National Association Construction Frameworks

By the public sector, For the public sector

Market Intelligence Report

Q2 2024

Overview

Every quarter, NACF's Main Contractors gather market intelligence from within the construction industry.

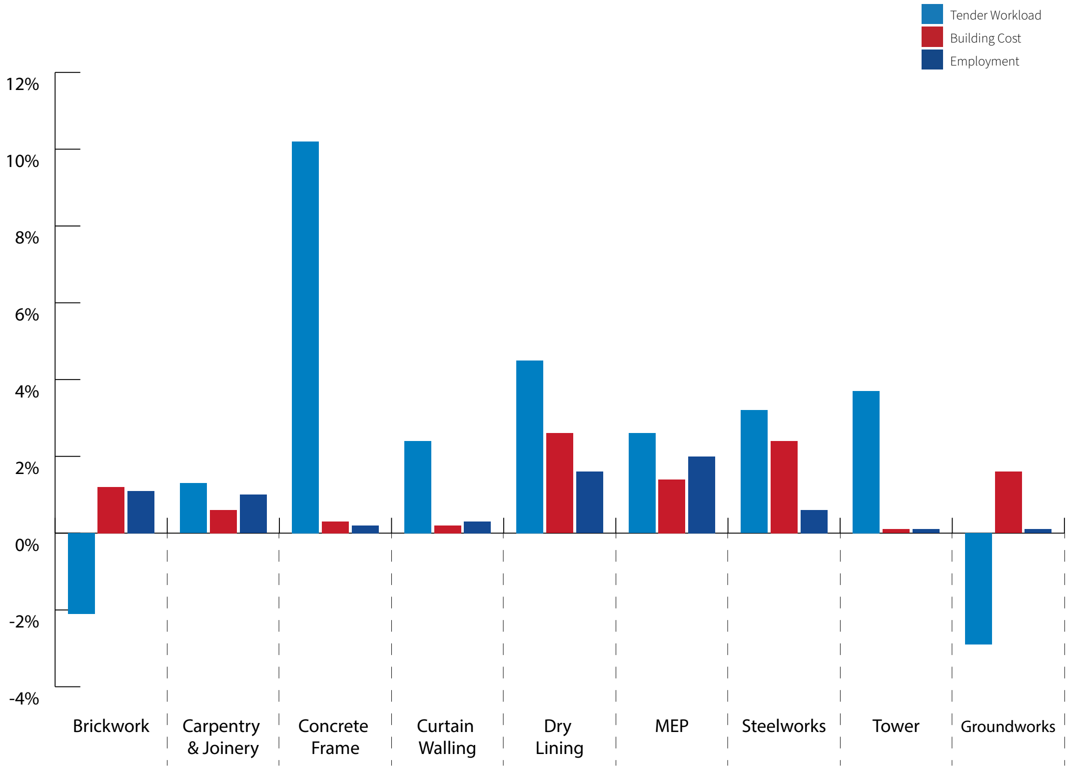
Data is collected for 10 high level construction trades across 7 cities within the UK. This data is grouped into 5 regions: South, London, Wales, Midlands, and the North.

This information is used to identify national and regional market trends and forecast for the following year by commenting on changes in tender workload, employment, building costs and material & labour availability.

The NACF shares this information amongst partners in order to highlight key areas of risk that may impact future project delivery.

This data is also made publicly available to the benefit of the wider industry and can be used to help specialist suppliers better manage their workflows and labour forces to serve NACF's contractors in the best way possible.

Comparison to Q1 2024: Overview



Tender Workload: 2.8%

Throughout Q2, the trades with the largest increase in tender workload include Concrete Frame (10.2%) and Windows (5.6%).

Building Cost: 1.1%

Drylining (2.6%) and Steelworks (2.4%) reported the largest increase in building cost this quarter. However, all other remaining trades reported cost increases less than 2%, suggesting improved stability.

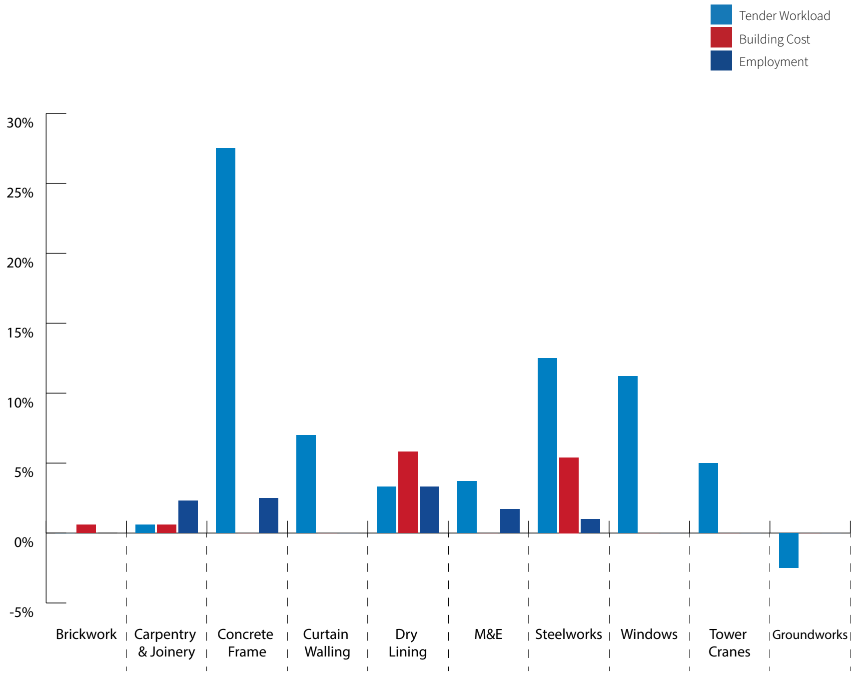
Employment: 0.7%

Employment amongst M&E firms increased by 2% this quarter, this may be due to several high-profile insolvencies driving recruitment.

Material Lead Time: +0.3 week

The trades with the largest increase in material lead time are M&E (+1.19 weeks) and Steelworks (+0.81 weeks).

Comparison to Q1 2024: South



Tender Workload

Average increase in tender workload: 6.8%

- Concrete Frame 27.5%
- Steelwork 12.5%
- Windows 11.2%
- Curtain Walling 7%

Employment

Average increase in employment: 1.1%

- Drylining 3.3%
- Carpentry & Joinery 2.3%
- M&E 1.7.0%

Building Cost

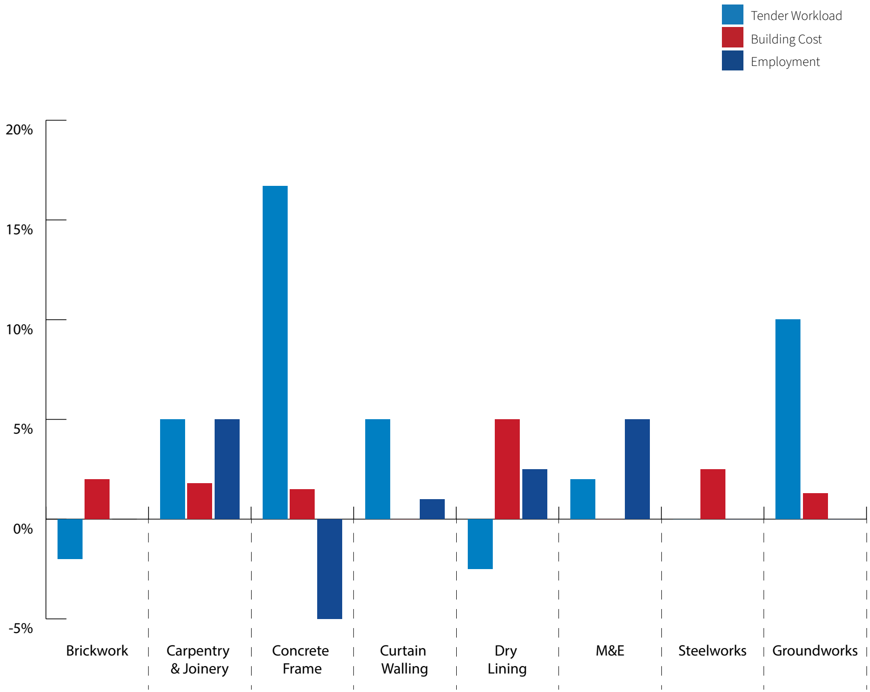
Average increase in building cost: 1.2%

- Dry Lining 5.8%
- Steelwork 5.4%
- Concrete Frame 2.5%

Material Availability

No change in average material lead time

Comparison to Q1 2024: Wales



Tender Workload

Average increase in Tender Workload: 4.3%

- Concrete Frame 16.7%
- Groundwork 10.0%
- Curtain Walling 5%
- Carpentry & Joinery 5%

Employment

Average increase in Employment: 1.1%

- M&E 5.0%
- Carpentry & Joinery 5%
- Drylining 2.5%
- Concrete Frame -5%

Building Cost

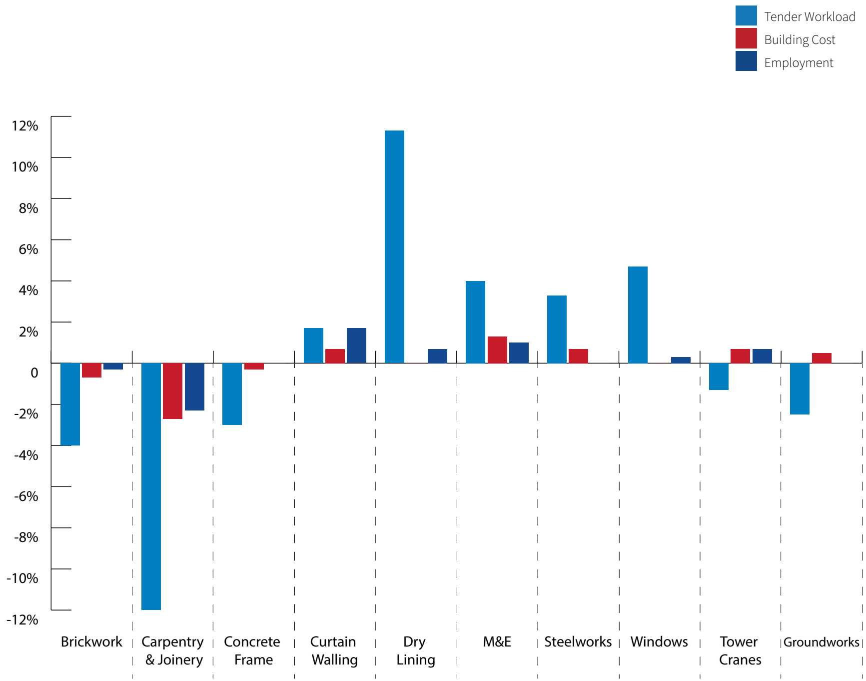
Average increase in Building Cost: 1.8%

- Dry Lining 5.0%
- Steelwork 2.5%
- Brickwork 2.0%

Material Availability

No change in average material lead time.

Comparison to Q1 2024: Midlands



Tender Workload

Average increase in Tender Workload: 0.5%

- Dry Lining 11.3%
- Tower Crane 4.7%
- Brickwork -4%
- Carpentry & Joinery -12.0%

Employment

No average change in Employment

- Curtain Walling 1.7%
- Carpentry & Joinery -2.3%

Building Cost

No average change in Building Cost

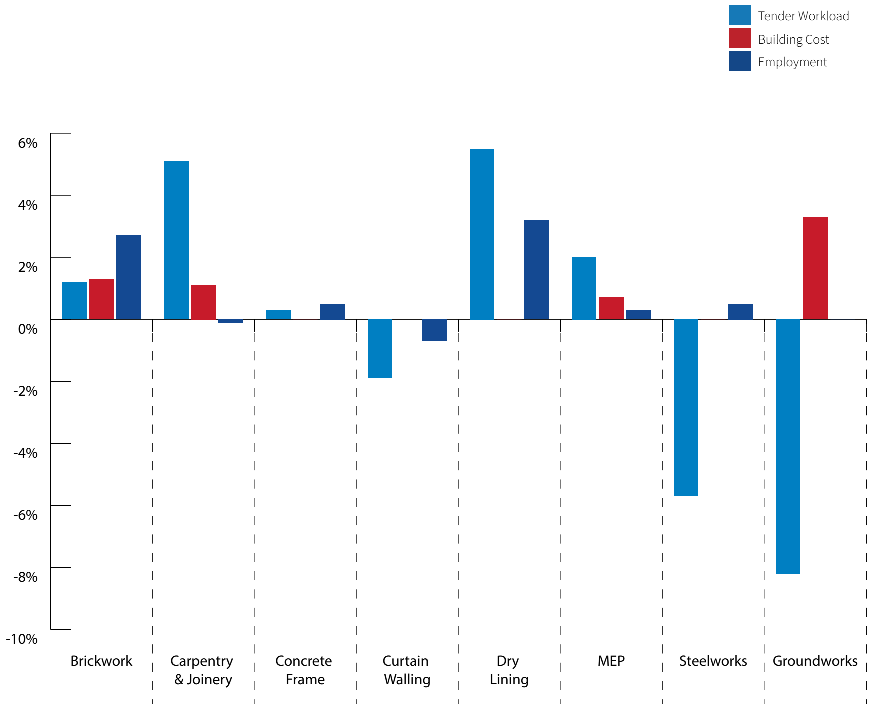
- M&E 1.3%
- Carpentry & Joinery -2.7%

Material Availability

No average change in Material Availability

- Curtain Walling +1.3 weeks
- Groundworks +1.2 weeks
- Brickwork -0.3%

Comparison to Q1 2024: North



Tender Workload

Average increase in Tender Workload: -0.2%

- Carpentry & Joinery 5.1%
- Dry Lining 5.5%
- Steelwork -5.7%
- Groundwork -8.2%

Employment

Average increase in Employment: 0.7%

- Dry Lining 3.2%
- Brickwork 2.7%

Building Cost

Average increase in Building Cost: 0.7%

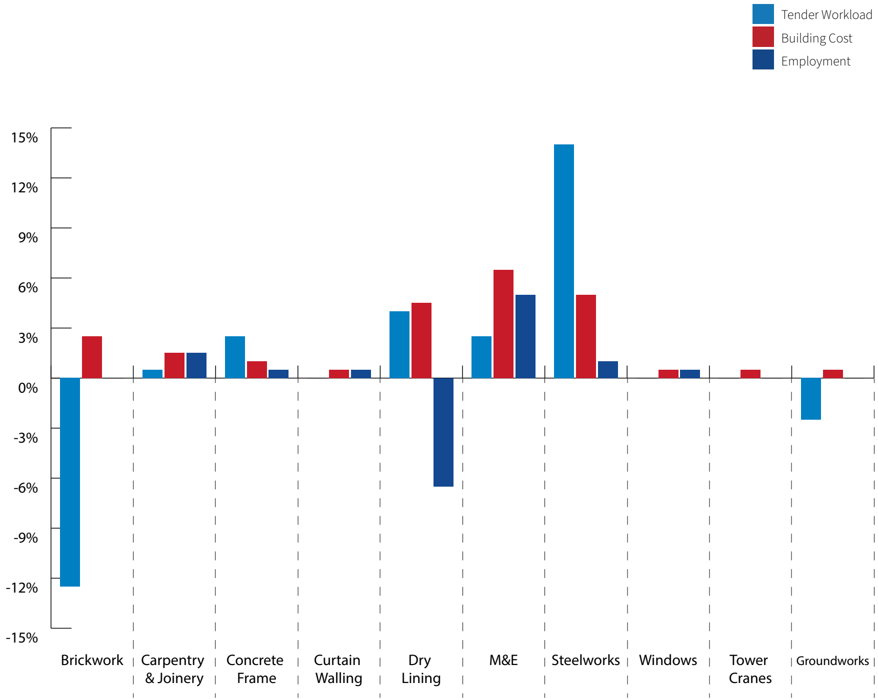
- Groundwork 3.3%
- Brickwork 1.3%

Material Availability

No change in average material lead time.

- M&E +1.33 weeks

Comparison to Q1 2024: London



Tender Workload

Average increase in tender workload was 0.9%

- Steelwork 14.0%
- Drylining 4.0%
- Groundworks -2.5%
- Brickwork -12.5%

Employment

No average change in Employment

- M&E 5%
- Carpentry & Joinery 1.5%
- Drylining -6.5%

Building Cost

Average increase in building cost was 2.3%

- M&E 6.5%
- Steelwork 5.0%
- Drylining 4.0%

Material Availability

Average change in material lead time +1.5 weeks

- Steelwork +6.5 weeks
- M&E +4 weeks
- Carpentry & Joinery +1.5 weeks

National Forecast Q2 2025

Overview

Forecast to Q2 2025: Overview

Tender Workload

4.5% average increase in tender workload across all regions

An increase in tender workload for Curtain Walling and Window installation suggests an expected rise in refurbishment and extension projects over the following year.

Building Cost

3.8% average increase in building cost across all regions

A forecasted increase in building cost for Groundworks and Concrete Frame indicates a potential decrease in material supply, which is supported by our data anticipating material lead times to increase by 0.2 and 0.81 weeks respectively.

Employment

2.5% average increase in employment across all regions

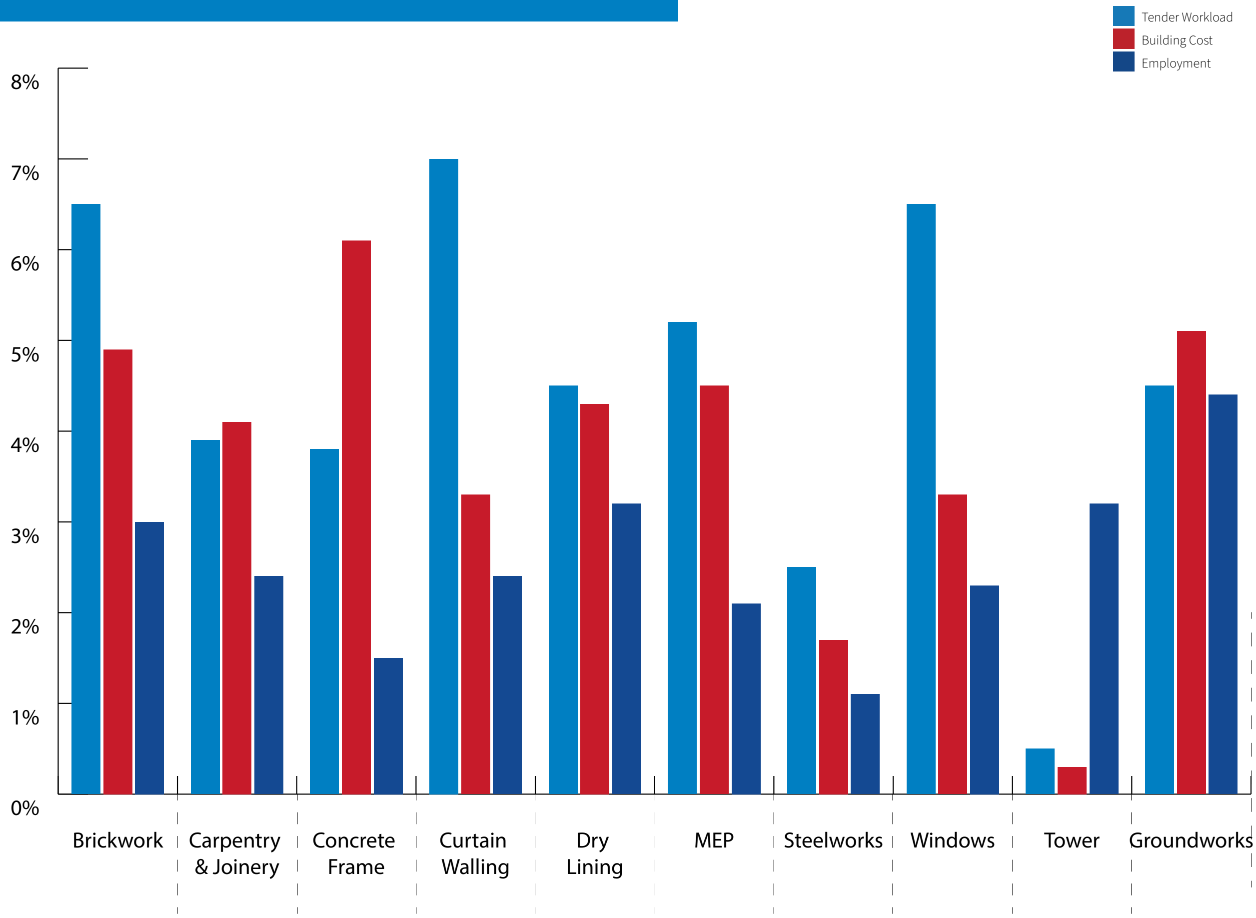
It is acute to mention that a significant increase in employment is expected for Groundwork packages (4.4%), which may contribute to its expected rise in building cost (5.1%).

Material Availability

+0.5 week average increase in material availability across all regions

M&E providers have forecasted a steady growth in Building Cost (4.5%), Tender Workload (5.2%) and Employment (2.1%), and as a result have predicted a significant increase in material lead time (+ 1.33 weeks) over the course of the year. The M&E market has fallen vulnerable to numerous high-profile insolvencies, which may be contributing to these increases.

Forecast to Q2 2025: Overview



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