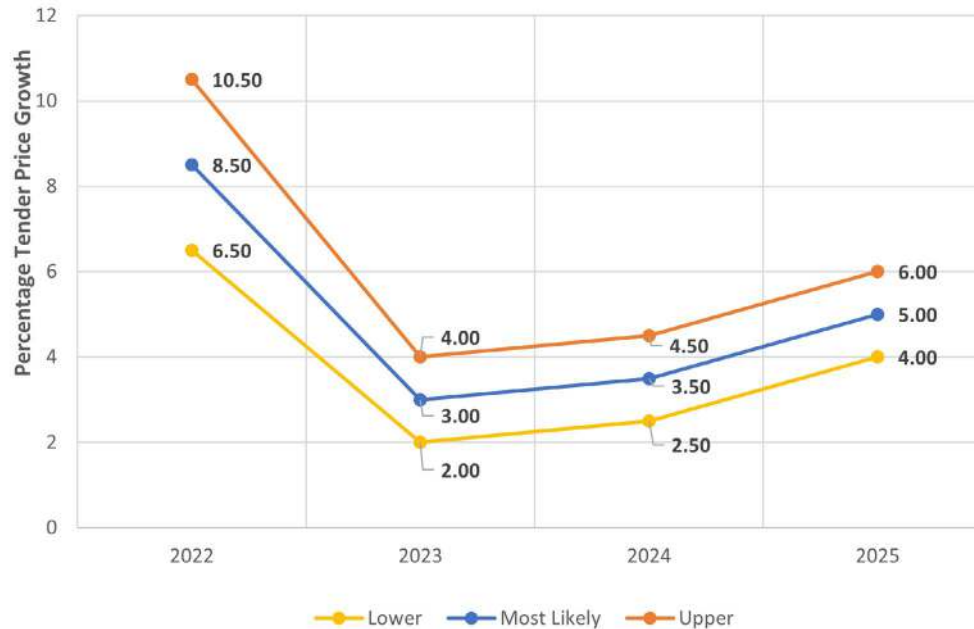


YORKS AND HUMBER

Source	% Uplift reported	2022	2023	2024	2025
Sheffield	Lower	6.50	2.00	2.50	4.00
Sheffield	Most Likely	8.50	3.00	3.50	5.00
Sheffield	Upper	10.50	4.00	4.50	6.00
Leeds	Lower	6.50	2.00	2.50	4.00
Leeds	Most Likely	8.50	3.00	3.50	5.00
Leeds	Upper	10.50	4.00	4.50	6.00
Competitors/Others - Upper Range (Yorks and Humber)		8.00	5.00	4.80	4.50
Competitors/Others - Lower Range (Yorks and Humber)		5.25	3.50	3.00	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 - Yorks and Humber



OVERVIEW - YORKS AND HUMBER

Strong price growth has continued to be a challenge in recent months, which is impacting on development opportunities and the commercial viability of schemes in the region.

The anticipated slowing down of the UK-wide economy is creating further challenges for the construction sector, which needs underlying confidence in order to maintain momentum over the medium term. Construction activity currently continues to develop well across the region, however following a peak in output through 2021, a general reduction in output was always likely.

Price inflation in terms of materials and labour costs continues to add pressure for developments in the region, causing increasing pressure on development costs and ongoing concern relating to agreeable contract terms and risk profiles as between parties. These cost and risk increases will no doubt lead to altered financial imperatives for contractors and client organisations, particularly into 2023 when the effects of commercial risks come to fruition during the construction phase of developments.

We anticipate the slowing down of construction and the economy as a whole to have a settling effect on construction prices generally, which will add further pressure and risk into existing contracts due to the general rising input costs which still continue to affect contractor and sub-contractor direct project costs.

Despite all this concern with the wider economy, Leeds and Sheffield continue to show promise, with large scale developments ongoing and in the pipeline. Developments such as Heart of the City in Sheffield, spanning 7 acres, are expected to provide 7,000 new jobs by 2030 and development of private housing, apartments and student accommodation continue across Sheffield and Leeds.

With the opening of the UK Infrastructure Bank in Leeds and the ongoing recruitment that delivers in Leeds, this initiative will continue to support strong links in the development and construction sector, which has been one of the key sectors of growth over the last few years and is positioned to continue over the medium term, provided government funds filter through efficiently.