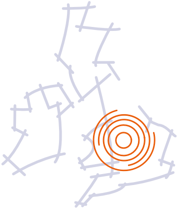
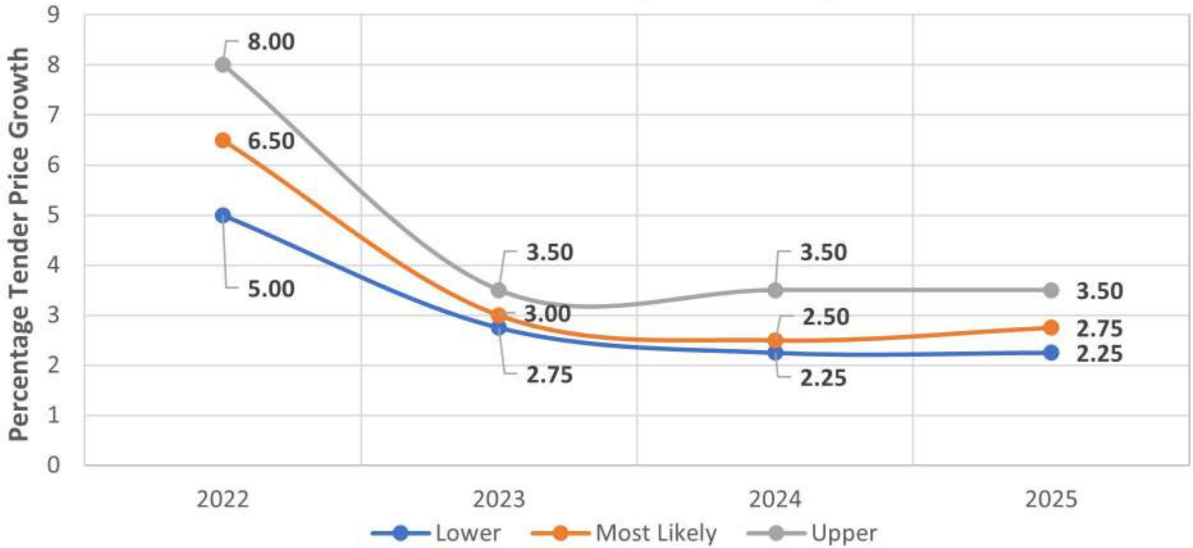


MIDLANDS

Source	% Uplift reported	2022	2023	2024	2025
Birmingham	Lower	5.00	2.75	2.25	2.25
Birmingham	Most Likely	6.50	3.00	2.50	2.75
Birmingham	Upper	8.00	3.50	3.50	3.50
Competitors/Others - Upper Range (Birmingham)		8.30	5.00	4.50	4.30
Competitors/Others - Lower Range (Birmingham)		4.75	2.50	2.50	2.50
BCIS (National) TPI		7.80	6.20	3.30	3.40
BCIS (National) General Building Cost Index		9.70	3.00	3.50	2.90

Tender Price Change - Birmingham



OVERVIEW - MIDLANDS

In the Midlands, there appears to be an accepted view that turbulence is the new normal. Navigating that turbulence is problematic, but contractors are becoming used to attempting to plot a course.

High workload levels continue in the Region. Although for the latest quarter, ONS reports only a further uplift of just over 1% for work value carried-out, that uplift is the highest current value on record, and the last five quarters occupy the top five places in that current value list. Looking year-on-year , the latest four quarter-years outstrip the previous four by over 28%.

Even though these figures have an inflationary component within them, still they represent workload levels that are unprecedented in the West Midlands. For new orders coming through, although the last four quarters' values exceeded the previous four quarters by only 8%, the most recent quarter has the second highest value on record, adding weight to the analysis of a highly active local market.

Work output levels in repairs and maintenance sectors were up over 21% year-on-year , and new work carried-out up over 32%, within which private housing and infrastructure up almost 35% and 46% respectively stand out.

For new orders coming into the market, Private Industrial and Private Commercial are the standouts, up almost 76% and 53% respectively year-on-year , indicating continued workload pipeline stretching well into the next couple of years.

Alongside all of this, and whilst HS2 activity is evident across the region, there is some signs of capacity opening up through different levels of the civils supply chain. Nervousness around the impact of interest rates on residential site-enabling may be a driver. BTR consents continue to be bagged, with increasing numbers moving to site. Increasing interest rates are expected to lead to more challenging underwriting in the coming months; less rapidly rising construction costs may assist, but land values may need to ease, to permit deals to stack up.

Commercial stock is beginning to transact, together with some refurbishment of secondary stock. Hospitality and leisure sectors remain strong, while the public sector pipeline is poised for the aftermath of the Autumn Statement, to assess public spending priorities and prospects.

At trades level, although there are signs of easing in groundworks, trades such as Frame, Brickwork, Cladding and MEP remain busy with high levels of demand on both materials and labour.