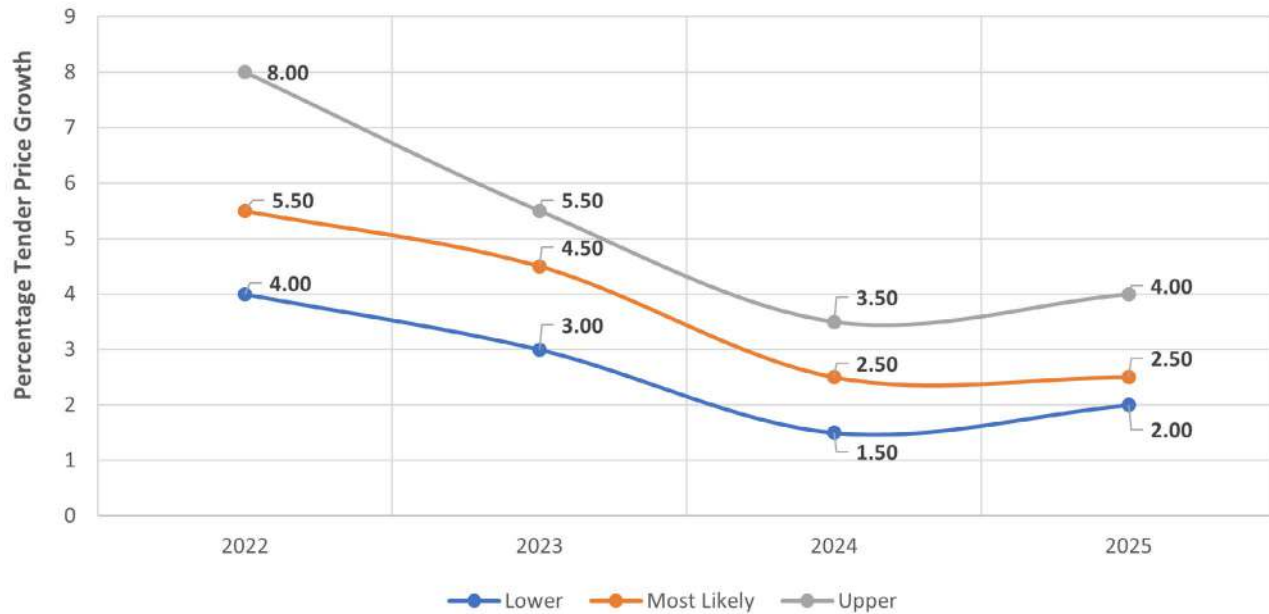




# SOUTH WEST

Source	% Uplift reported	2022	2023	2024	2025
Bristol	Lower	4.00	3.00	1.50	2.00
Bristol	Most Likely	5.50	4.50	2.50	2.50
Bristol	Upper	8.00	5.50	3.50	4.00
Competitors/Others - Upper Range (Bristol)		8.80	5.00	4.80	4.50
Competitors/Others - Lower Range (Bristol)		4.50	3.75	3.50	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 - Bristol



## OVERVIEW - SOUTH WEST

The construction industry in the South West region remains busy, with a steady flow of new enquiries, but the general mid-term view is that levels of activity in the region will slow in 2023.

Funding availability has slowed due to reductions in project margins and the increased cost of finance, which has meant the viability of some projects has been brought into question, causing some projects to be put on hold.

Particularly affected is the South West's Residential market, which has reacted sharply to interest rate increases and associated uncertainty. A large portion of the South West market is downsizers and relocations, and whilst enquiries to housebuilders remains high, sales are slowing due to a reluctance of buyers toward marketing their own homes until the market stabilises. This situation is causing a damping of demand for new-build housing stock. In order to deal with this and to maintain liquidity, some housebuilders have slowed production of units and put existing units on hold at current build stages until existing stock is sold.

The knock-on effect is increasing sub-contractor availability and creation of more competition in the market, which is stabilising tender price inflation. However, the rental market remains strong and we may yet see strategies shift to service this demand.

Groundworks and infrastructure prices currently remain strong, due to the shortage of Groundwork Contractors in the region and high materials cost inflation in this sector. However it is anticipated this activity will slow in the mid-term as pipeline projects fail to materialise on site, and we are seeing increased activity from groundworkers chasing project enquiries for their 2023/24 orderbooks.

Likewise, we have started to see Demolition Tender prices fall, with this being the first trade in the supply chain to be affected by a general trend of fewer projects being brought to site in recent months.

A couple of Main Contractors in the area have entered into administration. The Main Contractor market continues to be highly risk averse in tendering works and increasingly aware of focusing on claims post contract, as they struggle to maintain liquidity in a market where materials and labour prices continue to rise, while prices are or may be fixed but order books for 2023/24 look less convincing than would normally be the case. The fundamental difficulty for both contractors and sub-contractors is the need to re-fill order books to replenish supply of workload, yet alongside rapidly inflating input costs and fixed output prices.