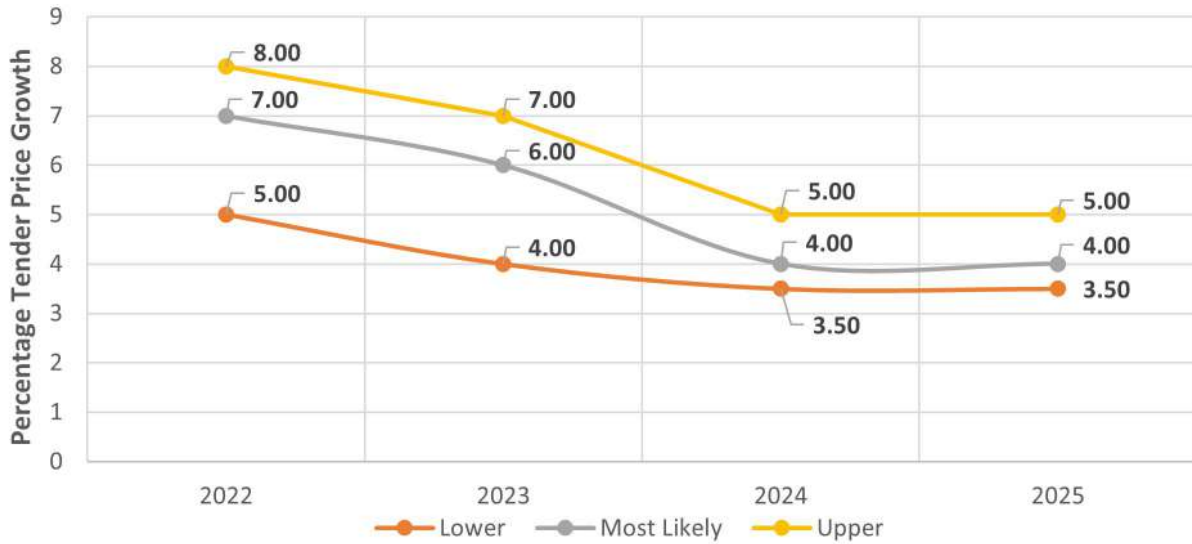


# WALES

Source	% Uplift reported	2022	2023	2024	2025
Cardiff	Lower	5.00	4.00	3.50	3.50
Cardiff	Most Likely	7.00	6.00	4.00	4.00
Cardiff	Upper	8.00	7.00	5.00	5.00
Competitors/Others - Upper Range (Wales)		8.30	5.00	4.80	4.30
Competitors/Others - Lower Range (Wales)		4.50	2.00	2.00	2.00
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 - Cardiff



## OVERVIEW - WALES

Latest ONS statistics once again show strong market activity in Wales, with over 5% uplift in current value of work carried out quarter on quarter, and an uplift of over 17% by current value year on previous year.

New orders statistics also remain high quarter on quarter, but the year-on-year figures are heavily influenced by the large Q2 figure noted in the previous Tender Price Forecast. Nonetheless, the combination of ongoing high levels of workload and of upcoming work on its way through the early stages and on into the high value spends in terms of both materials and labour, signify a Welsh national market that remains in the grip of rapid expansion, despite the increasing cost imposts being experienced across the wider UK market.

The new infrastructure projects that are now heading to and on-site will form the backbone of construction workload over the next several years and will continue the green infrastructure development sought by the Welsh government as we head towards 2030. The move toward a zero-carbon economy, though challenging, brings with it major development and change opportunities as markets adapt to new methods of working and distributing goods, all of which demands investment in facilities and potentially very high levels of build-input.

For Cardiff, as the principal commercial hub, construction activity continues apace with no shortage of pipeline work

coming to market as of yet. Part of the vast infrastructure spend mentioned above is centred on Cardiff's rail transportation system and contributes to the greening and betterment of Cardiff's rail services. The effect of the high current and upcoming civils spend impacts more on materials and plant supplies due to higher plant utilisation rates in civils work than pound for pound in building work, but in overview, labour resources are already stretched anyway, a situation that Wales holds in common with most of the UK.

Any supposed trades' availability will be sucked-up by the advent of residential projects still in the pipeline for the East and West of Cardiff, part of the Council's direction to ease homelessness, raise housing standards and improve fire safety. Though admirable in themselves, these works are highly labour-intensive and must sit alongside an already bustling Cardiff market. It will be interesting to watch the programming develop and to see where these refurbishment works sit in sub-contractors' workload timelines and how any bottlenecks result in possible cost spikes. The council's new-build aspirations raise different questions for the labour supply, in that standardisation produces economy in procurement of labour and materials that cannot be as available to refurbishment works.

Excess levels of workload across the various aspects of the Welsh construction industry will continue to drive tender price escalation at the end of this year and into next, all other things being equal, especially as contractors and sub-contractors themselves will be affected by their own input cost imposts and must pass them through in order to maintain liquidity.