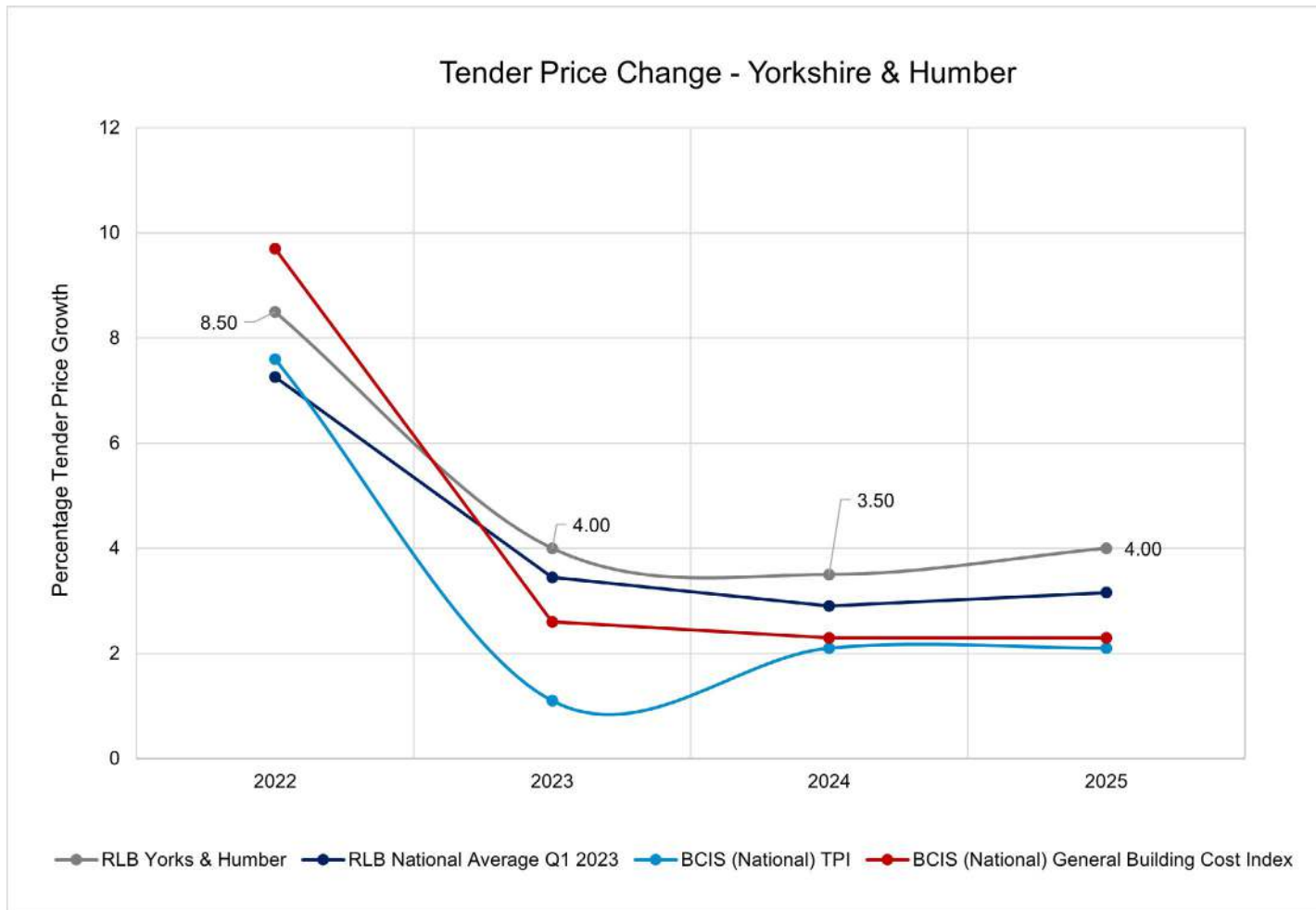


YORKSHIRE & HUMBER

Source	% Uplift reported	2022	2023	2024	2025
Sheffield		8.50	4.00	3.50	4.00
Leeds		8.50	4.00	3.50	4.00
Competitors/Others - Upper Range (Yorks and Humber)		8.70	4.50	4.00	4.30
Competitors/Others - Lower Range (Yorks and Humber)		6.00	3.00	2.50	2.50
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 - Yorkshire & Humber



OVERVIEW - YORKSHIRE & HUMBER

The Yorkshire and Humber region is facing a challenging set of circumstances following general cooling of the economy. However, despite the economic backdrop, confidence in the region's major cities remains strong.

In Yorkshire and Humber, according to ONS, new work carried out was up in value by almost 18% to September 2022, and repairs and maintenance by over 22%, both in comparison with the last year before covid. Repairs and maintenance work accounts for 40% of total value of work done. Most notable was new infrastructure, double the 2019 value.

New orders in Yorkshire and Humber showed strong bounce-back in 2022, being up in volume by almost 38% since 2019. This was led by private commercial work and other new work excluding infrastructure, a catch-all category, which together now amount to 45% of new orders volume as against 23% in 2019.

These statistics are backed-up by the experience on-the-ground, which saw, through 2022, Leeds experience a record number of new construction starts, with growth strong in student residential, residential, education and commercial office space.

The forecast national recession is not likely to impact equally on all sectors, and so the impact of the economic backdrop remains to be fully understood across some facets of the construction industry. In the early months of 2023, we are now seeing a change in main contractor positions surrounding bidding, and an increased willingness to consider single-stage tenders, which is a notable change from 2022.

Materials' price inflation is continuing to add pressure to the sector and is expected to hold tender price inflation to typical levels through 2023, tempered by a cooling general construction-sector-wide economy.

Whilst confidence remains high in major cities, it is clear that reduced confidence across the industry as a whole is apparent, as reflected in the UK construction sector PMI index which dropped slightly in January 2023 in relation to the previous month.

2023 is looking to present new challenges for developments across the region, however the current level of activity across sectors is holding strong across Leeds, Sheffield and Yorkshire as a whole, so the impact of the wider economic cooling is yet to be fully understood in the sector.

Confidence in Leeds in particular can be seen in the growth in the hotel sector, with two new large hotel developments and a consistent volume of new office deals, which together demonstrates significant confidence post-pandemic.