

# National Association Construction Frameworks



*By the public sector,  
For the public sector*



# Market Intelligence Q3 Review 2020

Brickworks | Carpentry and Joinery | Concrete Frame | Curtain Walling  
Dry Lining | M&E | Steelwork | Windows | Tower Crane | Groundworks

## Overview

Since the end of the first national lockdown, productivity levels on site have returned to pre-lockdown levels. Contractors have been carefully following the latest Construction Leadership Council's site operating procedures and adhering to strict social distancing and safety measures in line with government guidelines. The safety of all our operatives, suppliers and project teams remain a key focus.

Despite an overall reduction in orders across the country, our regional frameworks continue to provide compliant procurement routes for public sector clients, to ensure the delivery of key works in our communities.

On a quarterly basis, framework partners collaborate to produce an overview of the current trends in the market, as well as a snapshot of cost and material availability over the previous and coming year. This information has proven to be invaluable to clients embarking on new projects, helping them identify areas of risk that may affect their delivery.

## Employment

With construction having continued throughout the first national lockdown this year, employment numbers have not seen similar decreases when compared to other industries. Despite the removal of ACM materials and on-going BSF fire safety works, the curtain walling industry has seen a large reduction in operatives this year.

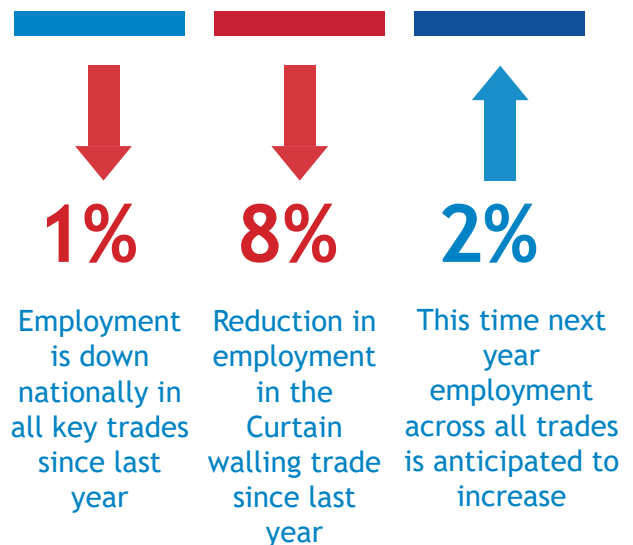
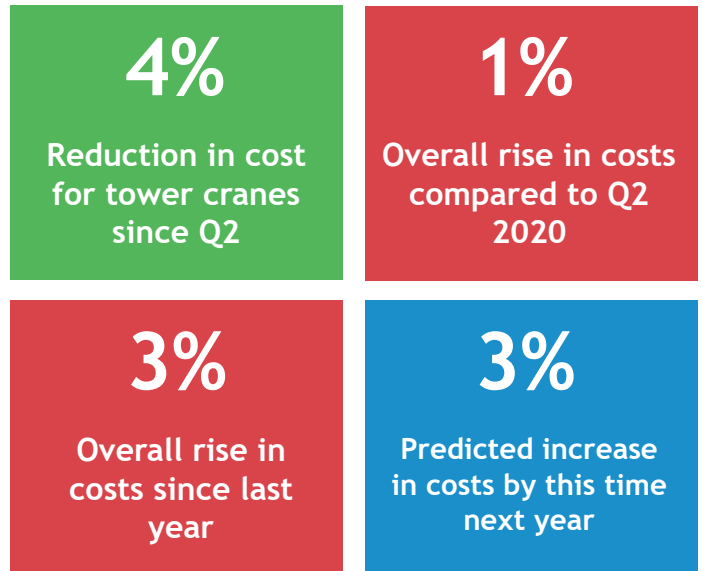
## Material Availability

Material availability has been a key risk in 2020, with both Covid, and the ongoing Brexit discussions causing supply issues and uncertainty.

Average lead times for materials have increased across the key trades when compared to last year.

## Building Costs

Lead times have increased across the country, as well as the cost of labour and materials.



Despite concerns in this area, the data suggests limited impacts on the delivery of materials across key trades.



Carpentry and Joinery may be of concern for clients and contractors as they have seen a significant increase in lead times since last quarter.



# City Focus



## Birmingham

Birmingham has seen very little change in cost over the last year. However, the predictions for Q3 2020 show variations amongst the trades, with Mechanical and Electrical, tower cranes and groundwork packages expecting reduced costs, whereas other trades are predicting an average increase in costs of around 8%.

## Cardiff

Costs across trade packages in Cardiff continue to rise in Q3, up 2% since Q2 2020 and over 4% since this time last year. These increases are forecast to continue, with a further inflation of 3% by Q3 2021.

Of particular note in Cardiff, has been the steelwork package, which has seen a 5% increase in costs since Q2. This may be partly because of rising steel prices in the summer.

Cardiff has also seen a reduction of around 4% in the number of employees across these trades since Q3 2019. Fortunately, the decrease appears to have reversed since Q2 2020, with a 1% increase in staffing numbers. By this time next year, employment in these trades is expected to go up by around 3% on average.

## Exeter

Costs are being reported as rising in the Exeter region, with increases continuing on a quarterly basis during 2020. Since Q2, costs have gone up on average by 3%, whilst predictions suggest a further 4% increase by Q3 2021, with all trades predicting cost inflation.

In Exeter, the data predicts an increase in employment across the trades, with some in groundworks and the concrete frame trades predicting increases of nearly 10%. This may be related to an increase in tendering opportunities in key trades over the last year, which may require additional resources going forward.

## Newcastle

Data in Newcastle has indicated that costs have risen marginally over the last year, across all trades, with employment levels staying largely the same across that period. However, the predictions for Q3 2021 suggest much higher levels of bidding activity, around 7%, higher costs, around 6% and a 5% increase in employment levels compared to Q3 2020.

## Manchester

Manchester has seen a 5% increase in costs since Q2 2020. The exception here is the tower crane trade which has seen a large drop in prices by around 14% this quarter compared to Q2, but returning to a similar level to those prices seen last year. This suggests a spike in demand during the early part of the year, with demand returning to normal levels during Q3.

Similar to other regions, Manchester is predicting a large increase in employees in these trades, with an average 7% increase expected by Q3 2021.

## Sheffield

Sheffield has not seen a great deal of change over the last two quarters in terms of both costs and the levels of employment in these trades. Although costs are slightly up on those recorded in 2019. Costs are predicted to rise steadily during 2021, by around 3% on average.

## London

The data suggests that London has seen a large increase in tendering opportunities in the packages since this time last year, as projects procured before the pandemic continue to be delivered. However, the data also suggests that suppliers are expecting similar levels of bidding activity by Q3 2021, potentially indicating an increase in projects coming to market over the coming months.

