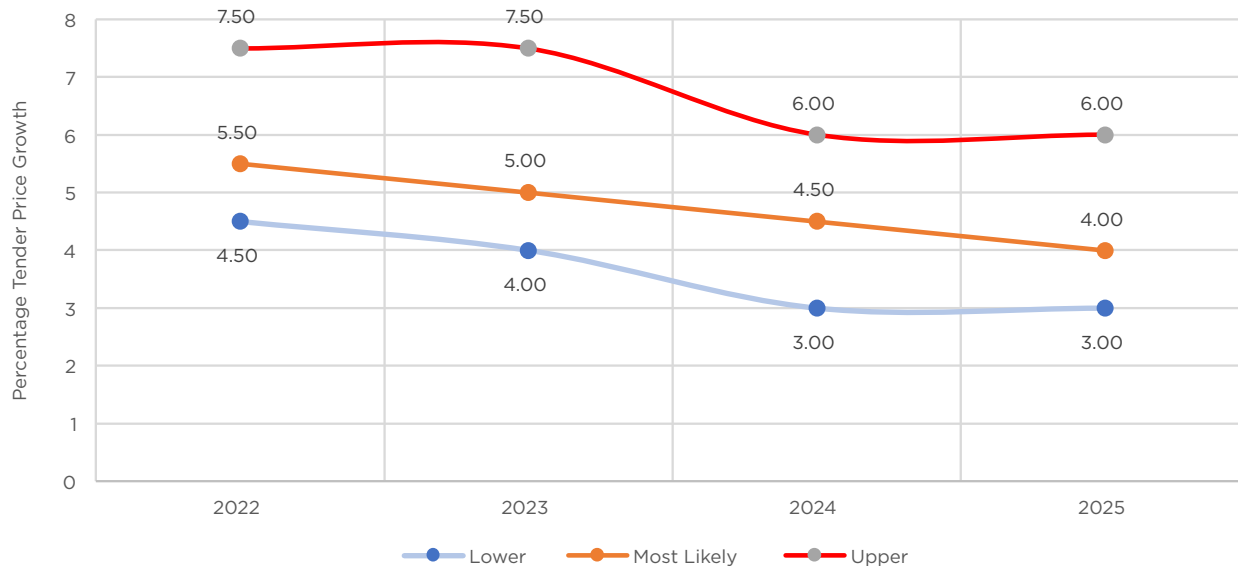




BIRMINGHAM

Source	% Uplift reported	DATED	2022	2023	2024	2025
Birmingham	Lower	April 2022	4.50	4.00	3.00	3.00
Birmingham	Most Likely	April 2022	5.50	5.00	4.50	4.00
Birmingham	Upper	April 2022	7.50	7.50	6.00	6.00
Competitors/Others - Upper Range (Birmingham)		April 2022	4.50	4.00	4.00	4.50
Competitors/Others - Lower Range (Birmingham)		April 2022	2.50	2.00	2.00	2.00
BCIS (National)		31/03/2022	7.30	2.40	4.00	3.60

Tender Price Change - Birmingham



OVERVIEW - Birmingham

Supply side pressures continue to drive the market, in terms of materials and labour availability and pricing, but also in contractor availability to undertake both pre-construction activity and delivery. Contractors are being far more selective in the opportunities being considered, with parts of the market partly driven by availability of pre-construction bid resource.

Busy sectors remain: residential, industrial and infrastructure. Build-to-Rent (BTR) is particularly active in Birmingham, but with increased evidence of interest in other regional towns and cities. Single family BTR seems to be gaining traction, typically at earlier stages of planning. Commercial projects remain subdued, but the few that do exist are increasing the volume of activity overall. A number of high profile completions have seen stock added to the market and a number of pipeline projects are known to be being advanced.

Hotel and leisure (food and beverage) projects are starting to return to the construction market, but are perhaps hampered by increasing costs, whilst values have not rebounded as strongly as in other sectors. City centre retail repurposing remains highly visible in planning stages, but less so in terms

of site construction activity.

We have now seen evidence of contractors offering tender sums for acceptance for curtailed periods of time, which proves challenging in respect of resolving contract awards within those timeframes. Trades experiencing heated market conditions are becoming increasingly selective in the nature of the work that they take on, leaving an availability gap for some contractors. Likewise, contractors are pricing-in risk, to account for materials availability risk and perceived likely levels of sub-contractor interest. There is also evidence that some projects are seeing stalled two stage processes due to lack of sub-contractor bid capacity and limited returns driving up pricing levels. Building on this, of course, the Ukraine situation is creating a whole new level of uncertainty. However, estimating the pass-through rate (to tender prices) of commodities' price increases is problematic, particularly where there are long and complex chains between commodity extraction and incorporation of finished product. Not only are there many processes between, but a complex web of supply/demand considerations, all composing a small part of any end-purchaser price change.