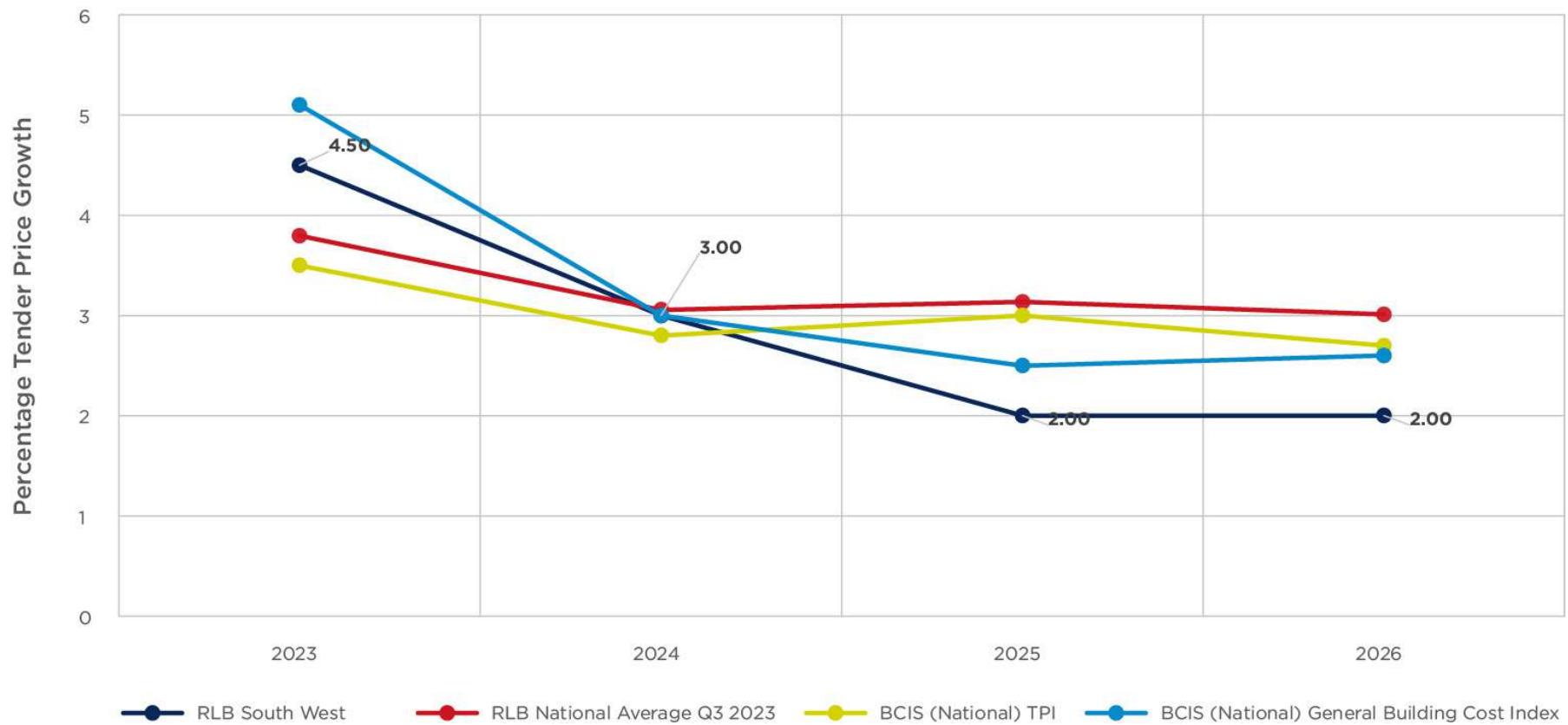


SOUTH WEST

Source	% Uplift reported	2023	2024	2025	2026
Bristol		4.50	3.00	2.00	2.00
Competitors/Others - Upper Range (South West)		4.30	3.50	4.00	4.70
Competitors/Others - Lower Range (South West)		2.75	2.25	2.25	2.25
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 - Bristol



We continue to see large multi-use schemes being brought forward to planning, now across several regional locations.

However, in the residential markets, it is clear that demand is beginning to soften in the South West as purchasers are increasingly wary of the current interest rate level and the possibility of upcoming further increases. That said, the affordable housing part of the residential sector remains busy with multiple Housing Associations looking at development sites and taking designed developments through planning processes. Alongside this, the student residential market remains strong, with large-scale schemes going through planning in the university cities of Exeter, Bristol and Bath.

The commercial fit-out market in particular appears to be becoming busier as firms look at how their office space is working post-Covid and also relocating accommodation provision.

More widely, it is also clear that more contractors are now increasingly seeking replacement workload, across most sectors. ONS new order statistics for the South West show multiple negative sector performances for the last six months as compared with the same period last year. That suggests that contractors' and sub-contractors' order books need further replenishment. Overall, new workload is over 41% down by this measure, spread across all sectors, with only private industrial showing positive figures, being up over 25%, and the small public sector housing figures having doubled.

However, there is ongoing very significant large-scale energy infrastructure interest in the region, with offshore wind, nuclear, and new foreign power cable supplies programmes to come ashore in the South West. All of this is expected to dramatically increase energy capacity in the region, boosting commercial, data and energy storage and infrastructure sectors in the region over the next five years. For the remainder of the infrastructure sector, there is also increasing workload coming through in air, sea, road and rail infrastructure, as well as in defence spending.

Overall, despite the relatively poor new orders figures, the outlook for the region is considered to be one of stable growth and investment in the South West region, although the wider construction market is still dealing with the issue of ongoing labour shortages and the aftermath of sudden, though now relenting, materials cost inflation.