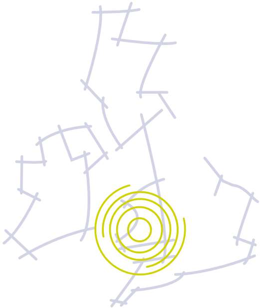
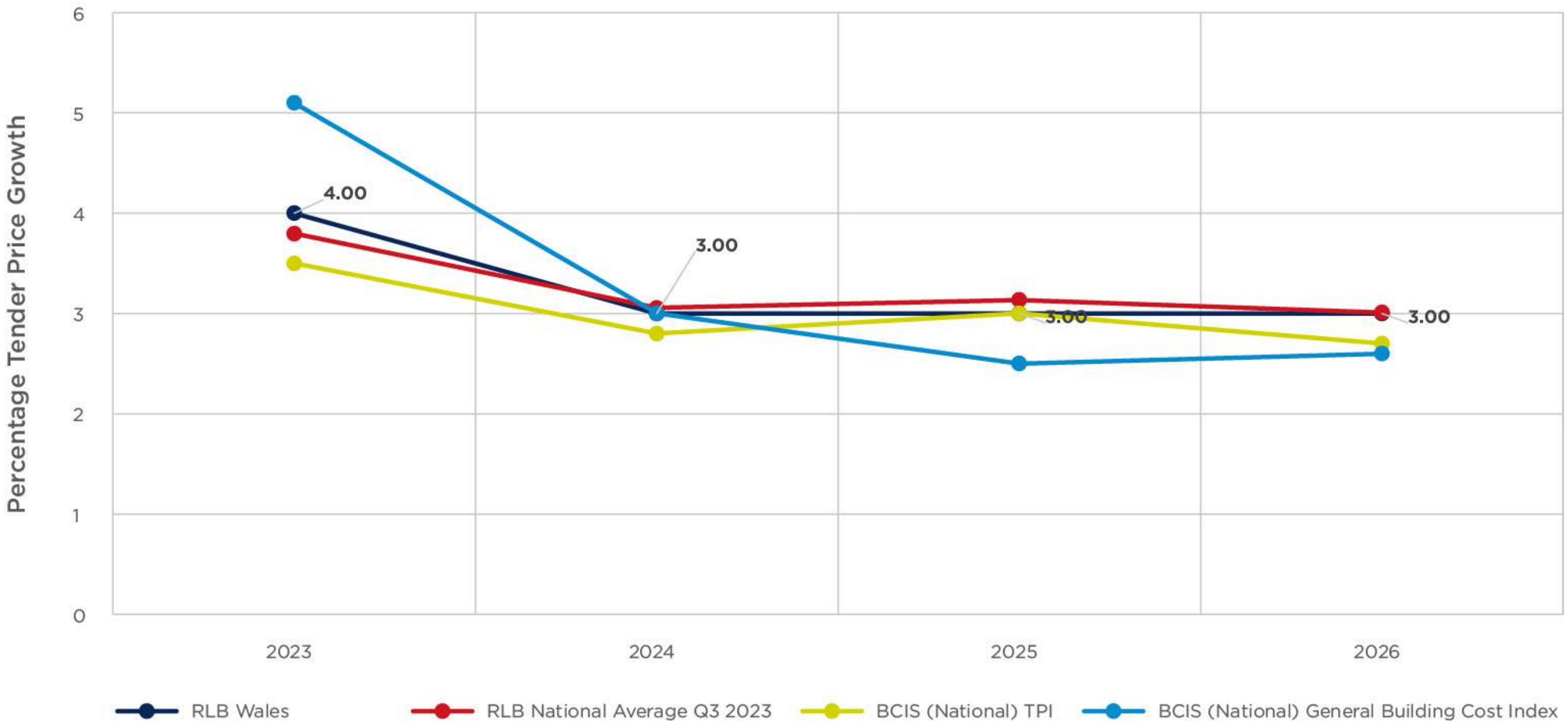


WALES

Source	% Uplift reported	2023	2024	2025	2026
Cardiff		4.00	3.00	3.00	3.00
Competitors/Others - Upper Range (Wales)		4.50	3.75	3.50	4.50
Competitors/Others - Lower Range (Wales)		2.75	2.50	2.50	2.50
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 - Wales



OVERVIEW - WALES

Total new construction work value carried out in Wales in the last year is up by 35% on the previous year according to ONS, with the last six months showing an increase of 45% over the same period last year.

Within that, the repairs and maintenance share fell from 40% to 26% for a comparable six month period this year and last. The key driver for Wales is the large value of work carried out in the new infrastructure sector over the last 18 months, which distorts the overall figures and masks some significant growth patterns over the other sectors. Private new commercial and public non-infrastructure are up over 50% and 38% respectively for the last six months compared to last year, so the market is highly active across a range of works.

New orders statistics reveal a very different, though mixed story. Although total new orders were up over 31% year on year, the comparison of the last six months against last year's figures shows a fall of 7%. Worst affected appears to be the housing sector, down almost 35%, but the industrial sector is up by over 110%, although still a relatively small proportion of the whole market for Wales. Private commercial work remains strong, with new orders up almost 33% for the first half of the year.

Levels of construction activity in and around Cardiff are still high, although there are several large projects in the city centre which are nearing completion. This includes the new interchange bus station which is due for completion imminently. Weighing against these completions, there are also several other large projects which are starting on site in the city including the Brains Brewery development which is now on site and progressing well. This will provide some continuity for sub-contractors and certainly the opportunity to bid for significant replacement workload.

Lead times across the market in general are decreasing and specialist trades such as mechanical and electrical are more readily available. However, the upcoming large-scale residential development flagged in earlier editions of the TPF and scheduled across Wales will soak up some of any spare capacity occurring in the market due to project completions. Although new public infrastructure orders are down most recently, the end of 2022 saw a surge of new orders coming to market, which will again absorb trades over the coming quarters.

Newport and Swansea continue to face busy construction market conditions, with private developers driving a thriving student accommodation market.

The overall picture across Wales continues to feature highly active subcontractors and a busy general contracting market, although a potential slowdown on private sector housing development may yet free-up a range of trades operatives.