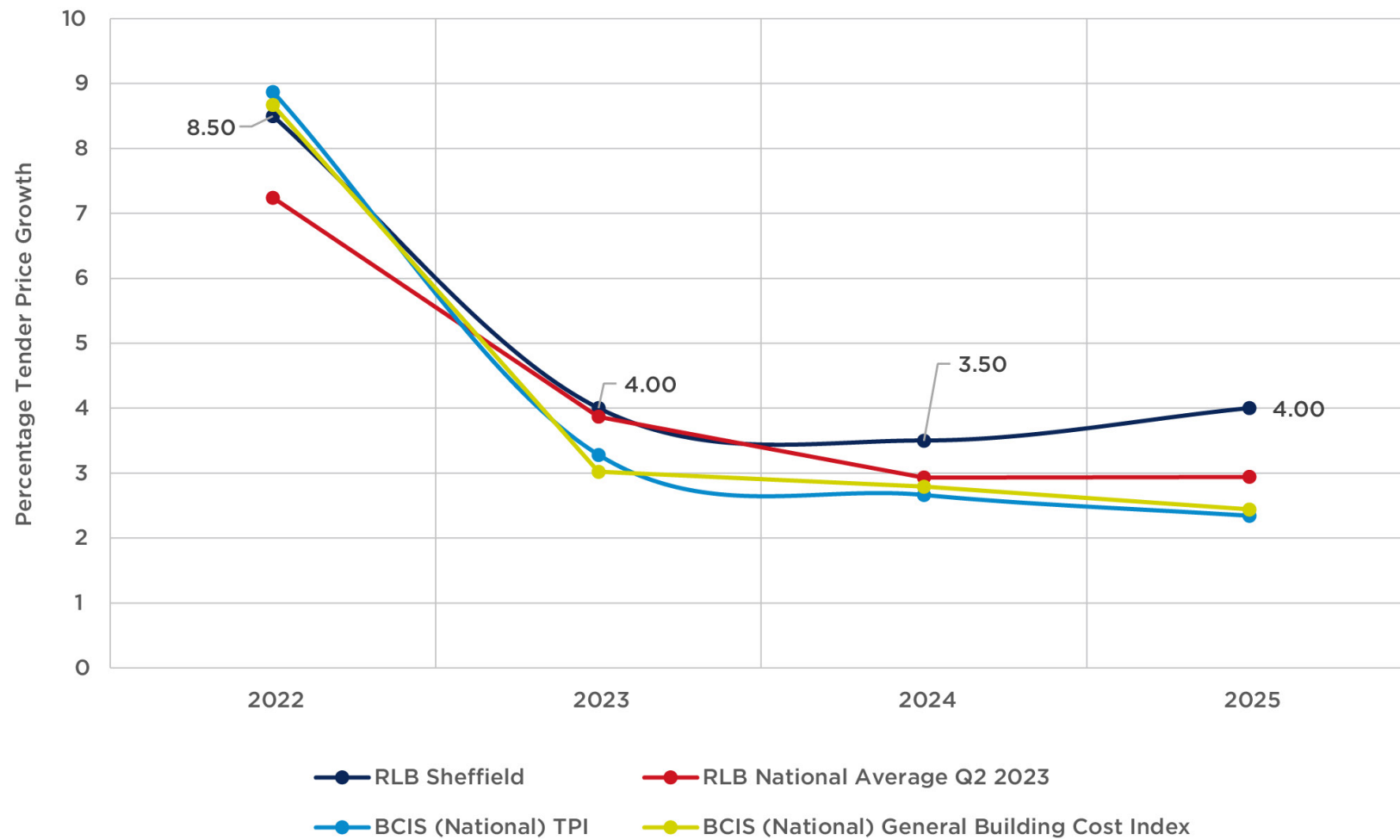


YORKSHIRE & HUMBER

Source	% Uplift reported	2022	2023	2024	2025
Sheffield		8.50	4.00	3.50	4.00
Leeds		8.50	4.00	3.50	3.50
Competitors/Others - Upper Range (Yorkshire & Humber)		8.70	4.50	4.00	4.30
Competitors/Others - Lower Range (Yorkshire & Humber)		6.00	2.50	2.50	2.50
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 - Yorkshire & Humber



OVERVIEW - YORKSHIRE & HUMBER

According to ONS, work carried out in Yorkshire & Humber over the last year is up overall by over 35% compared to the 2020 baseline.

However, that statistic is coloured by the fact that repair and maintenance work is up by 50%. This means that the repair and maintenance portion is now significantly higher than it was a few years ago. Overall, new work carried out was up by over 28%, with infrastructure and public spending leading the way.

For new orders in the last year, overall values are down by over 11%. Although private industrial almost trebled in value and private commercial new orders more than doubled, new orders values for the infrastructure sector declined significantly last year to only 20% of their baseline value.

Consequently, and against a backdrop of uncertainty in the wider economy, inflationary pressure on materials has continued to temper the outlook for the Yorkshire & Humber region. However, despite that wider uncertainty, the region has shown high levels of resilience with continued confidence in the region's major cities.

The inflation rate of materials prices is easing now, following the significant rises experienced in 2022. However, the 2022 experience has affected appetite for new developments and has been impacting upon profit margins, which is causing challenges with developers and contractors bidding new opportunities. Equally, large-scale developments, such as the plans for Yorkshire's tallest building in Sheffield which have been scaled back from 38 to 26 storeys, stand to be curtailed due to rising construction costs.

The cooling of the economy generally has given rise to a mixture of approaches from the contractor market. Some are considering single-stage tender opportunities to fill order books and others are focused on securing frameworks and two-stage tender opportunities, the goal being to secure long-term workload pipeline.

Client teams in the region are now working harder than ever to generate support for project opportunities in advance of tender exercises. This has been a feature for the last several years in the region. However, it is now exacerbated by the post-pandemic pent-up demand as well as wider uncertainty about increasing supplier costs and reduced or stalling opportunities.

Despite the economic backdrop, confidence in Yorkshire's largest cities remains, with many new developments underway such as the continued expansion of Whitehall Riverside BTR schemes and the recent approval of the South Bank's £500m mixed-use development which includes BTR, leisure, commercial offices and a new public square.

The underlying confidence in the region is consistent and underpins substantial promise for the medium-term outlook, in particular in respect of large-scale mixed-use developments we are seeing across both Leeds and Sheffield.