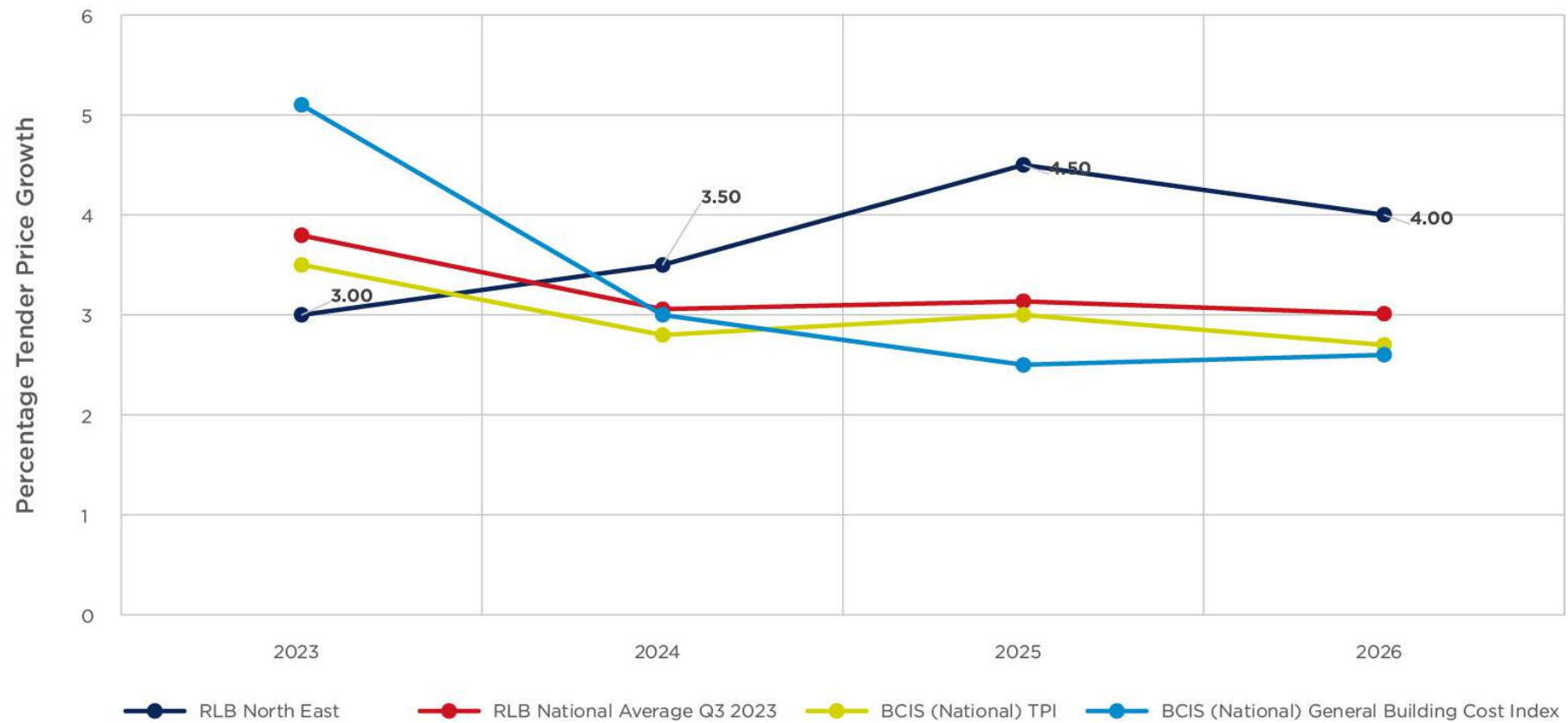


NORTH EAST

Source	% Uplift reported	2023	2024	2025	2026
Newcastle		3.00	3.50	4.50	4.00
Competitors/Others - Upper Range (North East)		5.00	3.50	3.50	4.20
Competitors/Others - Lower Range (North East)		2.50	2.00	2.00	2.00
RLB National Average		3.80	3.06	3.14	3.01
BCIS (National) TPI		3.50	2.80	3.00	2.70
BCIS (National) General Building Cost Index		5.10	3.00	2.50	2.60

Tender Price Change - North East



OVERVIEW - NORTH EAST

Confidence in the North East region continues, with major investment ongoing in the infrastructure, education and residential sectors. Clearly however, the impact of several increases in the Bank of England base rate is filtering through to investment and having a slowing effect on residential, leisure and retail developments in the short term.

Skills shortages are commonplace, as they are across the country, however, the North East has regional initiatives such as iBuiltNE and PlanBEE to support students in developing interest and the skills needed for the construction sector. Regional colleges and partnerships with construction companies are supporting continued success in these areas to encourage links with careers advisors, primary and secondary schools and also those already in work to provide easier options for those wanting to develop careers in the sector.

Huge developments are drawing in resources in the region, including Newcastle University Campus for Ageing and Vitality (£1.75bn), FullwellCain Studios in Sunderland (£500m) and Gateshead Quays Arena (£300m+) to name a few. With work continuing at Teesworks, the UK's largest industrial zone and also connected to Teesport, significant investment and further opportunities will transpire for the region over the coming years providing significant opportunities.

Similar to other areas of the UK, North East region contractors are grappling with the significant challenge of rising material and labour prices which, although they have settled in recent months, still the effects of previous rises continue to impact on contract commitments already underway.

By way of example of market difficulties, RLB is currently working with Siglion Developments on the Vaux Residential development, a significant development to create highly sustainable homes of the future as part of a substantial redevelopment of the Riverside in Sunderland. This scheme is in the process of recommencing following the entering into administration of the previous contractor, which highlights the significant challenges in the sector but also perhaps continued confidence in the region.

Ongoing investment in the North East, in particular in the infrastructure, industrial and education sectors, continues to provide much encouragement for the region despite the backdrop of wider uncertainty in the economy at present.