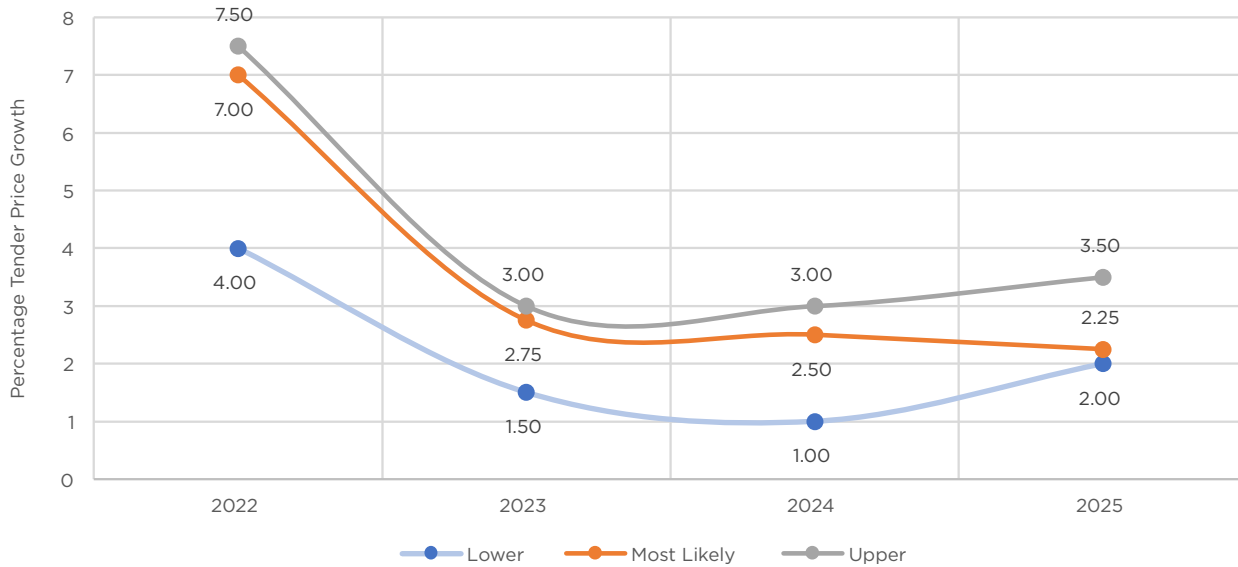




BRISTOL

Source	% Uplift reported	DATED	2022	2023	2024	2025
Bristol	Lower	April 2022	4.00	1.50	1.00	2.00
Bristol	Most Likely	April 2022	7.00	2.75	2.50	2.25
Bristol	Upper	April 2022	7.50	3.00	3.00	3.50
Competitors/Others - Upper Range (Bristol)		April 2022	4.50	4.00	4.00	4.50
Competitors/Others - Lower Range (Bristol)		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 - Bristol



OVERVIEW - Bristol

In the South West, some commercial developments are struggling to remain viable in the face of increasing build-cost inflation. By contrast, the residential sector is holding up well, although any upcoming increases in interest rates would probably brake that sector. That said, the South West remains attractive to people relocating outside of the main cities, a trend spurred by work-from-home opportunities.

The major trades effects recently have been the increases flowing through from commodities prices rises, particularly in the case of steel. After multiple price rises from British Steel, the market is facing substantially inflated steel costs, affecting in particular the major commercial and industrial projects. Moreover, delivery and lead-in times are blowing out due to lack of capacity. Another major effect is being experienced on Aluminium windows, whose cost rose steeply in the first quarter, in some cases by up to 50%.

Price increases on sanitary goods and architectural ironmongery have also been prevalent, especially on goods imported from Europe.

Lying over and above all of this is the impact of market effects flowing from the Ukraine situation. Not only are materials costs increasing, but so is the uncertainty within pricing frameworks. Ordinarily, contractors and sub-contractors can deal with risk by pricing-in, if they are required to carry it, but where the uncertainty is amplified by lack of knowledge of a certain outcome, that translates to unwillingness to commit to fixed prices for any length of time. That situation clearly upsets standard norms of pricing, which is why RLB is showing a range of tender price index movements for this and the coming years. Our expectation of uplift for 2022 is coloured by the effects noted above, and the current expectation is that the outcome will be well to the upper end of the range shown.