National Association Construction Frameworks

By the public sector, For the public sector

Market Intelligence Report

Q4 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.

This market intelligence report features an insight into how the annual budget might impact the construction industry. This section was authored by Amelia Wyatt (NWCH) and Adam Sanford (SCF).

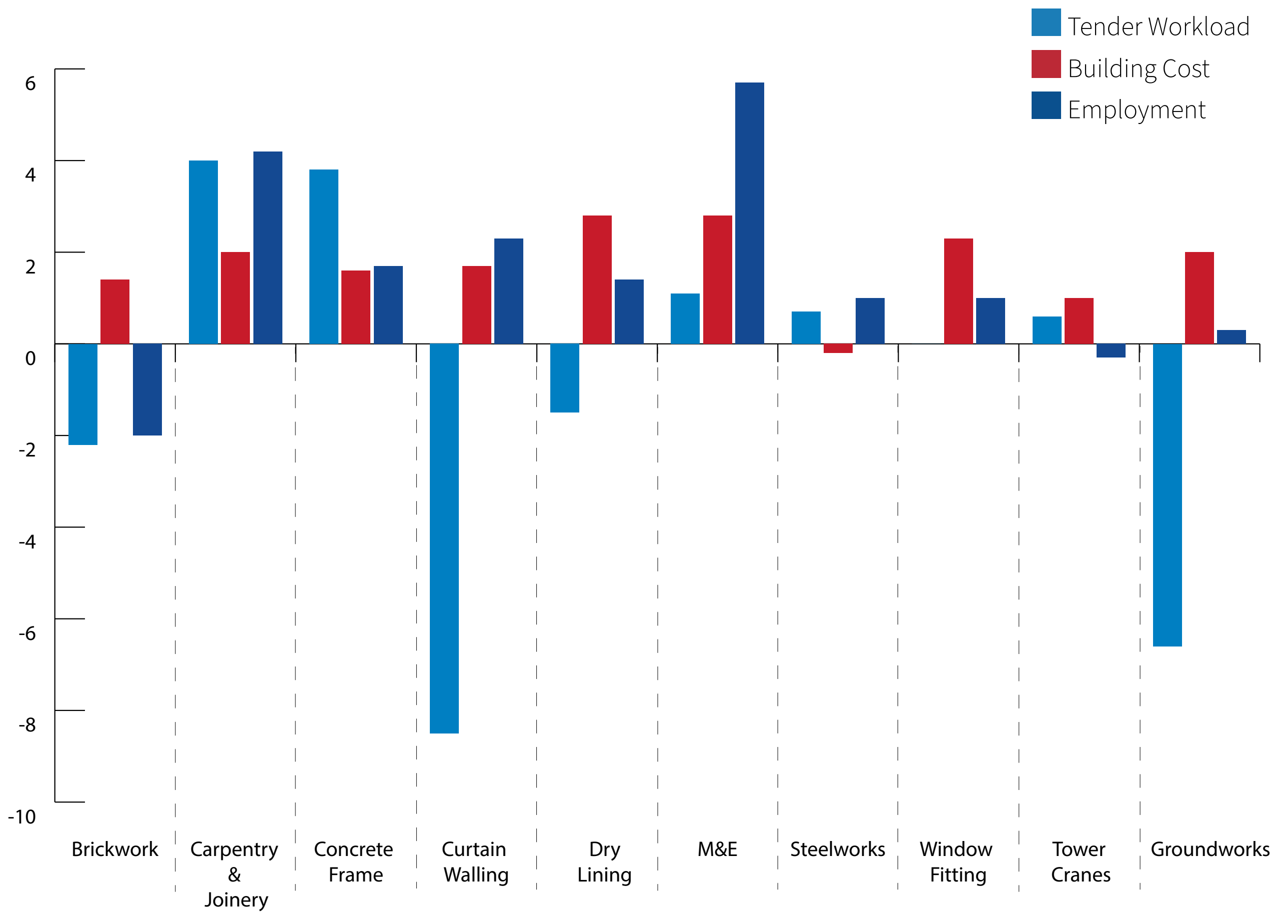
Comparison to Q3 2024: Overview

Tender Workload: -1%

The National Tender Workload has been reduced by 1% compared to Q3 2024, continual to the declined witnessed in Q3 as well. Throughout Q4, the trades with the largest increase in tender workload include Carpentry & Joinery (4.0%) and Concrete Frame (3.8%). It is evident to note that most of the trade packages has displayed decline in tender workload compared to last quarter. The Curtain Walling Package has steep decline in workload (-8.5%) followed by Groundworks declining by 6.6% since Q3. These market trends suggest most of the projects being delayed due across all the regions.

Building Cost: +1.7%

Drylining and MEP packages, both have consistently reported the highest increase (both at 2.8% increase compared to previous quarter respectively) in building cost over last 2 quarters. However, all other remaining trades reported cost increases between 1.6 to 2.1% suggesting improved stability across the board. This figure is close to the national inflation rate of 1.7% for the quarter recently published data by ONS. Steelwork Package has reported decrease in cost by 0.2% which is said to be effect of good supply in the market.



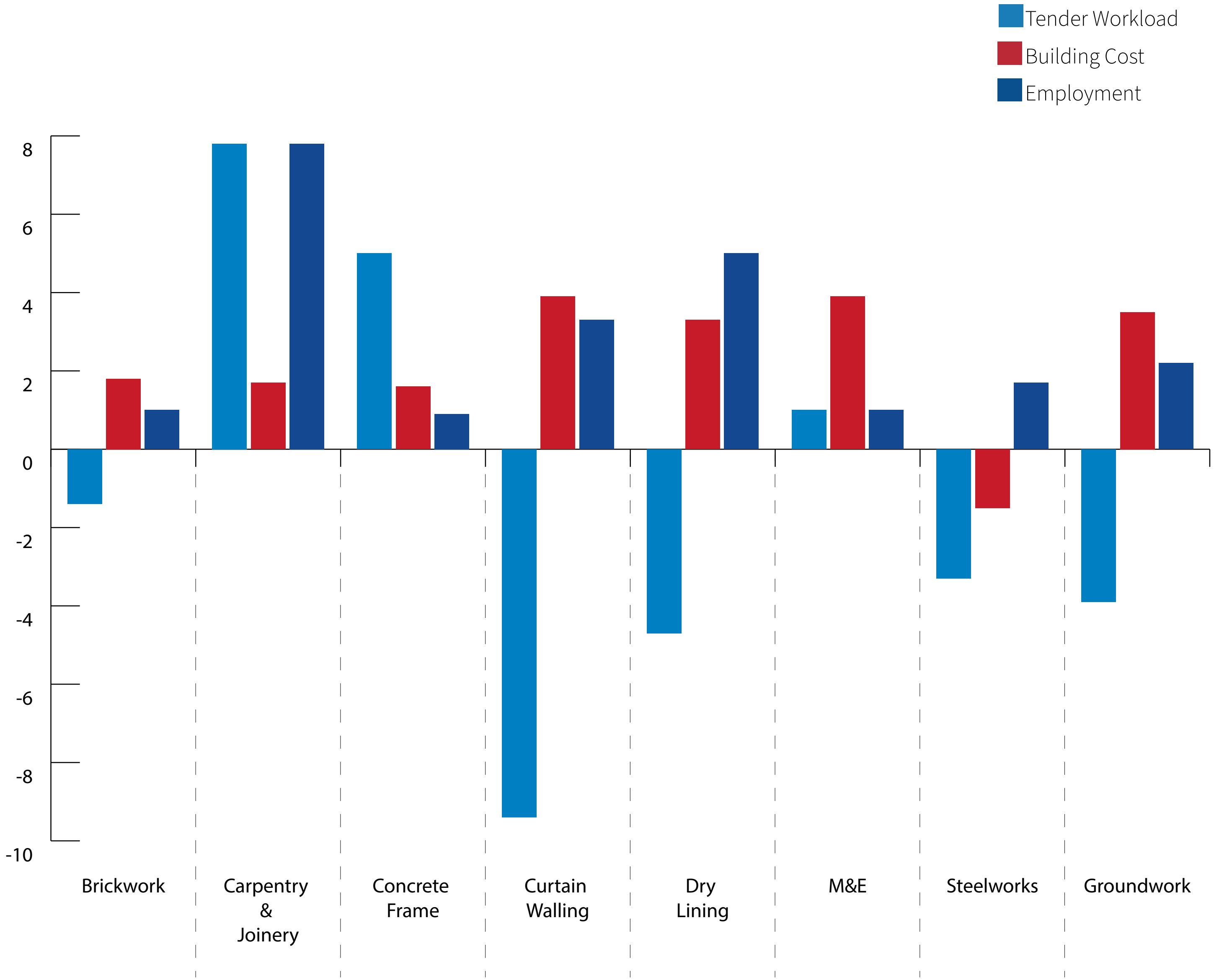
Employment: +1.4%

M&E trade has been increasing fast with 5.7% in this quarter indicates re-employment of professionals after several high-profile organisational insolvencies in 2024. This steep increase trend anticipates increase in tender workload in the coming quarter and over the new year. Carpentry & Joinery Trades has recorded increase in the employment of 4.2% suggesting that projects are on site for the contractor. Brickwork Packages has displayed decline in employment by 2.0%, indicating projects moving towards completion & handover. Employment remains stable across all the other trades suggesting stability in workforce, however, the supply chain has been causous about employment with labour costs increasing in the next financial year.

Material Lead Time: +0.4 week

The trades with the largest increase in material lead time are M&E (+1.9 weeks), Window Fitting (+0.9 Week) and Brickworks (+0.6 week). This quarter is the 4th consecutive instance which has recorded increase in Material lead time for M&E package which might have impact on the industry, however, the reason remains unclear. One of the contributing factor is high ranking insolvencies in the trade and slow pickup by other players to furnish the need of the industry.

Comparison to Q3 2024: North



Tender Workload

Average change in Tender Workload: no change

- Carpentry & Joinery +7.8%
- Concrete Frames +5%
- Curtain Walling -9.4%
- Dry Lining -4.7

Building Cost

Average change in Building Cost: +2.6%

- Curtain Walling +3.9%
- Dry Lining +3.9%
- Groundworks +3.5%
- Steelworks -1.5%

Employment

Average change in Employment: +2.5%

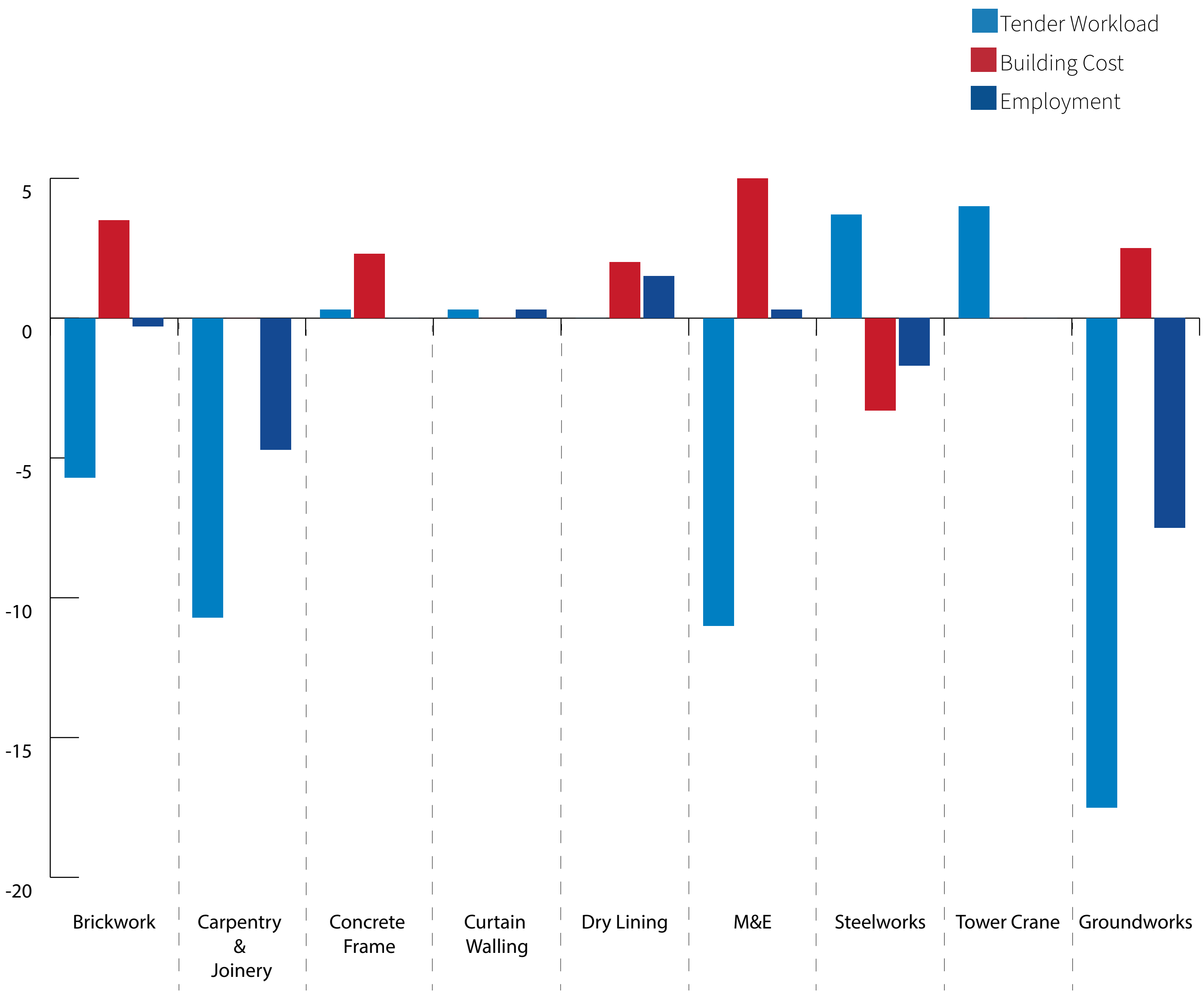
- Carpentry & Joinery +7.8%
- Dry Lining +5%
- Curtain Walling -3.3%

Material Availability

No change in average material lead time

- Windows +2.2%

Comparison to Q3 2024: Midlands



Tender Workload

Average change in tender workload: -4.1%

- Groundworks -17.5%
- M&E -11%
- Carpentry & Joinery -10.7%

Building Cost

Average change in Building Cost: +1.3%

- M&E +5%
- Brickwork +3.5%
- Groundworks +2.5%

Employment

Average change in employment: -1.3%

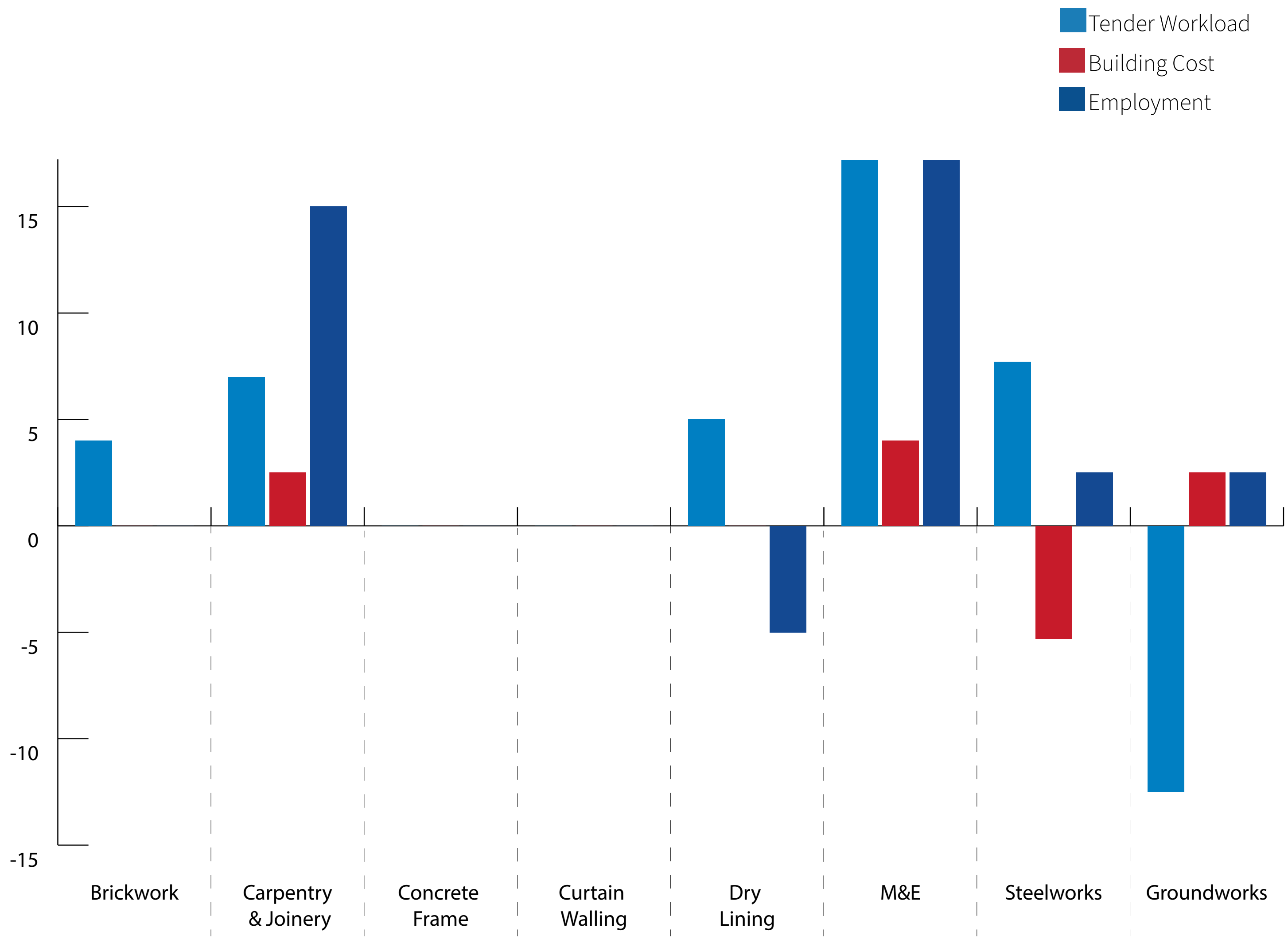
- Groundworks -7.5%
- Carpentry & Joinery -4.7%
- Steelwork +1.7%

Material Availability

No average change in material availability lead time

- M&E +1.7 weeks
- Concrete Frames +1 week

Comparison to Q3 2024: Wales



Tender Workload

Average change in Tender Workload: +3.7%

- M&E +18.5%
- Steelwork +7.7%
- Carpentry & Joinery +7%
- Groundworks -12.5%

Building Cost

Average change in Building Cost: +0.5%

- M&E +4.0%
- Groundwork +2.5%
- Carpentry & Joinery +2.5%
- Steelwork -5.3%

Employment

Average change in Employment: +4.2%

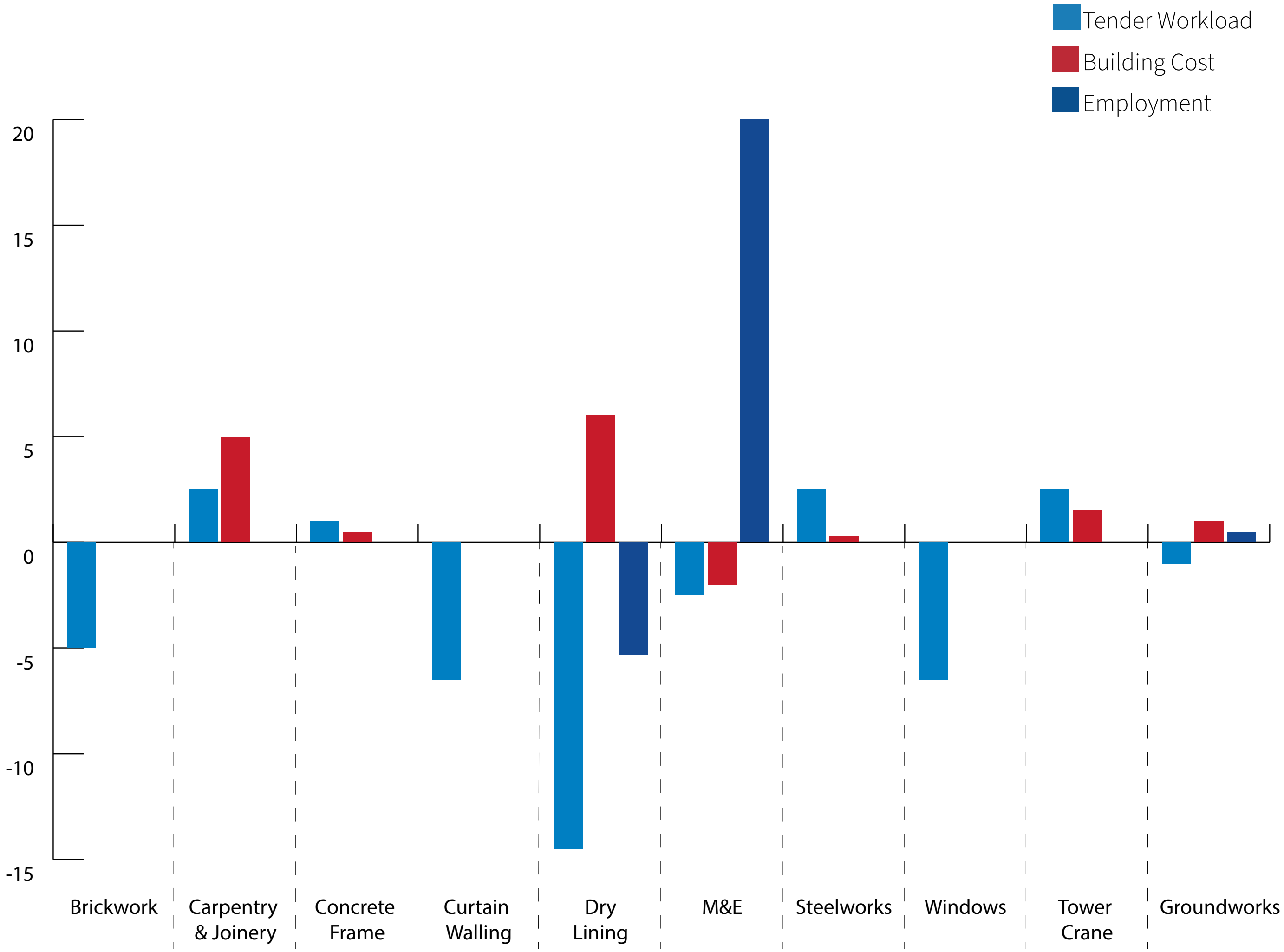
- M&E +17.5%
- Carpentry & Joinery +15%
- Dry Lining -5.0%

Material Availability

No change in average material lead time.

- Brickwork +1 week
- M&E +1 week

Comparison to Q3 2024: London



Tender Workload

Average change in tender workload: -2.8%

- Dry Lining -14.5%
- Curtain Walling -6.5%
- Windows -6.5%
- Brickwork -5%

Building Cost

Average change in Building Cost: +1.2%

- Dry Lining +6%
- Carpentry & Joinery +5%

Employment

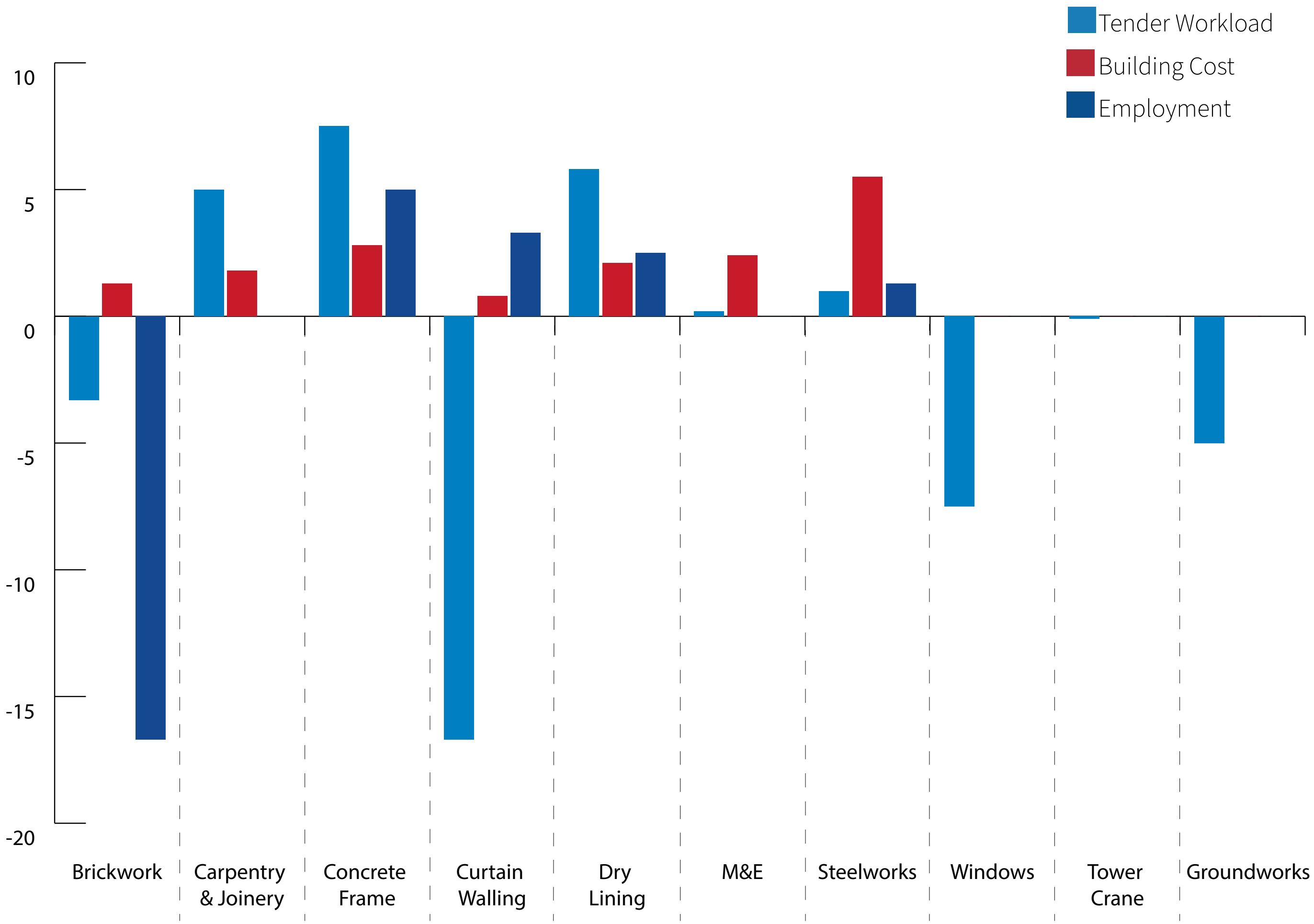
Average change in employment: +1.5%

- M&E +20%
- Dry Lining -5.3%

Material Availability

No Average change in material lead time, however, M&E package has recorded 8.0 weeks of material lead time. This increase indicates tender workload has declined, stimulating increase in building cost over the coming quarter for the package in London.

Comparison to Q3 2024: South



Tender Workload

Average change in tender workload: -1.3%

- Curtain Walling -16.7%
- Window Fitting -7.5%
- Groundworks -5.2%
- Concrete Frames +7.5%

Building Cost

Average change in Building Cost: +1.7%

- Steelworks +5.5%
- Concrete Frames +2.8%

Employment

Average change in employment: -0.5%

- Brickwork -16.7%
- Concrete Frames +5%

Material Availability

No change in average material lead time throughout work packages, however, Brickwork and Concrete Frames packages, both having material lead time of +1.0 weeks.

National Association Construction Frameworks

By the public sector, For the public sector

National Forecast Q4 2025

Overview

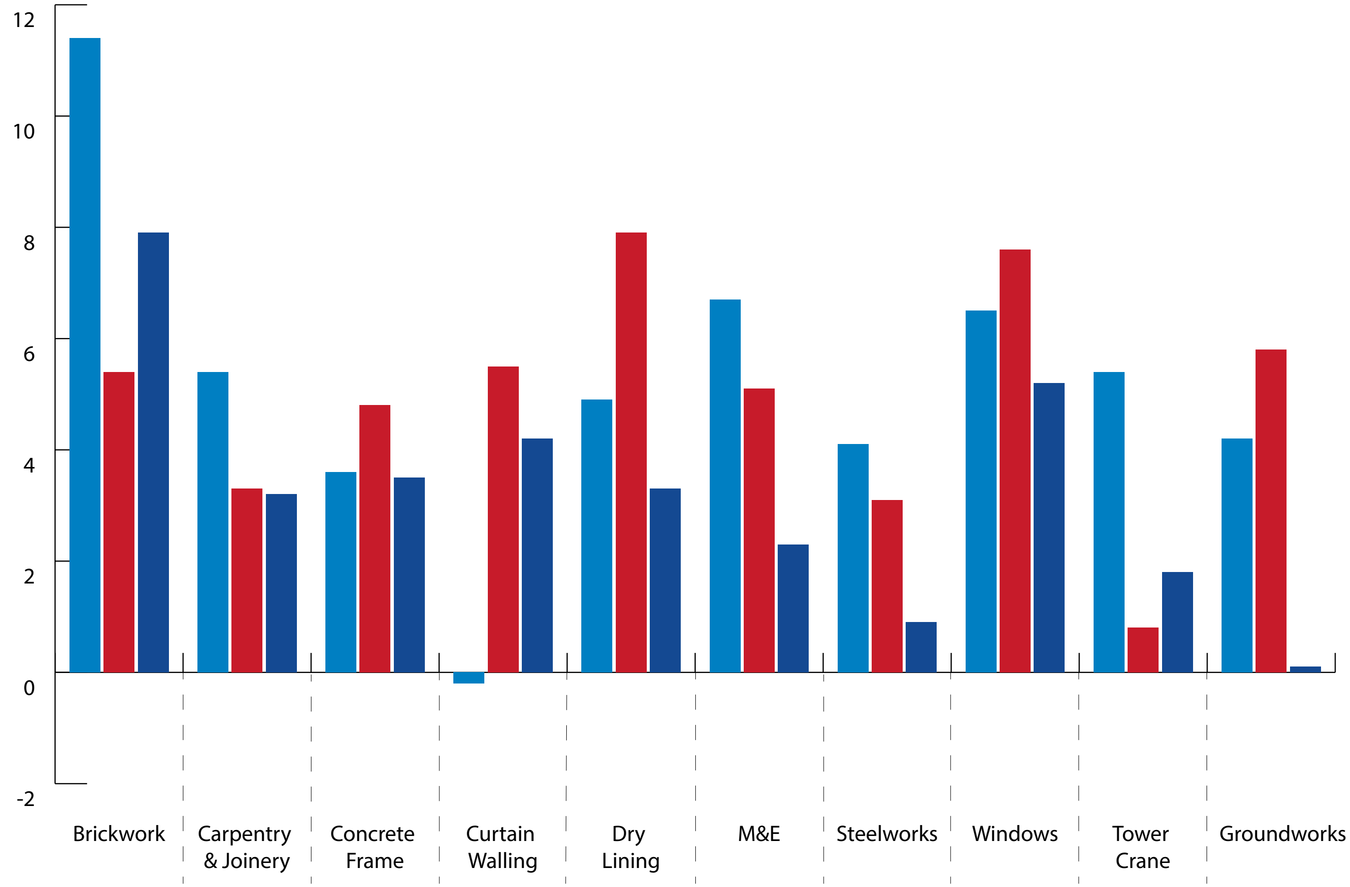
Forecast to Q4 2025: Overview

An increase in tender workload for Brickwork indicates an expected rise in new build structures and extension projects over the following year. Curtain Wall packages has been forecast to reduce in tender workload indicating increase in refurbished projects.

A forecasted increase in building cost with high tender workload for Drylining indicates a potential decrease in material supply, which is supported by our data anticipating material led times to increase by +0.7 Weeks. The Cost of Concrete Frames packages are predicted to grow with high tender workload as well as reduced material lead time over the year. Window Fitting package has highest cost increase & highest material lead time of 2.0 weeks which indicates toward a bottle neck in supply services in the package over the year.

Employment has a steady increase across work packages with Brickworks having highest employment increase of 7.9%. This suggests the reduction in anticipated material led time to 0.5 weeks in the next year.

Average increase in Employment is predicted after the recent hike in National Insurance and other employment costs increment prosed in the budget. This is evident in work packages such as steelwork, groundwork & tower cranes which has seen a decline in employment averages than Industry indicating impact of labour costs by the government. The supply chain seems to be conscious around the impact of this on the employment cost & building costs in the long term. Similarly, the supply chain contractors are expecting reduction in pipelines of work due to recent devolution white paper presented in the Parliament. This decision could potentially impact construction work and reduce the workload for contractors significantly.



National
Association
Construction
Frameworks

By the public sector,
For the public sector