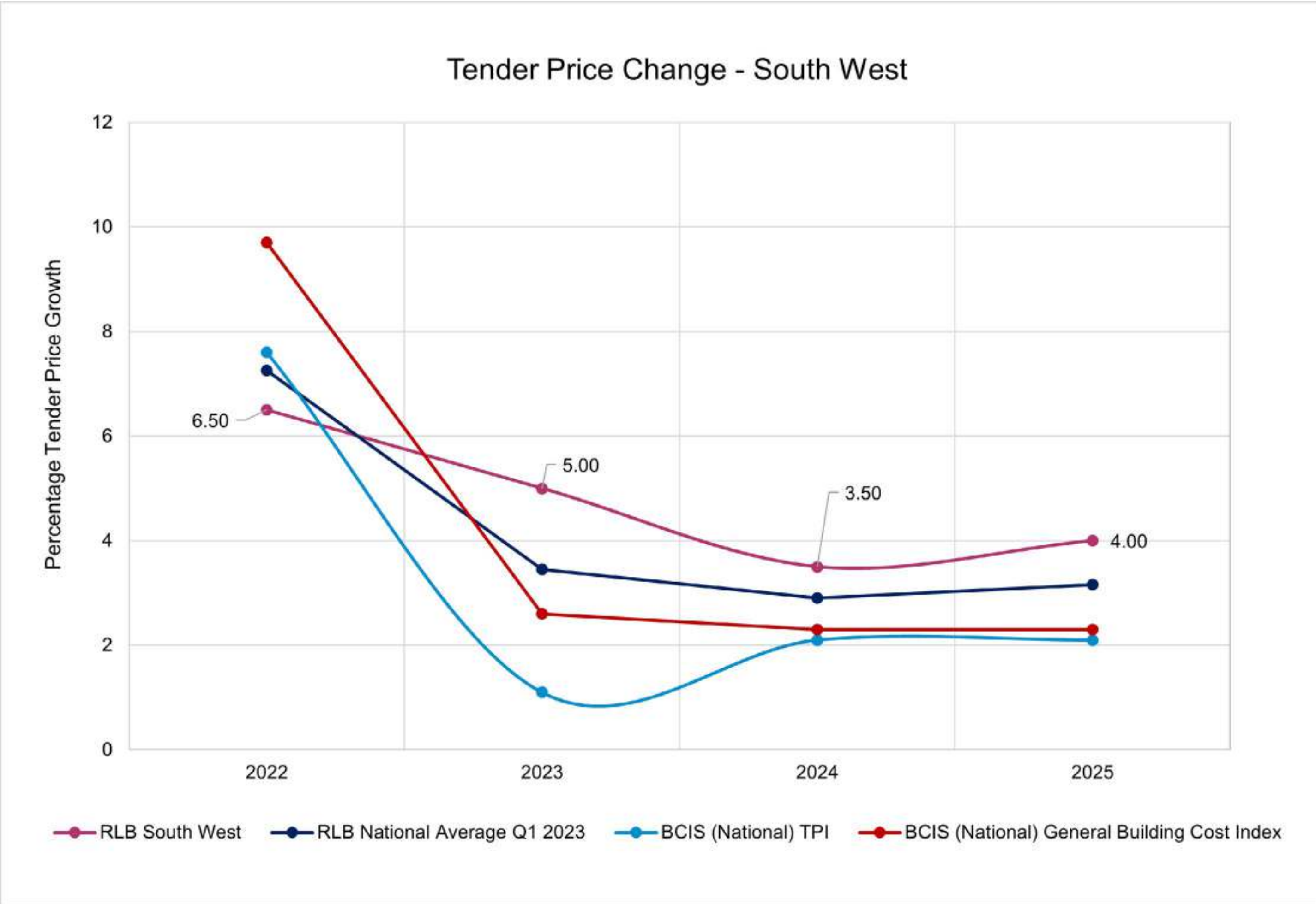
SOUTH WEST

Source	% Uplift reported	2022	2023	2024	2025
Bristol		6.50	5.00	3.50	4.00
Competitors/Others - Upper Range (Bristol)		9.50	4.30	3.50	4.30
Competitors/Others - Lower Range (Bristol)		4.50	3.75	3.50	3.00
RLB National Average		7.26	3.45	2.90	3.16
BCIS (National) TPI		7.60	1.10	2.10	2.10
BCIS (National) General Building Cost Index		9.70	2.60	2.30	2.30

Tender Price Change - Bristol



OVERVIEW - SOUTH WEST

Enquiries for larger projects are still emerging for the Bristol and Exeter areas, suggesting significant pent-up demand in the face of challenging wider economic circumstances. Also, across the main centres of the region, student residential projects continue to feed the market with workload.

In the South West as a whole, total new work carried out remains about 4% down on 2019 values, although the overall work figures are up by almost 13% due to increased repairs and maintenance work. Bright spots were in infrastructure spending, up almost 44%, and in private industrial work, up nearly 26%. However, combined, these two categories amount to less than 18% of all work.

However, the South West's market continued to attract new work volume in 2022, with an uplift of over 46% since 2019. All sectors were well up on 2019 volumes, having recovered rapidly and particularly in the last year.

From contractors' standpoint, Tier 1 and 2 businesses remain reluctant to commit to longer-term contracts on fixed prices, as uncertainty as to labour and materials cost inflation, as well as overall supply chain concerns, continue uppermost in estimators' and directors' minds. This situation is of course a extension of the circumstances of the last year, but is necessarily becoming even more relevant as long-term projects on fixed-price are having to be replaced in the workload pipeline by projects priced in the more uncertain current circumstances, exposing companies to broadly greater levels of risk on an ongoing basis.

For smaller contractors, the workload horizon is far closer than it is for the majors, and as a collective, their focus has to be on the dip in tender enquiries at the end of 2022. The imperative to replace workload nearing completion is driving sub-contractors toward more competitive and tighter bidding as some sectors of the industry, particularly the housing market, are beginning to slow. This is particularly prevalent in the finishing trades.

From the standpoint of developers, the move toward more competitive bidding from contractors, with a fading of concerns about seemingly ever-increasing commodities prices and their effect on downstream materials costs, is assisting in underpinning funding concerns and is permitting project feasibilities to progress toward the bidding stage, albeit at a lesser level now than was the case in early/mid 2022.

In overview, expectation is for a return to an "average amount" of growth in workload and in tender price movement in the fullness of the year, assuming of course, no further economic shocks and impacts on particularly the supply side of the equation.