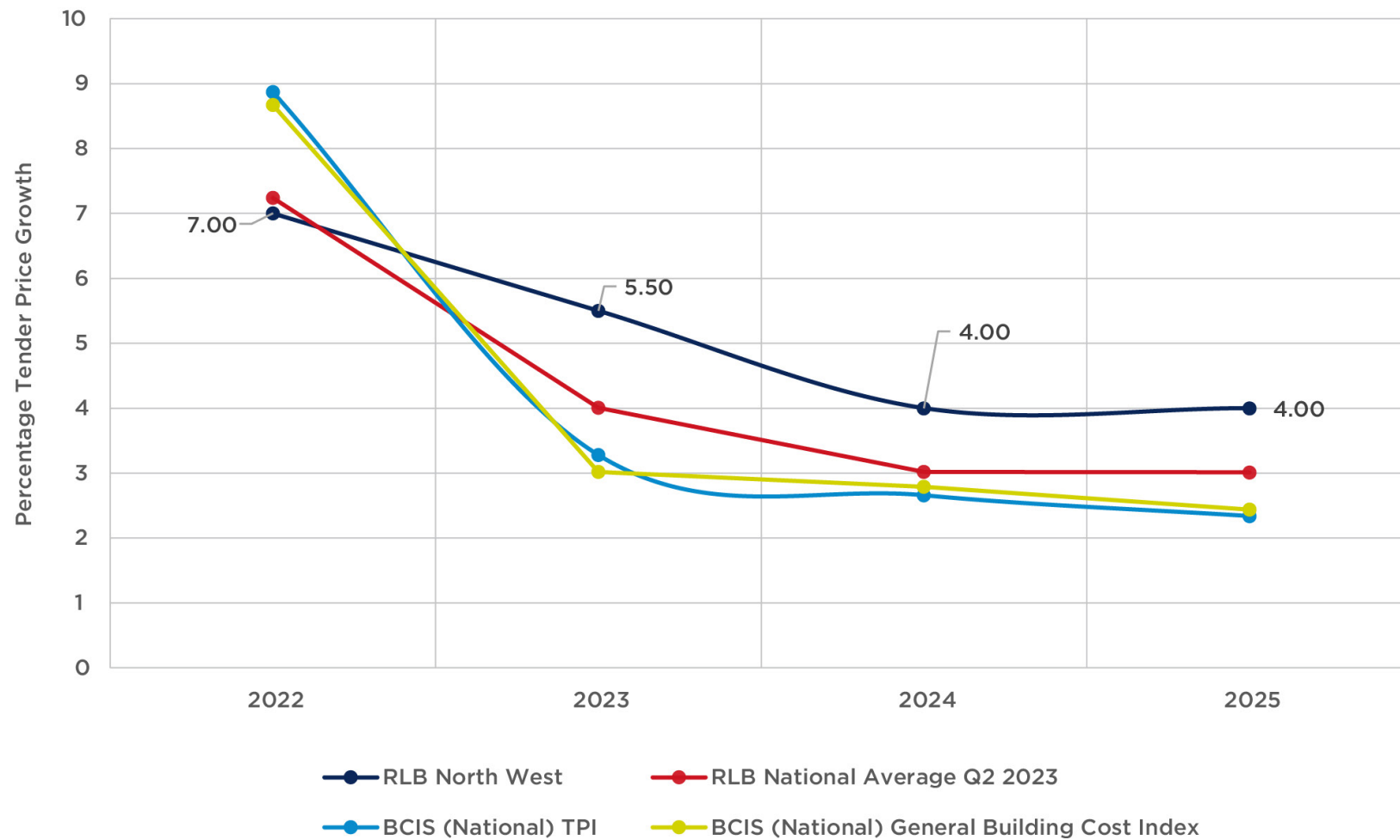


NORTH WEST & NORTHERN IRELAND

Source	% Uplift reported	2022	2023	2024	2025
North West		7.00	5.50	4.00	4.00
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		7.24	4.01	3.02	3.01
BCIS (National) TPI		8.87	3.28	2.66	2.34
BCIS (National) General Building Cost Index		8.67	3.02	2.79	2.44

Tender Price Change - North West & Northern Ireland



OVERVIEW - NORTH WEST & NORTHERN IRELAND

Overall, the levels of work carried out in the year to March 2023 are approximately +23% on a base period of the year to March 2020.

Within that, repairs and maintenance were up almost 52% compared to an uplift of only 12% for new work. Similarly, private new housing work was up by over 28% and private industrial work was up almost 57%.

For new orders coming into the market, as a whole, new work was up only 15% over the timeframe. However, the underlying issue here is the diminution of new infrastructure work, which was down almost 60%, though up by 20% on the last year. New housing, private industrial and private commercial new orders were once again strong, providing a solid basis for workload continuity in these sectors across the region.

The North West & Northern Ireland continue to experience a challenging market as the wider economy cools, indicating that rising construction costs are now stabilising. In line with the ONS statistics reported above, the key cities of Manchester, Liverpool and Belfast continue to produce encouraging growth despite the wider economy's difficulties. Last year's number and value of new construction projects started compared favourably to that experienced the year before, being up by 10%.

The volume of office, residential and student housing construction appears to have increased on the year. Also, in Liverpool particularly, the hospitality sector is becoming more buoyant and there is an increase in conversion projects of commercial buildings into hotel accommodation, along with food and beverage provision.

Materials' price inflation remains high, but stabilising and we expect to hold tender price inflation to typical levels through 2023, tempered by the cooling general overall construction economy.

Manchester has experienced a cooling in the commercial sector although we are hopeful that confidence will return in the second half of 2023, with several schemes currently on hold and looking to be recommenced. We are also seeing growth in education buildings provision in Manchester and an expected growth in hotel developments in Liverpool, Belfast and Northern Ireland will see asset optimisation growth.

There remains a reluctance among the major contractors to compete in the current environment, which is causing clients to pause as they review already constrained budgets. We are however beginning to see signs that contractors will increasingly want to compete on schemes of a lower-risk nature.

In summary, 2023 will continue to present further challenges and the impact of the wider cooling of the economy remains difficult to judge at present but will feed through into developers' and construction clients' equations shortly.