Welcome to today's

MARKET UPDATE WEBINAR

Agenda

Introduction

Market Update – Macro

Construction Output/New Orders

Market View – Key Trade Report

Brexit

Tender Price Trends & Forecasts

Q&A

Our Panel

Nick Rowe

Rachel Collins

Will Galley

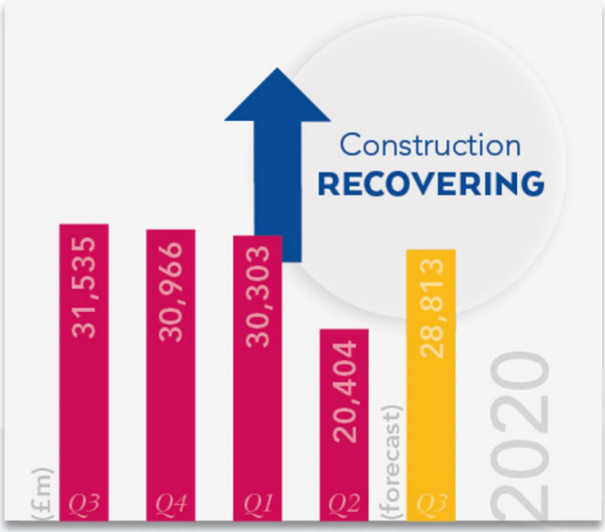
Rob Webber

Kerry Gibbs

Gavin Murgatroyd

James Angus

GDP *up*
16%
in Q3 2020



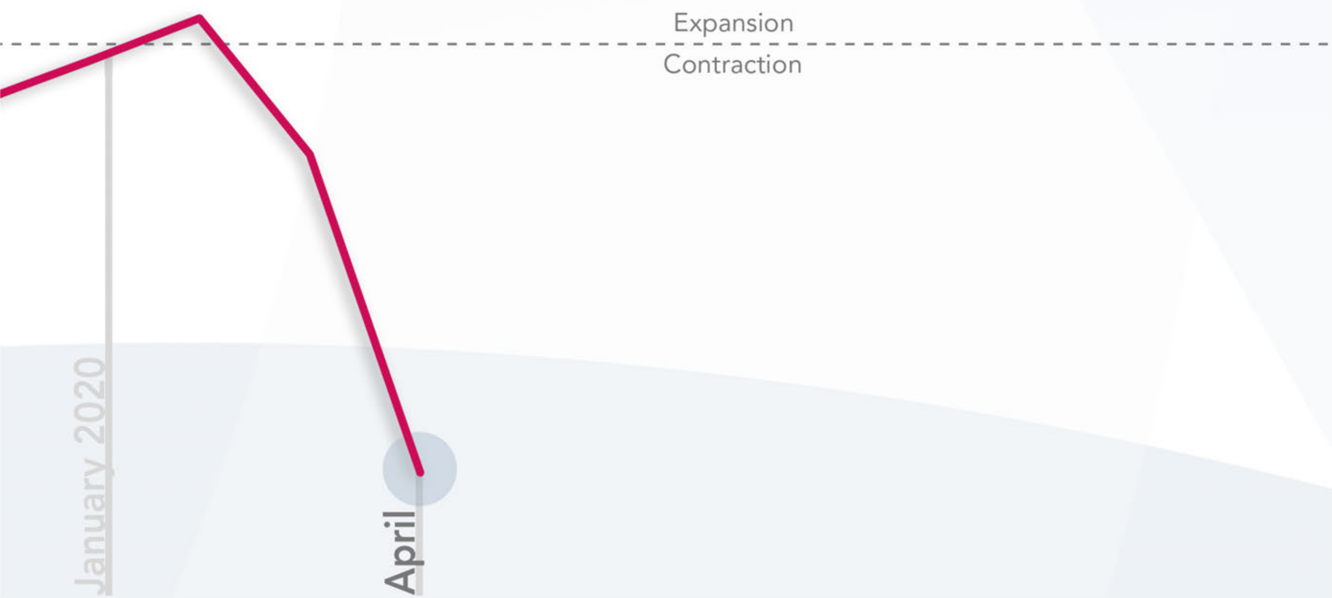
CPI
0.6%
(Dec)

0.1%
Base Interest Rate Held

UNEMPLOYMENT
RATE *4.9%*
(Aug-Oct 2020)

Construction Vacancies
'V-SHAPED' RECOVERY

Construction PMI

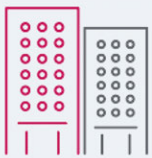


Q1-Q2

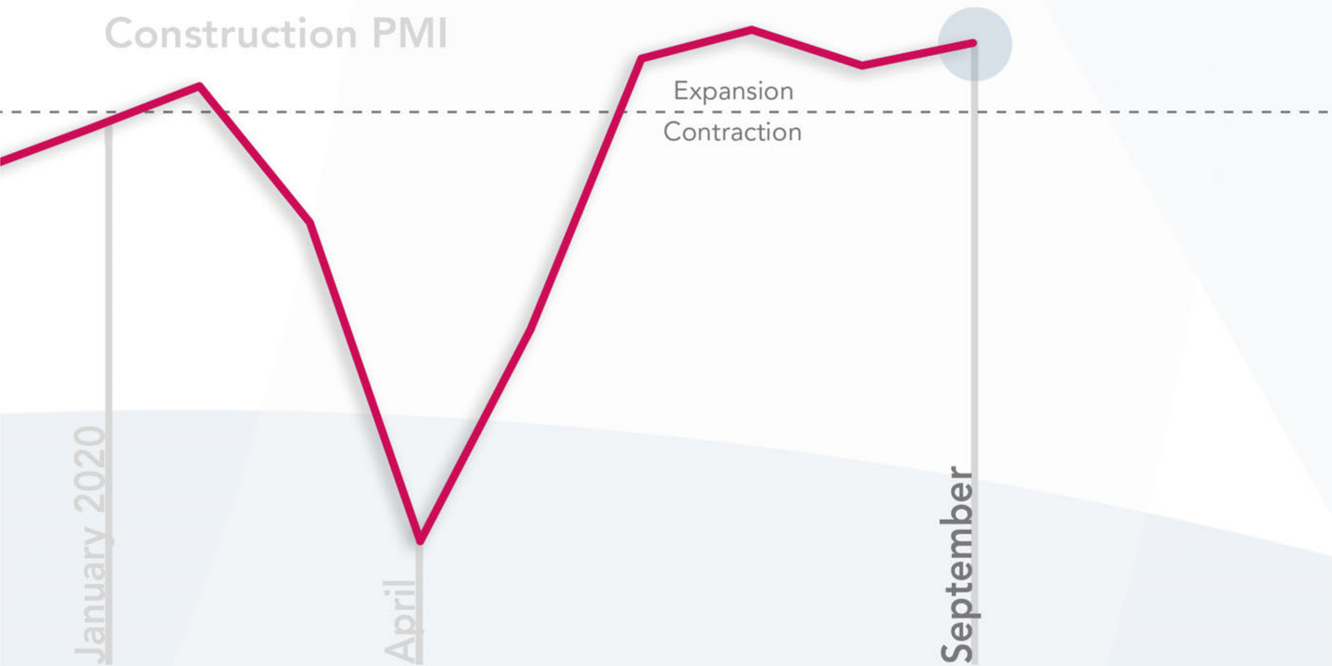
UK Construction
OUTPUT
35%

UK New
ORDERS
54%

London Residential
NEW ORDERS
53%



UK Commercial
NEW ORDERS
71%



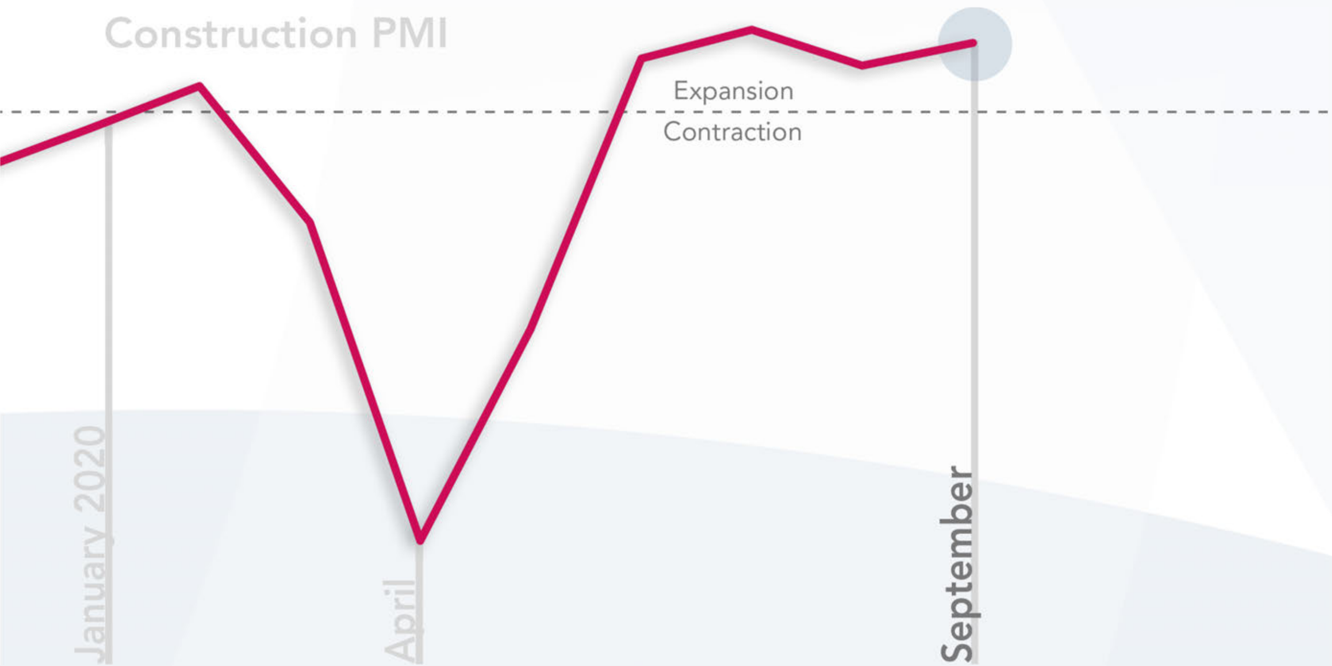
Q2-Q3

UK Construction
OUTPUT
41%

UK New
ORDERS
89%

UK Private Industrial
NEW ORDERS
140%

London Commercial
NEW ORDERS
72%



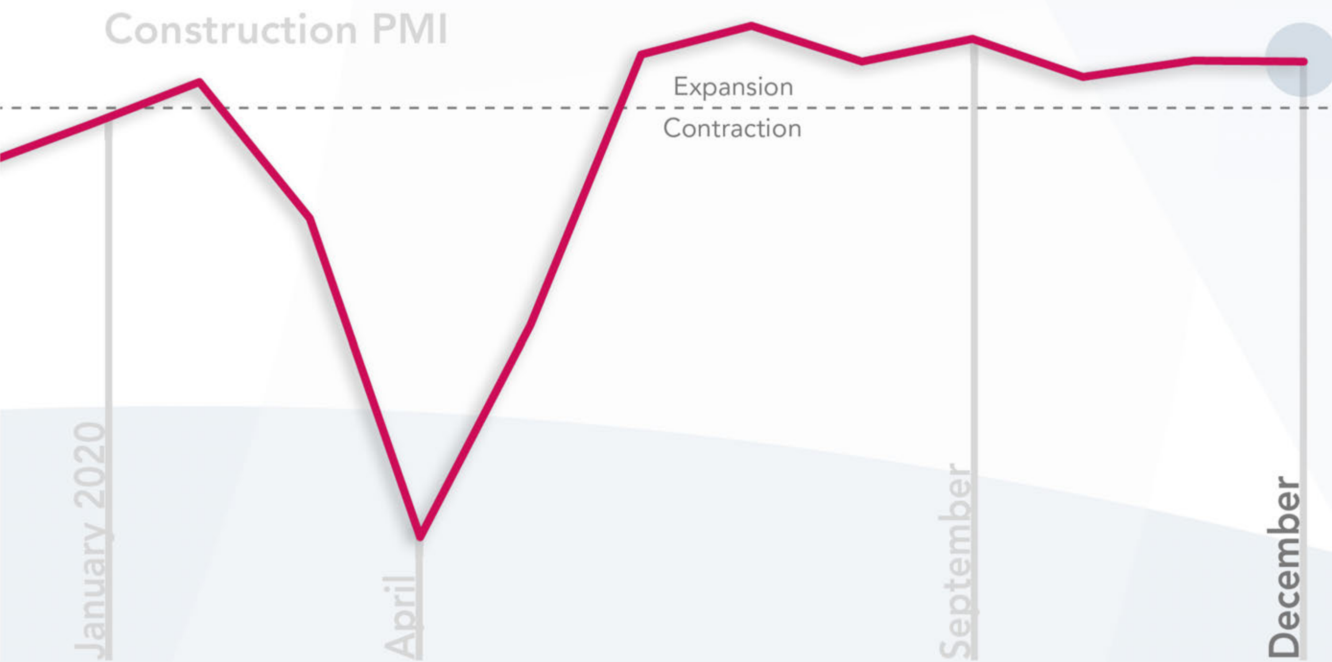
Q2-Q3

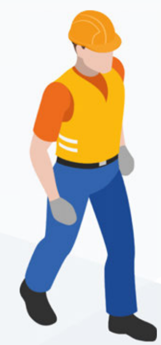
UK Construction
OUTPUT
41%

UK New
ORDERS
89%

UK Q3 2020
OUTPUT
8.6%
than Q3 2019

London Residential
NEW ORDERS
10%





CONSTRUCTION **OUTPUT** *Nov 2020*
1.4%
than Nov 2019

CPA forecast:
CONSTRUCTION **OUTPUT** *2020*
c.15%
than 2019

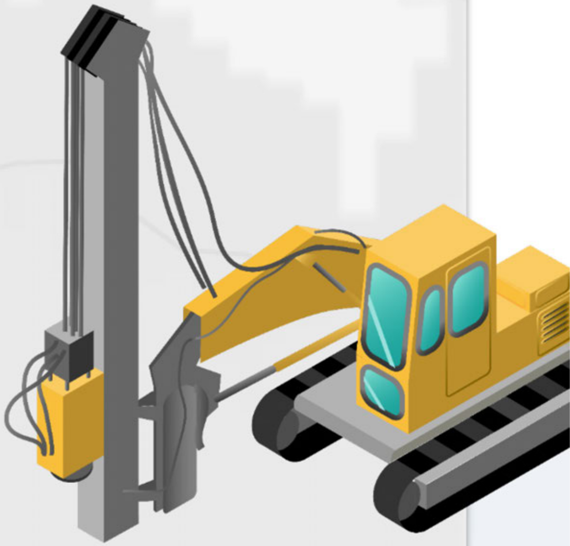
CPA forecast:
OUTPUT GROWTH
14%
in 2021

CPA forecast:
OUTPUT GROWTH
4.9%
in 2022

PILING

Competitive pricing
Rig availability
Tenderers busy
Reduced demand in market

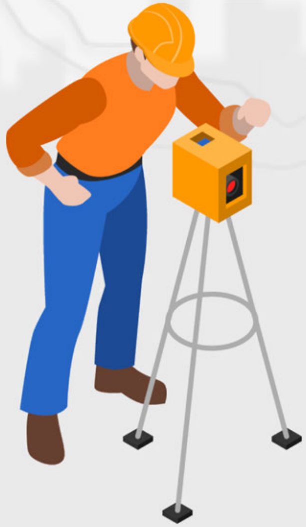
Rising Rebar
HS2 – rig availability

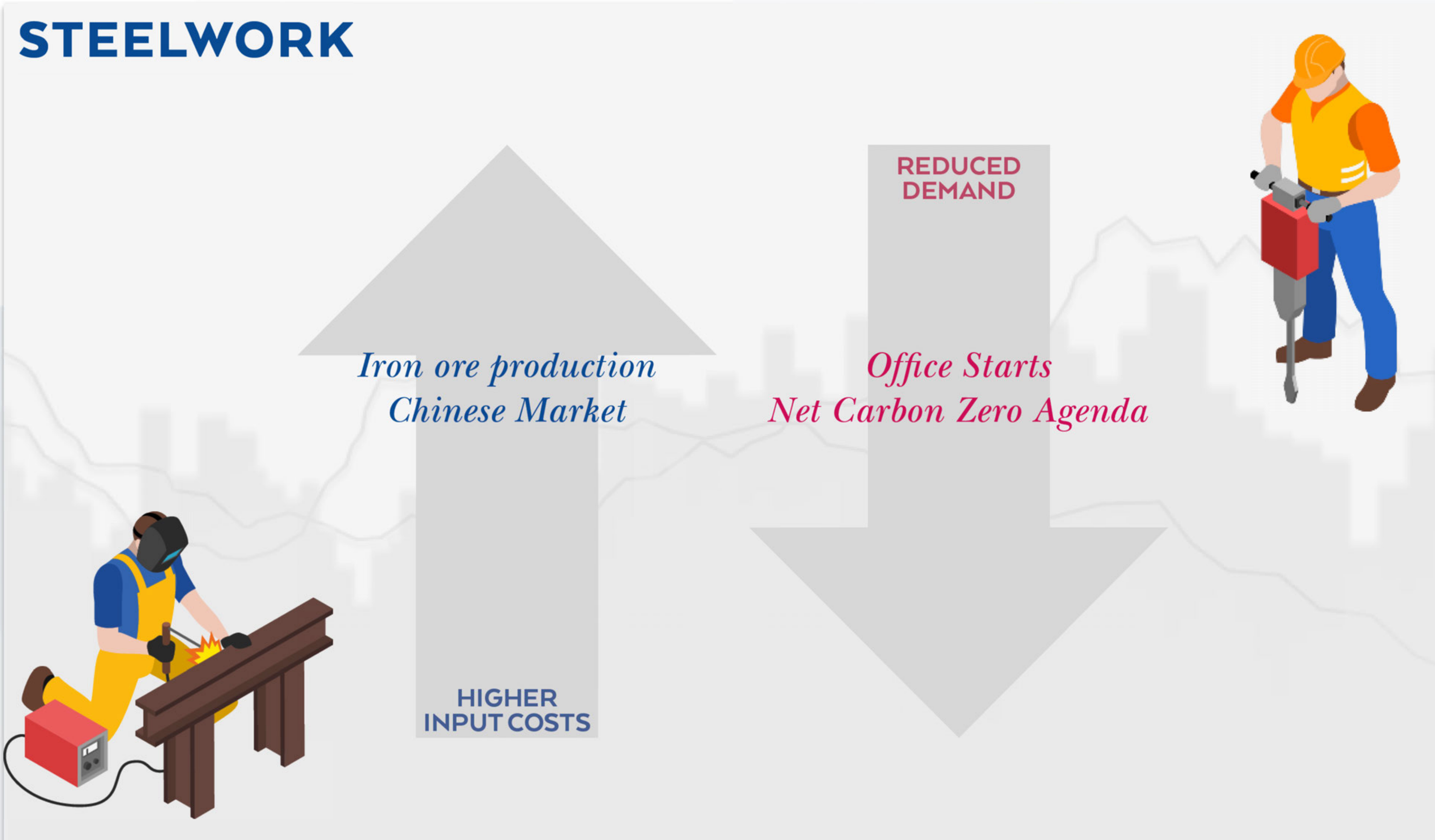


FRAME & GROUNDWORKS

Rebar dropped by 8-10%
Concrete down 10-13%
Plant availability up

Volatility
Labour rates




STEELWORK
REDUCED DEMAND
Iron ore production
Chinese Market
Office Starts
Net Carbon Zero Agenda
HIGHER INPUT COSTS

CLADDING

Reactionary prices
Reduced demand

Rising aluminium prices
Movement of labour
Grenfell

Takeaways

- *Front end trades cost reductions*
- *Cladding - stable - downward trend*
- *Steel - stable - potential upward movement*
- *Material price - short term*
- *Two step market*

KEY TRADES

M&E Services
Drylining
Key Finishing Trades

MATERIAL PRICES
Steel, Copper, Timber

Material supply
CONSTRAINTS
(COVID factory closures)

Caution on
Non-tariff
barriers

LABOUR
STABLE

Market
more competitive
with less demand

Contractors
LOWERING MARGINS

Absorbing
material price rises

Takeaways

- *Pricing to remain at similar levels*
- *Opportunities in market for good trade buy*

MAIN CONTRACTORS

Preliminaries levels **STABLE**

OH&P

LEVELS REDUCE

0.5% - 1%

Takeaways

- *Careful procurement planning and market awareness needed*
- *Engagement with supply chain is key*

Takeaways

- *Next 6 months pricing to remain stable and competitive*
- *Caution! potential of pent up demand hitting market*

BREXIT

We have a deal!

GOODS & STANDARDS

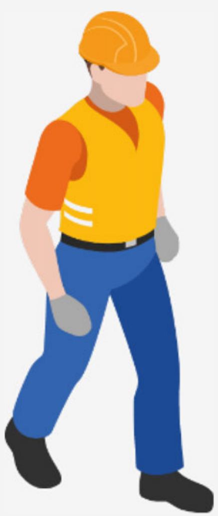
NO TARIFFS

Custom checks from 1st January 2021

RULES OF ORIGIN ON PRODUCTS

CE products comply until January 2022

LABOUR



Free movement ***ends***
31st December 2020

POINTS BASED *System*

Ongoing sponsorship COSTS

PROFESSIONAL *Qualifications System*

PUBLIC PROCUREMENT

Independent procurement

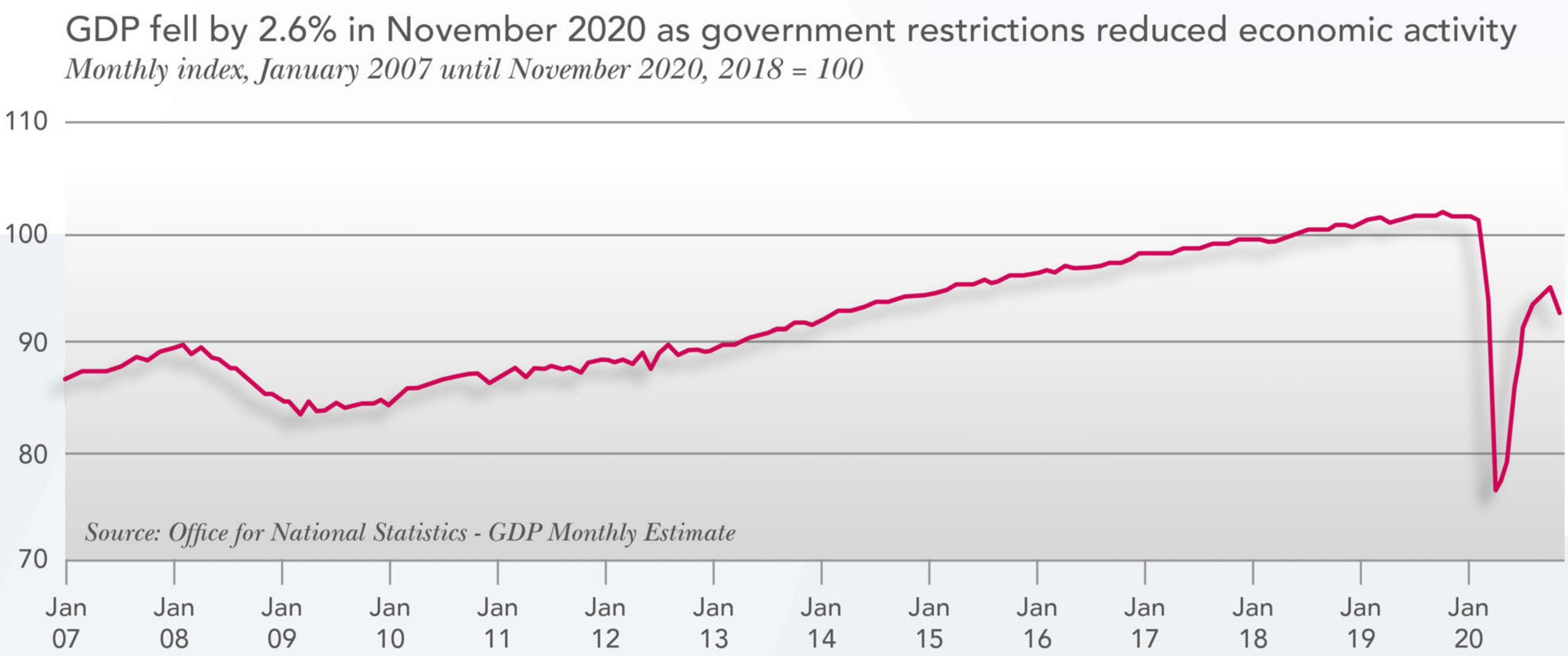
No more **OJEUs**

FRAMEWORK *of* **RULES**

Takeaways

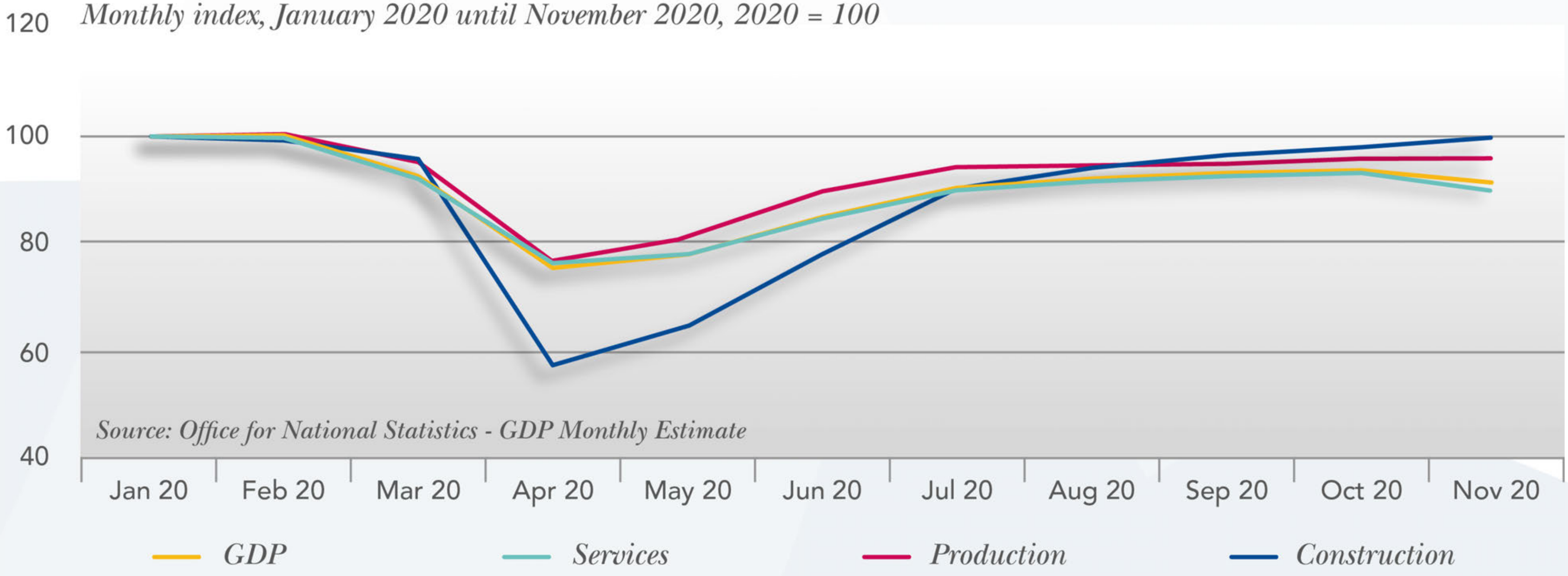
- *Stay on your toes*
- *COVID lessons will help with BREXIT*

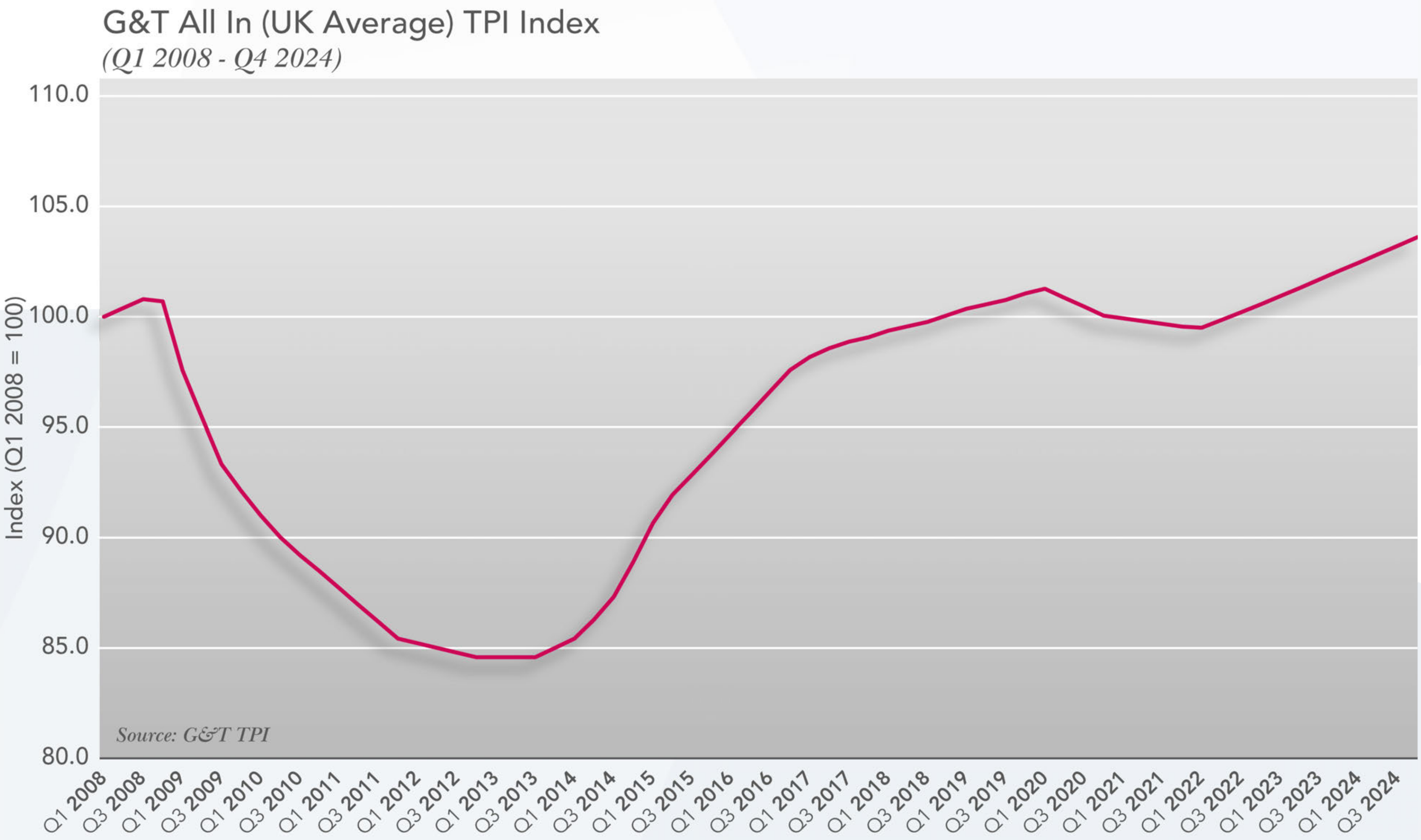
- *Collaborate - with empathy*
- *Confident – skills to navigate*
- *Change ready – agile strategies*

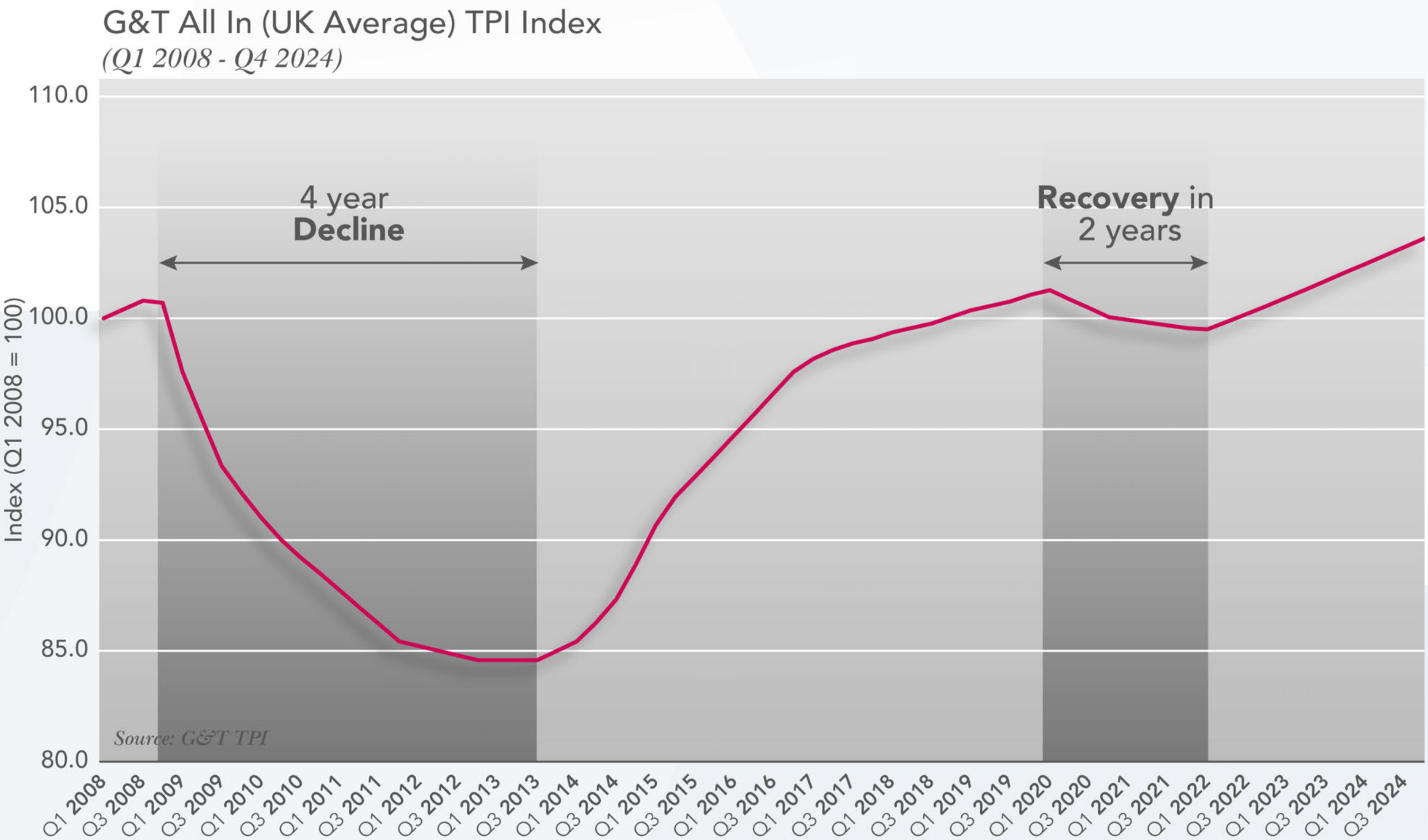

GDP fell by 2.6% in November 2020 as government restrictions reduced economic activity
Monthly index, January 2007 until November 2020, 2018 = 100
110
100
90
80
70
Source: Office for National Statistics - GDP Monthly Estimate
Jan 07
Jan 08
Jan 09
Jan 10
Jan 11
Jan 12
Jan 13
Jan 14
Jan 15
Jan 16
Jan 17
Jan 18
Jan 19
Jan 20

While construction output has continued to increase in November 2020, the output in headline GDP, services and production has fallen

Monthly index, January 2020 until November 2020, 2020 = 100




G&T All In (UK Average) TPI Index
(Q1 2008 - Q4 2024)
110.0
105.0
100.0
95.0
90.0
85.0
80.0
Index (Q1 2008 = 100)
Source: G&T TPI
Q1 2008
Q3 2008
Q1 2009
Q3 2009
Q1 2010
Q3 2010
Q1 2011
Q3 2011
Q1 2012
Q3 2012
Q1 2013
Q3 2013
Q1 2014
Q3 2014
Q1 2015
Q3 2015
Q1 2016
Q3 2016
Q1 2017
Q3 2017
Q1 2018
Q3 2018
Q1 2019
Q3 2019
Q1 2020
Q3 2020
Q1 2021
Q3 2021
Q1 2022
Q3 2022
Q1 2023
Q3 2023
Q1 2024
Q3 2024


G&T All In (UK Average) TPI Index
(Q1 2008 - Q4 2024)
Index (Q1 2008 = 100)
110.0
105.0
100.0
95.0
90.0
85.0
80.0
4 year
Decline
Recovery in
2 years
Source: G&T TPI
Q1 2008
Q3 2008
Q1 2009
Q3 2009
Q1 2010
Q3 2010
Q1 2011
Q3 2011
Q1 2012
Q3 2012
Q1 2013
Q3 2013
Q1 2014
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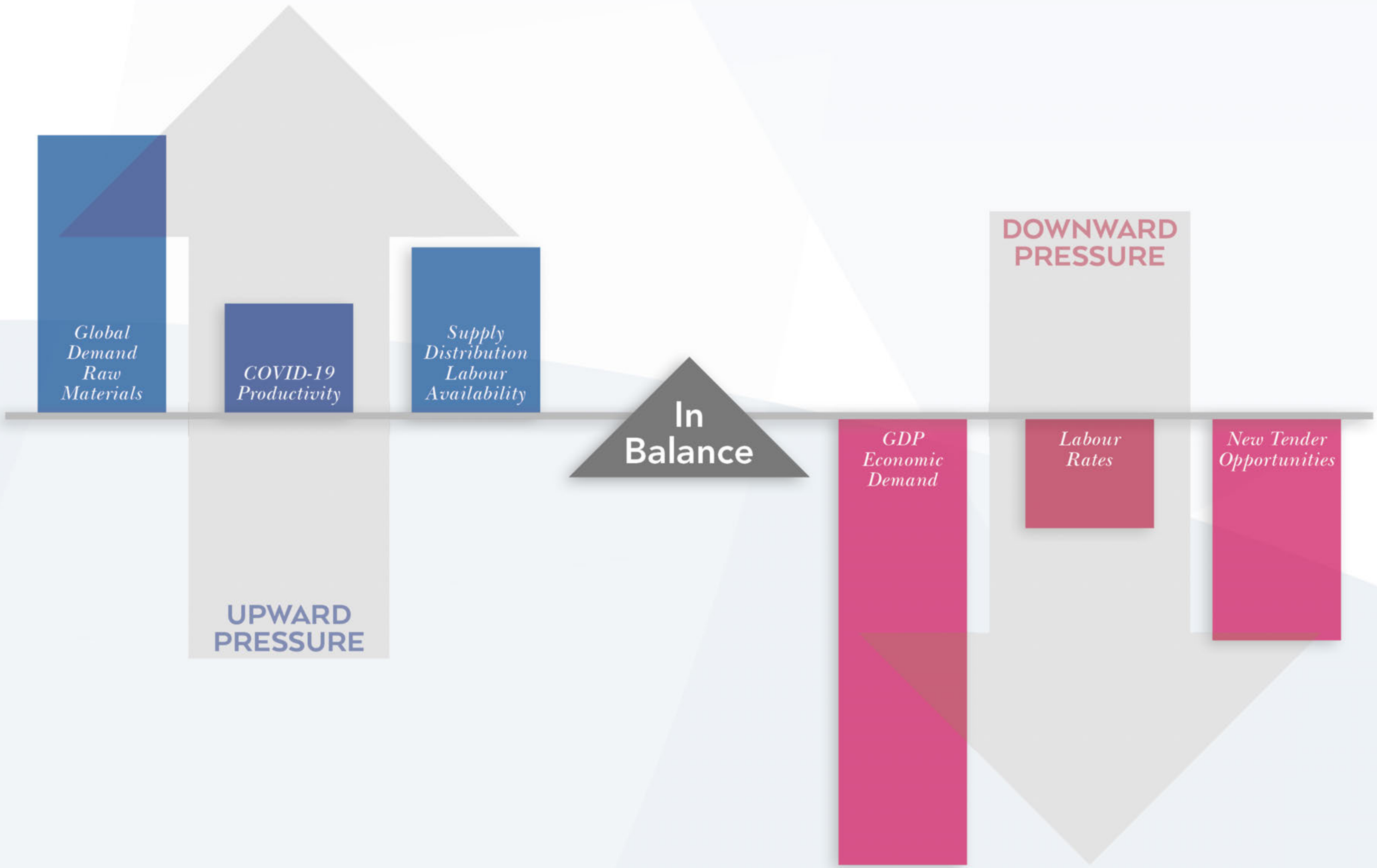
Q3 2021
Q1 2022
Q3 2022
Q1 2023
Q3 2023
Q1 2024
Q3 2024

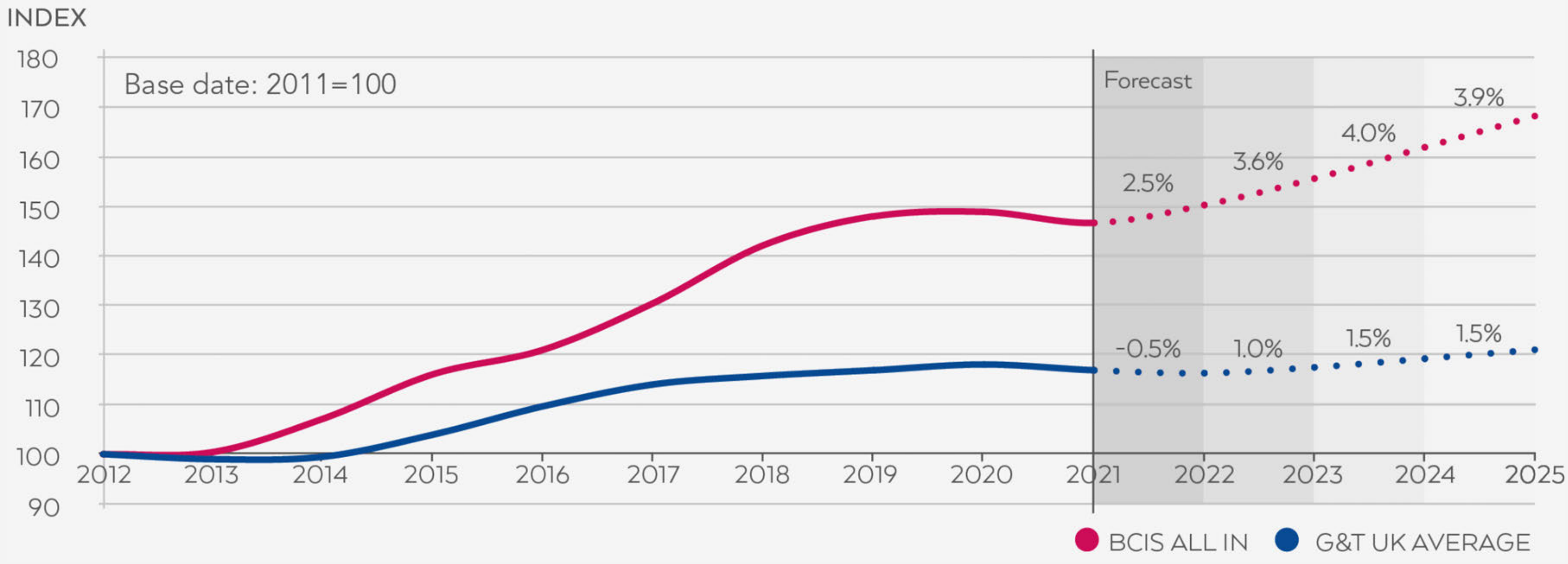

Global Demand Raw Materials
COVID-19 Productivity
Supply Distribution Labour Availability
UPWARD PRESSURE
In Balance
DOWNWARD PRESSURE
GDP Economic Demand
Labour Rates
New Tender Opportunities

G&T UK Average Q1 2020

% Change

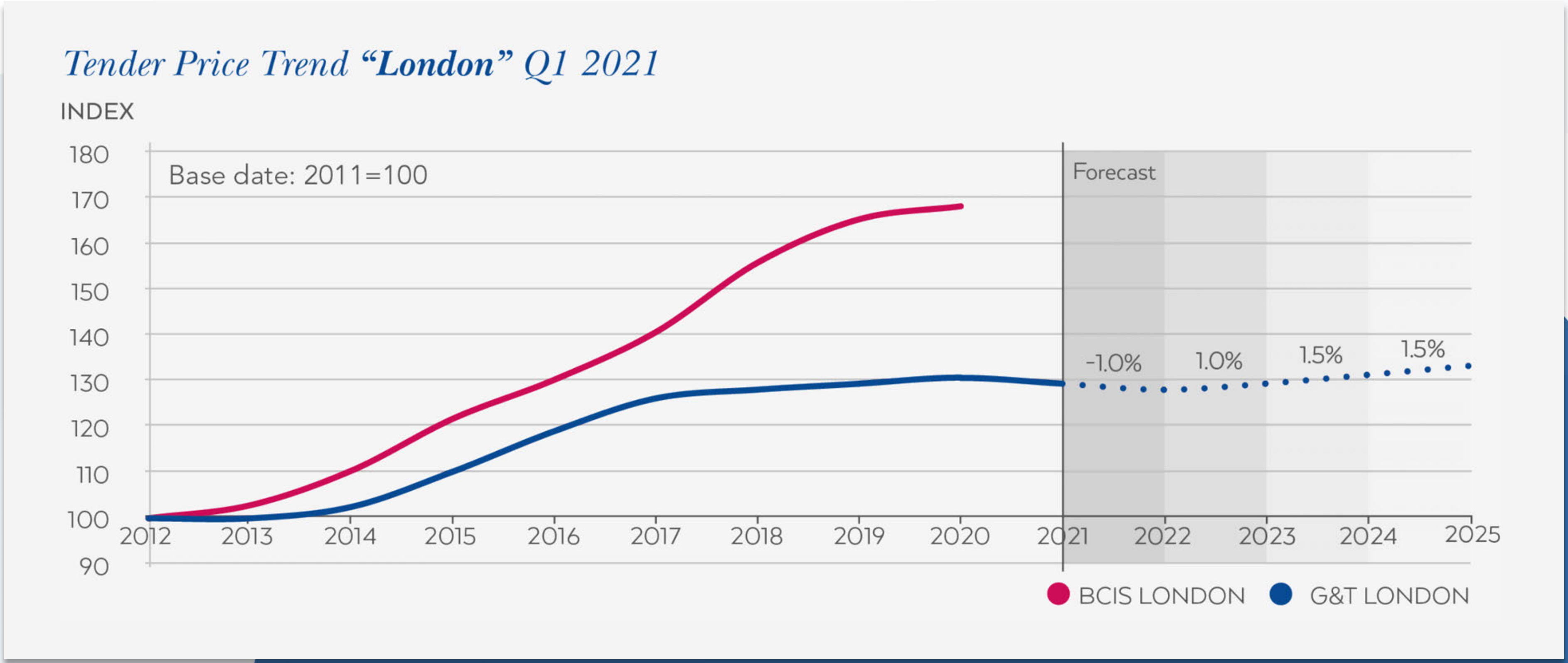
2021	2022	2023	2024
-0.50%	1.00%	1.50%	1.50%

Tender Price Trend "UK Average" Q1 2021



Note: BCIS does not publish regional TPI forecasts.

G&T London Q1 2020 % Change	*2021*	*2022*	*2023*	*2024*
	-1.00%	1.00%	1.50%	1.50%



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