ECONOMICS

UK Construction Monitor

Q3 2023

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Workloads dip as housing activity weakens and financial challenges grow

- Headline workloads net balance turns negative as housebuilding slows
- Infrastructure still expected to post solid growth despite scaling back of HS2
- Financial concerns now the key factor constraining the sector
- Shortages of surveyors still highlighted by respondents

Feedback to the latest (Q3 2023) UK Construction Monitor is a little more cautious than recent iterations of the survey, reflecting both the impact of further interest rate increases and the related ongoing macro challenges. This is a message that is visible, to a greater or lesser extent, in all the key metrics and in the anecdotal remarks from respondents.

.Workload trend turns negative

The headline reading, which captures workload activity for the whole of the construction industry, slipped into negative territory during the third quarter, with a net balance of -10% of respondents reporting a decrease in activity; this compares with a reading of -1% in Q2 and represents the most downbeat result since the early months of the pandemic (Chart 1).

The deterioration in the aggregate number for workloads continues to mask significantly divergent trends at a sector level, a point highlighted in Chart 2. Unsurprisingly, infrastructure continues to record the strongest growth in workloads even if it is showing slower momentum than in the previous survey (net balance of +10% vs +17%). The metric capturing activity in the other public works category is also still in positive territory (net balance of +8% vs +14%). However, other segments of the construction industry are now recording results consistent with a drop in workloads. This is most evident in private housing where the net balance has dropped from -12% to -26% on the back of the challenges currently being encountered by housebuilders in the face of slower sales and tougher pricing. Public housing and private commercial workloads have also dipped modestly into negative territory (-7% and -8% respectively) with the result for private industrial worsening from -6% to -11%. It is also noteworthy that, at a headline level, the indicator capturing new business enquries into the industry has slipped from a reading of +6% to -2%.

Financial concerns heighten

Predictably given the further tightening in monetary policy over the summer, a net balance of +38% of respondents report that the credit environment is becoming more restrictive in the latest survey (note that in Chart 11, the results for this question have the sign reversed). However, the share anticipating this pattern to continue going forward has eased somewhat. Over the next three months, a net balance of +25% expect a further worsening in credit conditions (previously +47%) and in twelve months time, the share taking that view now stands at just +5% as against +33%. This is broadly consistent with the view of money markets that while interest rates are now close to the peak they are only likely to be lowered very gradually.

Another signal that the financial environment is becoming more challenging for the construction industry is provided by the results to the question on the key factors limiting activity (Chart 5). Around two-thirds of contributors identify this (finance) as an obstacle, the second successive quarter it has topped the list. In addition, the proportion of respondents pointing to inadequate demand impacting business plans has been steadily climbing and is now back at its highest level since the final three months of 2020.

Skill shortages begin to lessen

The challenges around recruitment in the industry continue to ease although they still remain significant. Just over half of the contributors to the survey cite labour supply as an issue at the present time. This compares with 61% last quarter and a recent high of over 80% in 2021. A broadly similar pattern is evident in the feedback around specific skills requirements (Chart 6). Roughly 40% of respondents are still drawing attention to problems in hiring the likes of bricklayers, carpenters, plumbers and electricians but this compares with near two-thirds previously. That said, the issue around quantity surveyors appears more problematic, with still around half of the feedback received to this question highlighting a shortage of qualified professionals to take up roles.

Activity viewed as modestly positive over next year

The forward looking message on workloads is for a marginal increase at an aggregated level over the next twelve months (Chart 4). Despite the well publisiced issues around HS2, infrastructure workloads are still viewed as likely to increase but less so that was expected last quarter (net balance of +22% v +27%). Meanwhile, the readings for residential and private non-residential are -3% and +8% respectively.

Insights from by members provides little reason to believe the pressure on profitability (particularly visible in the rise in corporate insolvencies) will ease in the near-term, with margins expected to deteriorate by a net balance of +14% of respondents. This is also borne out in the estimates for likely increases in both tender prices and construction costs (Chart 14). Some additional questions around productivity were included in the Q3 survey which will be written up separately. One interesting point in the current environment is that only around one-third of respondents anticipate an increase in productivity over the course of the next year.

Key indicators

Chart 1

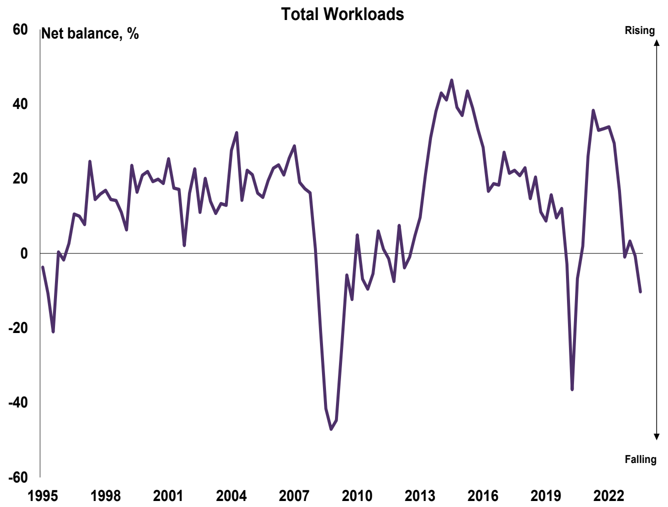


Chart 2

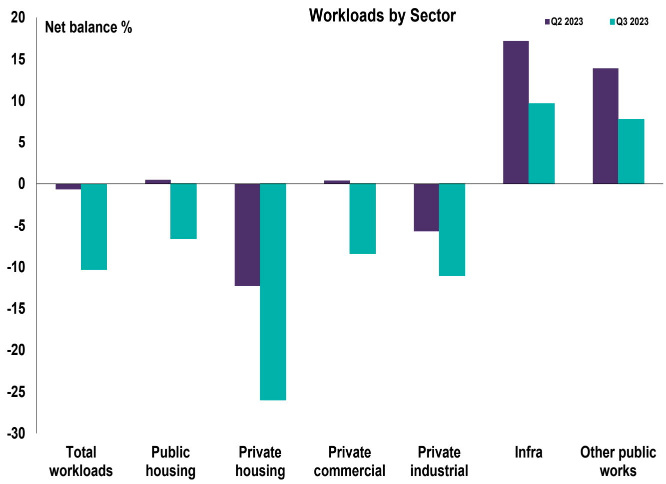


Chart 3

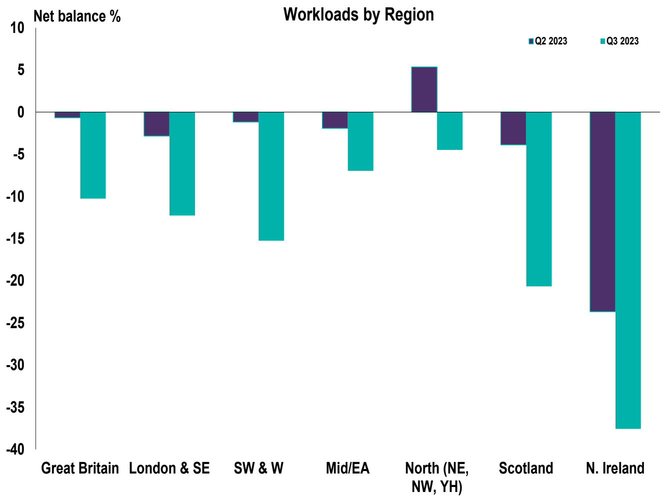


Chart 4

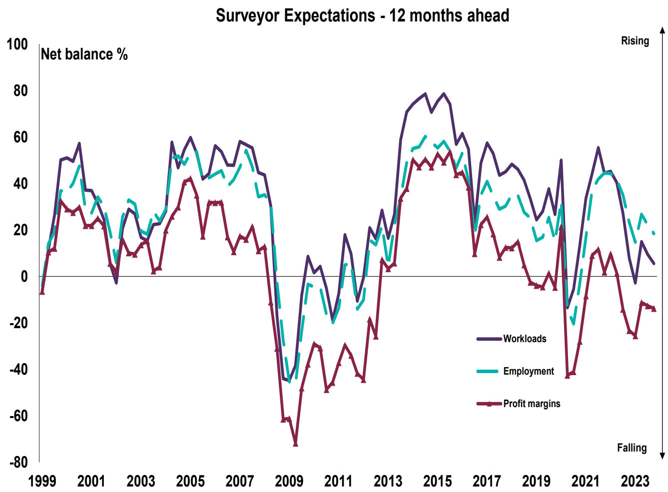


Chart 5

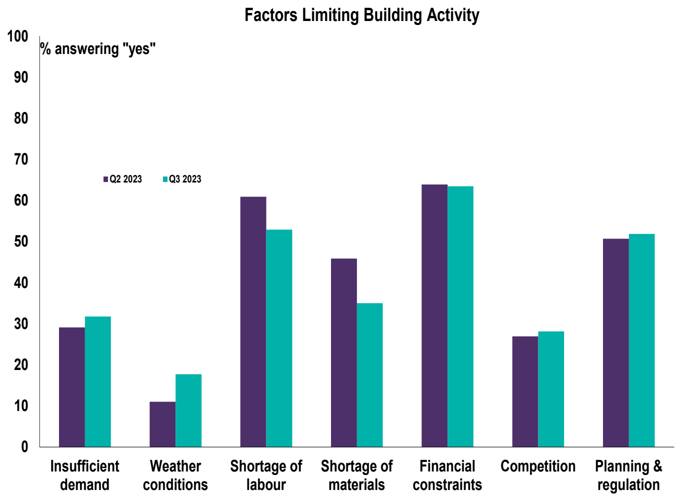
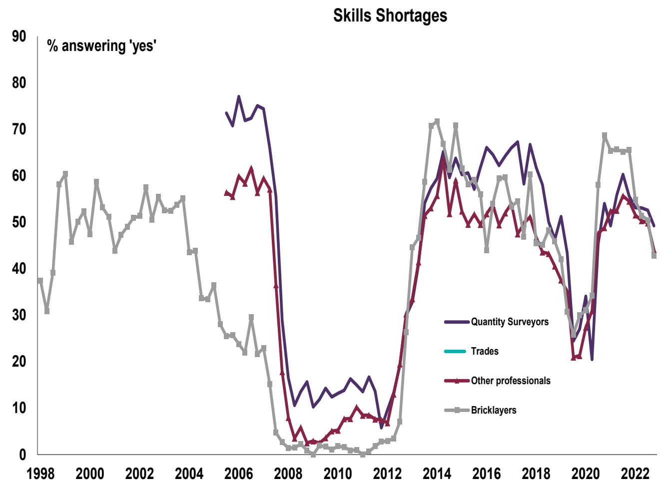


Chart 6



Key indicators

Chart 7

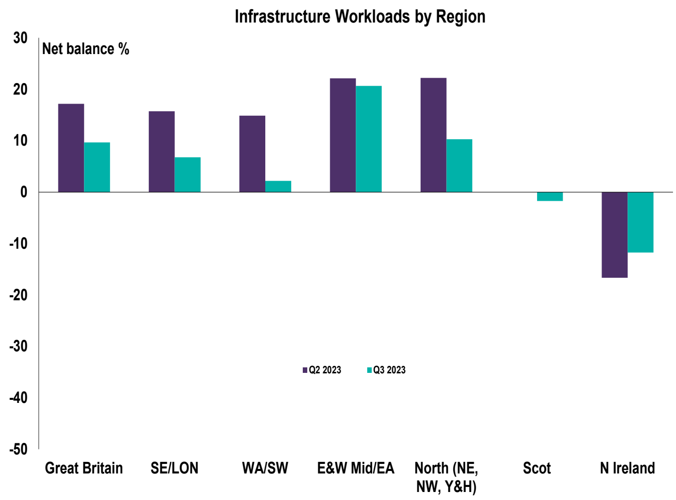


Chart 8

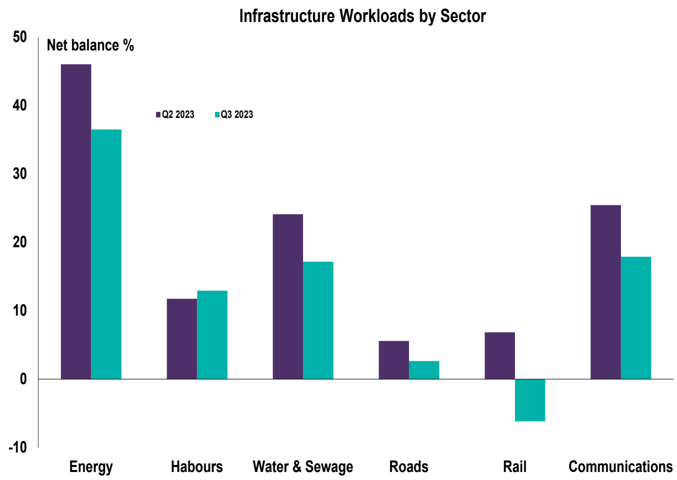


Chart 9

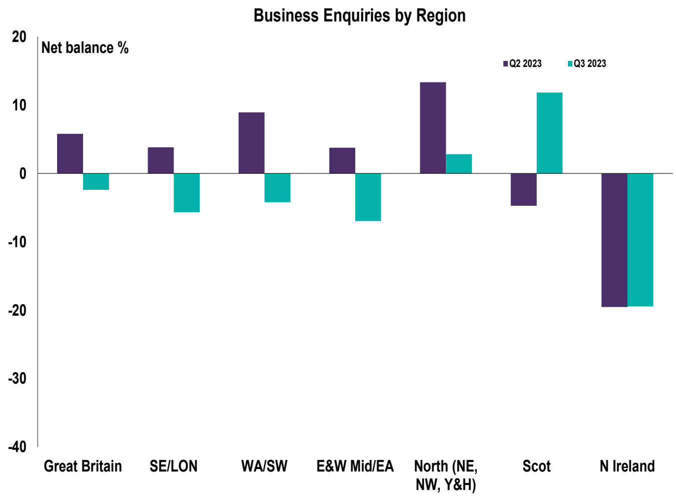


Chart 10

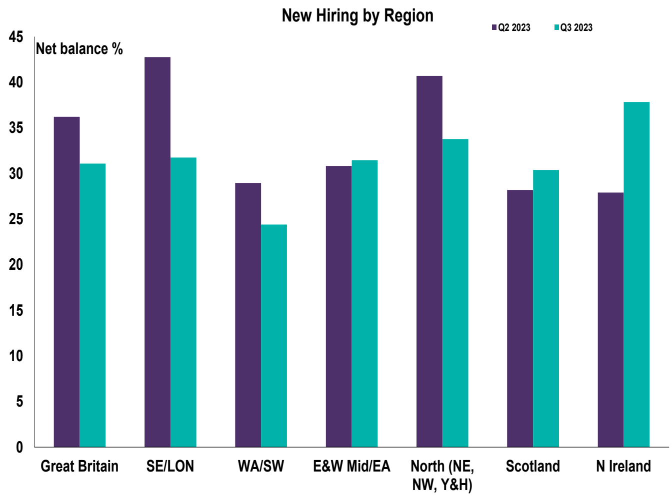


Chart 11

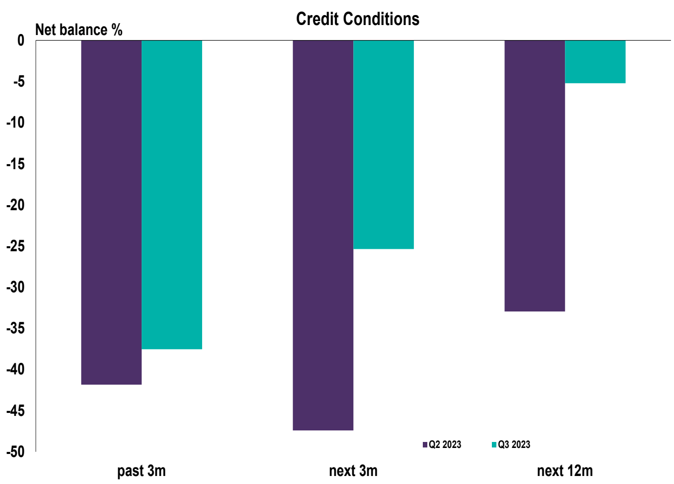


Chart 12

Key indicators

Chart 13

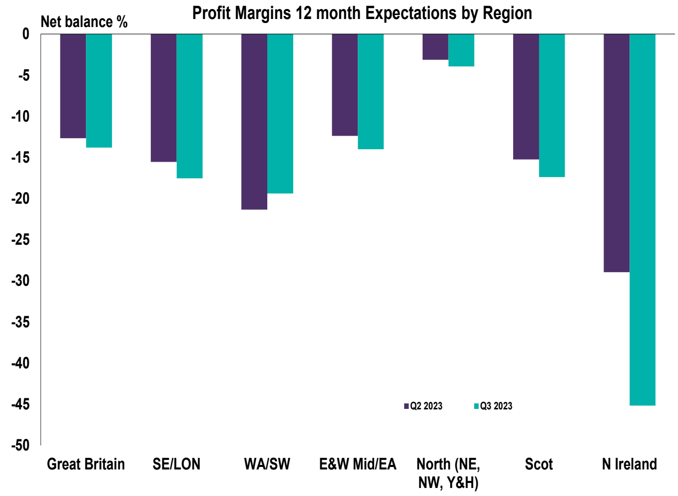


Chart 14

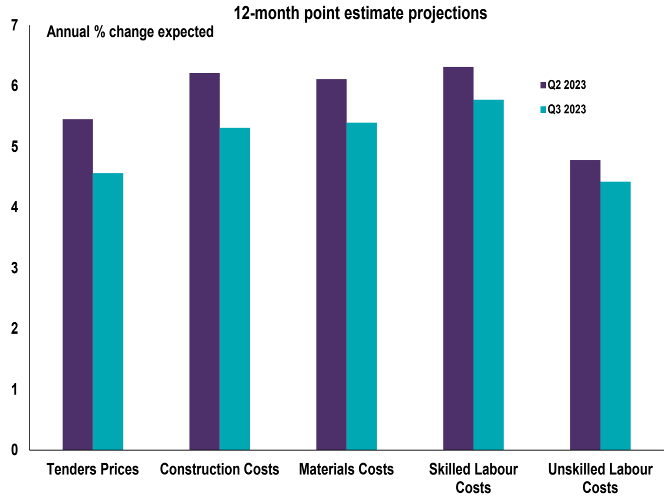
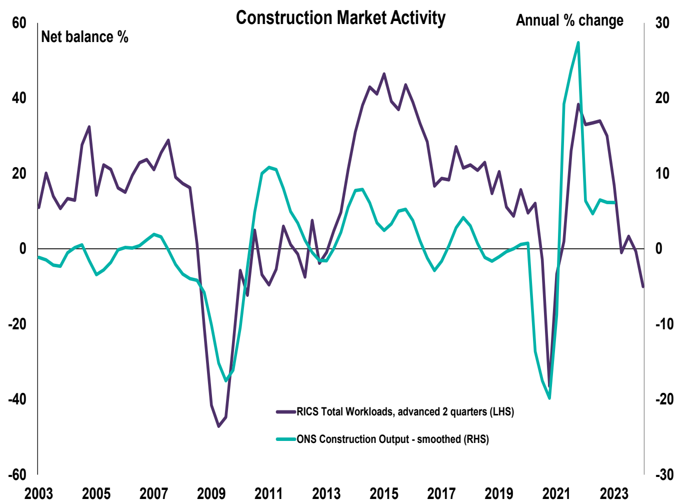


Chart 15



Chartered surveyor market comments

London

Antony Field, London, Beadmans Llp, antony.field@beadmans.co.uk - Debt availability is a key issue to promote development. Market confidence, stability of the supply chain and confidence in macroeconomic conditions with suitable debt to loan ratios will impact the confidence of the investment market.

Barry Masters, London, Box Associates, barrymasters@boxassociates.co.uk - High cost of finance and level of uncertainty.

Ben Campbell, London, Cardoe Martin, b.campbell@cardoemartin.co.uk - Recruitment.

Ben Frape, London, Wates, ben.frape@wates.co.uk - Building regulations.

Bernard Roccia, London, Forcia Limited, b.roccia@forcia.co.uk - Lack of professional training for consultants, poor and expensive procurement methods adopted, lack of collaborative wiring with contractors.

Bradley Smith, Caterham, Buxton Building Contractors, bradleysmith@buxtonbuilding.co.uk - Squeezing of budgets, competitiveness.

Brendan Colivet, London, Green Pm, bcolivet@greenpm.ie - Instability due to annual cost increases across the board leading to lack of client confidence in comitting to projects.

Brian Grey, London, Leslie Clark, b.grey@lclark.com - Delays due to the sclerotic planning system.

Charles Barrett, Southwark, Box Associates, charlesbarrett18@hotmail.com - High energy costs and the war in Ukraine.

Chris Davies, London, Chris Davies Consulting Limited, chris@chrisdaviesconsulting.co.uk - Expansion of ULEZ in London causing increased costs.

Chris Noon, London, Cbre Ltd, chris.noon@cbre.com - High demand for works on site.

Christian Pinnigar, London, Bropin Limited, christianpinnigar@hotmail.com - ULEZ expansion is damaging construction companies across the board.

Christopher Barrett, London, Belasco Associates, chris@belasco-associates.co.uk - Significant shortages in skilled and semi-skilled labour. Lack of available graduates.

Christopher Ennis, London, Time | Quantum Expert Forensics Ltd., chris@tqef.uk.com - Increase in claims.

Colin Martin, London, Fresson & Tee Chartered Surveyors, colin.martin@fandt.com - Tightening of finances and shortage of labour.

Dan Jarvis, London, Gardiner & Theobald Llp, d.jarvis@gardiner.com - There appears to be a lack of technically qualified MEP Engineers that Contractors rely on which is impacting Main Contractors to complete complicated projects effectively, leading to increase claims or commercial discussions to resolve the issue.

Daniel Snape, London, Arcadis, d.snape1995@gmail.com - Planned preventative maintenance shifting to reactive maintenance due to inflation (clients are trying to save money).

David Holland, London, Shoregate Consulting Ltd, davidholland@shoregate.co.uk - Change in property usage post COVID.

David Lawal, London, Capital Property And Construction Consultants, david.lawal@capitalpcc.co.uk - High demand on fire safety products and cladding specialist installers.

David Smith, London, Capital Property & Construction Consultants, davidrob555smith@gmail.com - Availability of suitably experienced staff is an issue which will continue as the years pass.

Dom Gibberd, London, Bedford Estates, dominic.gibberd@bedfordestates.com - Labour and construction costs are increasing exponentially and these are simply handed straight down to clients/end users.

Emil Odei, London, Skanska Uk Plc, emilodei@gmail.com - Factors affecting the industry appear to be external which is affecting investor confidence. The Industry also suffers from skill shortages.

Ian Peart, London, Cushman & Wakefield, ian.peart@eur.cushwake.com - Current market uncertainty is affecting client decisions and causing delays to projects starting.

James Paynter, London, Aecom, james.paynter@gmail.com - Location of senior debt.

Joe Mariani, London, Taylor Wimpey, joe.mariani@taylorwimpey.com - High interest rates affecting sales rates.

John Barbour, London, Quantem Services Limited, john.barbour@quantem.co.uk - Funding and inflation.

John O'Sullivan, London, Rosewood Ltd, jos@rosewoodrestoration.com - CITB Levy for training is virtually useless.

Keith Graham Brampton, Pinner, Keith G Brampton & Associates, brampton.surveyors@outlook.com - Squeeze on clients spending due to cost of living increases.

Laurence J Keel, Greater London, Keel Surveying Partnership, ljk.ksp@btconnect.com - Lack of apprenticships.

Mark Lawton, London, Laing O'Rourke, mlawton@laingorourke.com - Working from home.

Martin Bates, London, Martin Bates Consultancy, martin@martinbates.com - Sadiq Khan and his inappropriately timed ULEZ charge.

Martin Lyon, London, Oak Associates Uk Limited (Acting As A Senior Consultant To Government Bodies), oakassociates@btinternet.com - The UK government and construction industry needs to have a long term policy to train UK based staff/operatives using college day release and apprenticeships. Incentivise employers to train staff. This will improve staff retention and ensure future quality workforce. Non-UK labour is expensive.

Matthew Vaughan, London, Kbr, mt_vaughan@hotmail.com - Lack of new thinking.

Michael Reeves Campbell, London, Imtech, m.r.campbell@sky.com - Procurement lead in times and cost of inflation have greatly affected all active projects with factors such as Covid, Brexit and other world events being key drivers.

Mike Sinnott, London, Cbre, mikepsinnott@gmail.com - Artificial intelligence.

Mr Hugh William Aitken, Hastings, East Sussex, Kier Construction - Design & Building Services, hugh.aitken@kier.co.uk - Fragmented supply issues noted in my specialism.

Nigel Bellamy, London, 8Build Limited, n.bellamy@8build.co.uk - Poor economic growth effecting all aspects of society.

P Jones, London, Fuse Pc Ltd, new.nest463@gmail.com - Lack of properly trained construction workers and professionals.

Paul Chilton, London, Chilton Associates Limited, paul.chilton@chiltonassociates.com - Availability of skilled labour for re cladding projects. Availability of fire engineers.

Paul Daniel George Callaghan, London, Calsurv, pcallaghan@calsurv.co.uk - Low volume of residential sales.

Paul Miles, London, Fusion Group, paul@fusion-group.co.uk - Lack of contractors and sub-contractors. Too much work available.

Paul O'Loughlin, London, Pavehall Plc, poloughlin@pavehall.co.uk - Tender price increase and availability of materials. Sub contractors not able to hold their prices for more than a month leads to heavily inflated tender pricing strategies and reduced profit margins as a result.

Paul Stevens, London, Hyde Group, paul.stevens@hyde-housing.co.uk - Inflation rate drives costs particularly in London/S.E. Labour/materials resource shortage

Peter Graeme Harper, Ipswich, Peter G Harper Associates Ltd, peter@pgharperassoc.co.uk - Reduction in private hsg and commercial sectors.

Peter Heath, London, Make One Group, heath.p@icloud.com - Tendering is tight but variations become significant and difficult to agree value.

Peter Tasker, London, Adams Chartered Surveyors, info@adamscharteredsurveyors.com - Increases in interest rates, cost of living index, valuers down varying which is reducing demand, shortage of stock and clients concerned about falling prices and negative equity.

Peter Tomkins, London, Oaknorth Bank, peterjtomkins1@gmail.com - Planning process. Main utilities.

Rob Lees, London, Cumming Group Emea, rob.lees@cumming-group.com - Uncertainty around introduction of BSA and Fire Safety generally.

Robert Hunter-Jones, Sutton, London Borough Sutton Building Control, robert.hunter-jones@sutton.gov.uk - The likely cull of building control surveyors by the Building Safety Regulator resulting in experienced people leaving the profession will change the way regulators work.

Sam Jarman, London, Rosetta Surveying Llp, sam@rosetta-group.co.uk - Lack of demand. Uncertainty from private developers. Major issues with planning and highways delaying progress of projects. The planning system significantly slows progress.

Simon Bristow, London, Simon Bristow Associates Limited, simon@simonbristowassociates.uk - Lathargic nature of many tradesmen is reducing productivity and quality of work.

Simon Britton, London, Aretali Project Uk Ltd, simon.britton@uk.arteliagroup.com - Economic, price inflation and political uncertainty affecting investment decisions.

Stephen Costello, London, Mace Ltd, stevecost18@gmail.com - Increased focus on implementing large data collection and analysis to achieve reporting accuracy and future predictability and planning.

Stephen Medhurst, Cambridge, Potter Raper, stephen.medhurst@potterraper.co.uk - Competition is difficult within the MMC sector and needs to be made more readily available for more contractors.

Stephen Parris, Northampton, Underwoods, steveparris45@gmail.com - Decreasing demand for retail property.

Steve Baldock, London, Wsb Consultancy Ltd, steve.baldock@wsbconsult.com - Currency fluctuations, import duty, geo politics, 2024 general election.

Stewart Black, London, Stewart Black And Associates, stewart@construct-manage.co.uk - Legislative uncertainty, political uncertainty, extended liability to greater number of participants, badly framed legilsation, government and public sector management incompetence, cost of borrowing, lack of qualified construction sector professionals.

Stuart Johnson, London, Stuart A Johnson Consulting Limited, mail@sajohnson.com - Lower credit availability and declining profitability for contractors.

William Savage, London, Project Focused Consulting Llp, w.savage@projectfocused.com - Availability of development finance and interest rates.

Yetunde Olowo, London, Hs2, yetundeolowo@gmail.com - War in Ukraine and inflation.

Zaid Nuaman, London, Uruk Ltd., znuaman@hotmail.com - Clarity of gov investment plan.

South East

Alan Stokes Mrics, London, Convergint Technologies Uk Ltd, apstokes64@yahoo.com - Global conditions.

Alice Duffield, Winchester, Hampshire County Council, alice.duffield@hants.gov.uk - Operatives leaving the industry due to retirement, change of occupation etc are not being replaced at the same rate.

Andrew Chrismas, Worthing, Adur & Worthing Council, andychrismas@live.co.uk - Lengthy and time consuming public sector procurement processes mean that is difficult finding contractors willing to tender for projects.

Andrew D Moulsdale, London, BS Initiative Ltd, adm@bsinitiative.co.uk - Financial markets / interest rate rises.

Anthony Baron, Epping, Baron Property Consultants Ltd, anthony@baronpc.co.uk - Limited sites available within the area.

Bruce Smith, South East, South, South West and Midlands, Westminster Consultants, bwlsmith@westminsterconsultants.co.uk - The residential and student accommodation markets appear to be holding their own.

Charles Goodsell, Lancing, Morgancarr Ltd, rich.goodsell@btinternet.com - Lack of government (national and local) initiatives.

Clive Tatlock, Guildford, Cta Surveyors, info@ctasurveyors.com - Availability of labour and the general lack of skilled/experienced labour.

David Bird, London / South East, DTB Consultants Ltd on behalf of JIC, dtbird@btinternet.com - Currently working in East Anglia presents a resourcing challenge that is expensive to resolve if the core skills need to be brought into the area to deliver the necessary results.

David Bland, Wokingham, Finch Consultants, davidb3@btopenworld.com - Contractors and subcontractors entering administration.

David Nobes, Alton, Davtee Ltd, davidrnobes@davtee.co.uk - Customer demand in private sector.

David Randall, Bexleyheath, David Randall Chartered Surveyor, david@davidrandallsurveyor.com - Lack of skilled labour.

Derek Base, Rochester, Stg Partnership, derek.base@stgbc.org.uk - HSE building control registration for all surveyors. Currently shortages in the industry soon to be large (retiring and not becoming registered if over 55).

Diane Aldridge, Eastbourne, Dja Planning, djaplanning@outlook.com - Delays in the planning system due to excessive bureaucracy and lack of experienced officers leading to high officer workload and reduced ability to respond in a timescale the project and/or client requires.

Gavin Johnson, Windsor, Jacobs, gavin@johnsonassociatesltd.co.uk - HS2 cancellation impact.

Geoffrey Isitt, Cambridge, Ward Howard Ltd, gri@wardhoward.co.uk - Prohibitive cost of relocating to the Cambridge area. Small pool of suitable surveyors.

Graham Jones, Chelmsford, C3 Construction Cost Consultancy, gj2000@btinternet.com - Business confidence and desire to commence new projects.

Ian Kehl, Haywards Heath, Currie & Brown Uk Ltd, ian.kehl@curriebrown.com - The majority of our current new work is with Local Authorities, in particular on de-carbonisation programmes. We are also anticipating an increase in workload due to surveys for RAAC. The lack of available qualified professionals, in particular Building Surveyor's, is affecting our growth plans.

Ian Minty, London / South East, Barton Minty, ian@bartonminty.co.uk - Clients currently cutting back on capex due to economic factors, interest rates, inflation etc.

Ian Tomes, Woking, Woking Borough Council, ian.tomes@woking.gov.uk - Lack of skilled labour.

James John Paddock, Petersfield, Jj Surveying Ltd, jj.surveyingltd@googlemail.com - The requirement for Building Inspectors to be registered and more importantly prove their competency via an overly complicated and involved process will lead to many leaving the industry.

James Saunders, Windsor, Rbwm, james.saunders@rbwm.gov.uk - Building safety act.

Jason Curson, London / South East, City Of London Corporation, jason.curson@cityoflondon.gov.uk - Retaining staff and encouraging applicants for vacancies as earning potential and opportunities for career progression. Expenditure constraints mean reduction in maintaining existing property portfolio. Uncertainty in the property market is having a negative impact.

Jeong Lee, North Greenwich, Riverlinx Cjv, drleepr@gmail.com - Lack of available suppliers nearby have impacted the level of tendering prices, which would be a bit burden for Project wise.

John Harwood, London / South East, Wellesley Construction Services Limited, johnharwood@wellesley.uk.com - Slow procurement process from larger clients.

John Pike, Maidstone, King & Johnston Homes Ltd, john.pike2@outlook.com - Slow sales rate for new homes impacting cash flow and loans.

Jon Hobbs, Buckinghamshire And Surrounding Area, Fairhive, jon.hobbs@fairhive.co.uk - Increased interest rates and slowing of the housing market. Most land price expectations remain high depsite increased construction costs and static or reducing sale prices.

Joseph Ofosu-Appiah, Mitcham, Bhcc, Brighton & Hove West Sussex, jofosuappiah@aol.com - Recent increases in the interest rates by the Bank of England.

Julian Davies, London / South East, J R Davies Associates Chartered Building Surveyors, daviesjrda@aol.com - Planning and statutory approvals and funding arrangements by Government.

Keith Robert Hammond., Ashford, Keith R Hammond Limited. Chartered Surveyors., krhammondltd@btinternet.com - Expedition of planning applications, particularly the delays caused by the unnecessary planning validation system. One Authority with 950 outstanding planning applications to be determined.

Keith Sanger, Lymington, Keith Sanger Associates Ltd, keith@sanger.co.uk - Lack of medium size contractors.

Kevin Griffiths, Tunbridge Wells, Gleeds, kevin.griffiths@gleeds.com - Client confidence to invest against upcoming events - British & American elections, inflation, cost of living.

Kim Alun Roberts, Epsom, Atkinsrealis, kimroberts.consulting@gmail.com - Covid continues to affect development of young people's skill sets due to reduction in time spent with more senior members of the team.

Lee Driscoll, London / South East, Rougemont Property Consultants, lee.driscoll@rouge-mont.com - The length of time of procurement and agreement of terms and conditions of contract aswell as the impact of inflation on fixed lump sum contracts.

Mal Brown, Braintree, Executive Management Assist Ltd, info@ema-planning.co.uk - No Council housing being built.

Mark Crick, Hoddesdon, Volkerhighways, mark.crick@volkerhighways.co.uk - Competitors tendering at low prices.

Martin Busson, Oxford, Mabus Consultancy Limited, mbusson@mabus.co.uk - General lack of appetite for property investment.

Michael Attridge, Letchworth Garden City, Ellenbrook Consulting Ltd, mike@ellenbrookconsulting.co.uk - Lack of quality (experience and competence) professionals.

Michael Brindley, Romsey, Brindley Partnership Ltd, mike@brindleypartnership.co.uk - Restrictive and slow planning process.

Michael Healy, Kent, M. Healy Building Surveying Services Ltd, mikehealy32@yahoo.co.uk - Access to sites sometimes restricted.

Nathan Howse, London / South East, Capital & Provincial Project Management & Building Consulting Limited, howse@candpltd.com - The rate of contractors going into administration due to cost increases is creating difficulties around suitable contractor selection.

Neil Elton, Southampton, Private, neil.elton@ymail.com - Impact of IR35 on flexibility of commercial quantity surveying services being offered to larger construction businesses.

Neil Powling, Billingshurst, PDM, neil@neilpowling.co.uk - The main factor in the field of viability is increasing build costs and decreasing housing values thus reducing profitability and consequently reducing the opportunities for the provision of affordable housing in the proposed project.

Nicholas Cowle, London / South East, Wyatt Carruthers Jebb Ltd, nicholasbcowle@googlemail.com - Significant drop in skills, ability and enthusiasm from graduate trainees. Higher wage demands. Lack of recruitment opportunities. Lack of skills in the employment market.

Nigel Palmer, Hertfordshire, Walter Cooper, nigel@waltercooper.co.uk - Planning delays, cost of finance and political uncertainty.

Patrick Land, Guildford, Isosceles Limited, isosceles@btinternet.com - Planning Process & ULEZ expansion costs affecting professionals & tradesmen.

Paul O'Driscoll, Dartford, Ebbsfleet Development Corporation, paulod@pod54.com - Policy uncertainty.

Paul Savoie, Slough, Dunsin Surveyors, paulsavoie@mac.com - Lack of analytical abilities of some trades including heating and electrical services regarding repairs/maintenance.

Paul Scamans, Littlehampton, Arun District Council - Building Control Section, p.scamans@btinternet.com - Changes in law and regulations is having a monumental impact on Building Inspectors. Cannot be understated.

Paul Sharman, Ascot, Sharman Projects, paul@sharmanprojects.com - Availability of skilled labour.

Paul Sharp, Banstead, Jtaconsulting, paul@jtaconsult.com - Regulatory interference and lack of clarity.

Paul Sullivan, Hampshire, Sullivan Commercial Consulting, sully7714@outlook.com - Liz Truss, inflation & interest rates are dampening the market.

Pete Fesentzou, London / South East, Bosa Commercial Management Ltd, speak2pete@yahoo.co.uk - Cut throat tenders - contractors chasing turnover not value. Recent experience shows that turnover upkeep to level-out company overheads is more important than turning a good margin.

Peter Creffield, Buckinghamshire, Buckinghamshire Council, peter.creffield@chilternandsouthbucks.gov.uk - Lack of qualified and experienced building control surveyors.

Peter H Williams, Billingshurst, PWA Designs Ltd, peter.williams@pwa.uk.com - Government funding for maintenance has been shrinking for everything, now they look for patch and make do. The exception is PSDS.

Peter J Cooling, Surrey, Independent Living Ltd, coolingp@hotmail.com - Delay in planning decisions. Availability of skilled labour.

Peter Mack, London, Silver, pfmack@btinternet.com - The housing market is broken and the cross subsidy of private sale to subsidise affordable housing doesn't work anymore.

Phil Pike, London / South East, Contracting Solutions, philip@pikesltd.co.uk - Due to second homes and holiday lets, lack of young people staying locally hence labour shortages.

R Martin, Bedfordshire, R Martin Associates, richardmartin68@virginmedia.com - Private credit costs.

Richard J M Hughes, Wallingford, Selasselas Ltd., jeremy.selas@gmail.com - Interest rates.

Rob White, London / South East, Civil Service, rob.white22@icloud.com - Maintenance and replacement of design-life expired materials.

Robert Desbruslais, Brighton, Desbruslais Limited, robert@rd-surveyors.co.uk - Inflation and interest rates

Robert Shutler, London / South East, Mdc Limited, robert@mdclondon.com - Rules for working in the public sector make the smaller projects non-viable and the public sector needs to relax it's requirements in this respect.

Robert Turner, High Wycombe & London, Rj Turner Associates, robert@rjturnerassociates.co.uk - A lack of confidence in the short and medium term.

Scott Parks, Maidstone, Allen Dadswell Construction Consultants, scott.parks@allendadswell.co.uk - Lack of experienced quantity surveyors being available.

Stephen Hammond, Great Dunmow, Wickford Development Company Ltd, steve@wickforddevelopment.co.uk - Mortgage Affordability has had the greatest impact over the last 18 months on construction output.

Tito Fasheyitan, Westerham, Construction Economist Group Limited, info@ceglimited.co.uk - There appear to be a large number of owner occupier enquiries for residential projects, whereas there are slightly fewer enquiries from house builders. It is expected that a slowdown in developers' activities may increase availability (and cost) of trade operatives for smaller homeowner schemes.

Tony Harris, Chelmsford, A D H Surveying, harristony1712@gmail.com - Interest rates and material costs.

Tony Hunter, London / South East, Burke Hunter Adams Llp, thunter@burkehunteradams.com - Some contractors are still scarred by the 2021/22 building, particularly materials, price inflation and are hesitant about giving fixed price commitments.

Trevor Groom, London / South East, Press & Starkey Llp, trevorgroom@pressandstarkey.com - Regulation and consents.

North East

Alexander Mark Forster, Newcastle Upon Tyne, P Plunkett Tiling Contractors Ltd, mark.forster@plunketttiling.co.uk - Lack of Government and Private investment/development.

Allan Thompson, Newcastle, Story Homes, allan.thompson@storyhomes.co.uk - The planning system has ground private sector house building to a virtual halt moving forward and legislation such as Nutrient Neutrality and low carbon Building Regulation changes are just adding additional costs which cannot be recovered as revenues are decreasing.

Dave Burn, Sunderland, Volkerstevin Limited, david.burn@volkerstevin.co.uk - Pipeline and certainty of awarded works.

David Ian Ramage, Durham, East Durham College, i.ramage@hotmail.co.uk - The lack of training in construction skills is impacting the availability of labour within the region.

Ian Clift, Sunderland, Brims Construction Ltd, iclift@brimsconstruction.com - The biggest issue we see is that PQS's have produced budgets which are too low. Tenders then come back far higher than the budget and there is then requests for VE but, with a scheme having achieved planning and the client being sold on what he would get, its difficult to make projects viable.

Lee Gilbert, Newcastle Upon Tyne, Ex Siemens Energy Recently Retired, leegilbo@gmail.com - Government infrastructure decisions regarding Energy and Water investment.

Peter Carruthers, Newcastle Upon Tyne, Paragon Construction Consultants, paragon.consult@hotmail.com - Inflation rates, interest rates, and the overall economic growth continue to exert significant influence on construction activity. Local planning regulations persist as a substantial factor affecting the feasibility and design of new projects.

North West

Andrew Simpson, Manchester, Co-Ordinate Ltd, info@co-ordinate-uk.co.uk - Slow and obstructive system of town planning generally.

Anthony Dillon, Manchester, Willmott Dixon, anthony.dillon@willmottdixon.co.uk - Market remains volatile, inflation still increasing but more predictable, more levelling up funding required to kick start schemes.

Brian John Boys, Waterfoot Rossendale, B&E Boys Limited, info@beboys.co.uk - The planning system, in addition to the cost of borrowing money and increased cost of a construction service, will cause short term issues with markets. A number of projects are not proceeding at the moment as costs are not meeting client budget and expectations.

Catherine Newton, Preston, Anderton Gables, c.newton@andertongables.co.uk - Tight Cashflows / Fee Levels down but need to do more due to many issues arising on sites by poor management of the business (ie administration) and poor management of the sites themselves (H&S).

Christopher Stroud, Manchester/Liverpool, Maro Developments Limited, chrisstroud@manpdl.co.uk - Slow pace of planning decisions partly through increased complexity, partly arising from staffing shortages in planning authorities.

Darren Pomfret, Manchester, Darren Pomfret, darrenpomfret@hotmail.co.uk - Delays in planning.

David Alty, Manchester, Anderton Gables Limited, d.alty@andertongables.co.uk - Surveyor shortages.

David Shaw, Manchester, Gateley Vinden, d_shaw43@hotmail.co.uk - Implementation of the requirements of the Building Safety Act.

Emma Pearse, Preston, Lancashire County Council, emma.pearse@lancashire.gov.uk - Public sector funding is reducing.

Ian Wood, Carlisle, Story Contracting Limited, ian.wood@storycontracting.com - Nutrient neutrality having major impact on release of new housing projects.

John Crowley, Manchester, Evolve Property Services Consultancy Limited, john@evolvepsc.com - Competition.

John Leonard, Stockport, Qsic Ltd, johnleonard2002@yahoo.co.uk - Lack of design input at an early stage.

John Pryor, Liverpool, Laing O'Rourke, jpryor@laingorourke.com - PQS and PM companies have little or no regard for the construction market or the construction companies they manage on behalf of client. They are the biggest blocker to investment by aiming to make sure contractors lose money. They offer nothing to take our industry forward, no innovation.

Jonathan Davies, Buxton, Jonathan V Davies Chartered Surveyors, jonathanvdavies@hotmail.co.uk - Demand outstrips ability to satisfy it.

Mark Robert Bond, Manchester, Stanfrank Bond Ltd, mark.bond@stanfrankbond.com - Government infrastructure plans remain unclear and uncertain which is having a huge impact on other projects. HS2 is the biggest project known however there are many other infrastructure projects that are uncertain.

Matt Britcliffe, Padiham, Matthew Britcliffe & Company Ltd, matthew@matthewbritcliffe.com - Loss of grey heads, loss of European operatives.

Michael Dominic Groarke, Warrington, Bgen Ltd, mikegroarke@b-gen.co.uk - The quality of the design, lack of clarity of what is required, the lack of integrated schedules, a lack of risk sharing, a lack of experienced technical engineering management.

Michael Russell, Liverpool, Winvic Construction Limited, mrussell1@blueyonder.co.uk - Biggest issue at the moment is the slow turnaround in planning approvals and BREEAM approvals and accreditation.

Paul Jones, Liverpool, Jones Urc, p.jonesjones469@gmail.com - Availability of contractors.

Paul Roberts, Bootle, Cunliffes Ltd, paul.roberts@cunliffes.com - Shortage of skilled labour.

Raymond Boyle, Manchester, Rjboyle Mrics, Property Consultants, rayjboyle@hotmail.com - Labour availability is still being monopolised by a small number of high rise residential developers.

Rupert Grantley Lowe, Liverpool, Grantley Lowe, rupert@grantleylowe.co.uk - Inefficiency in the Local Planning departments with extensive time delays in decisons being made, little or no communication during the process hampering investment hugely.

Simon A Sutton Mrics, Liverpool, Mayz Building Consultancy Ltd, sasuttonmayz@gmail.com - As a small practice within an urban setting, we have noted Building Contractors taking on a rising number of residential property makeovers but not using professionals in the consultancy side of things which is disappointing when we are brought in afterwards on damage claims.

Stephen Bamford, Leigh, Sbamford Consulting Limited, stephen.bamford@yahoo.co.uk - We feel claims will increase.

Yorkshire & the Humber

Craig Smith, Leeds, Lartersmith, craig@lartersmith.co.uk - WFH is deterring speculative offices. Cost of Living/Construction costs/yields deterring BTR. Industrial is overheated due to Amazon controlling the market. Infrastructure suffering from lack of government investment/foresight.

Daniel Salisbury Mrics, York, Sass Uk, daniel@sassuk.com - Lack of skilled labour is inflating tender prices.

David Andrew Ford, Leeds, Hitec Asset Management Ltd, d.a.ford100@outlook.com - Increase in finance costs.

Gary Daniel Jackson, Huddersfield, Michael Dyson Associates Ltd, gjackson@mdyson.co.uk - Sudden demands for specialist skills, eg building safety cases, RAAC surveys.

Ian Tomlinson, Leeds, Rex Procter, i.tomlinson@rpp.co.uk - Industrial investment market is flat and has been for 9 months. Election on the horizon won't help any lack of urgency.

James William Robertson, York, Fordhurst Support, j.robertson@fordhurst-support.co.uk - Inflation, Brexit.

Joe Elwood, Sheffield, Kelham Concept Limited, joe.elwood@kelhamconcept.com - I think the main factor is clearly going to be the borrowing interest rates. This has to have an impact although lagged.

Keith Richards, Leeds, Trident Building Consultancy Ltd, keith.richards@tridentbc.com - The great uncertainty in the political and economic landscape make predictions very difficult. As the election gets closer, the government is likely to increase spending, and the benefits of this will be short term, followed by a dip in activity until the next government is embedded.

Michael Stewart, Sheffield, M Group, michael.stewart@morrisones.com - Resource does not want to travel.

Mr David Harrison, Leeds, Arch Property Solutions, david@archpropertysolutions.co.uk - Uncertainty over retrofit insulation and changes in legislation.

Nicholas Martin Cheetham, Sheffield, Ramskill Martin, nick.cheetham@ramskillmartin.co.uk - Lack of investment and lengthy planning process.

Paul Michael Smith, Leeds, PSC Surveying Ltd, pauls@psc-surveying-ltd.com - Planning delays continue to impact on programmes and delivery. Costs are rendering projects unviable.

Sam Wynn, Sheffield, Mascot Management Limited, swynn@mascotmanagement.co.uk - Skilled professional labour shortages

South West

Adam Elcock, Bournemouth, Elcock Associates, adam@elcockassociates.co.uk - Lack of planning approval and dialogue hugely affects decisions.

Andrew Durham-Waite, St. Helier, Maillard & Co, andrew@mdw-limited.com - Shortage of skilled tradesmen and experienced/competent site management.

Andrew Kime, Worthing, Ak Surveying Services, andykime.att@hotmail.co.uk - Lack of building control.

Andrew Mcgrath, Bristol, GHL, andrewm@ghl.org - Lack of employer confidence in the economy.

Andrew Scarr, Southampton, Primmer Olds Bas, samnathan@me.com - Cost of labour and materials, availability of materials, skilled labour market.

Chris Lewington, Poole, Talis Surveying, chris@talissurveying.com - Obtaining suitably qualified Chartered Surveyors.

David Drew, Guildford, Self Employed / Sole Trader, daviddrew9790@gmail.com - Cost of finance.

David Greenway, Truro, Cornwall Council., david.greenway@cornwall.gov.uk - Lack of skilled tradesmen producing quality work.

David M H Tannahill, Abingdon, Freelance Consultant Pro Bono, dmhtannahill@gmail.com - Planning - intense resistance to further new build in Oxfordshire. Heat was major factor in construction on site where we are buying a new house in summer.

David Partridge, Taunton, Summerfield Developments (Sw) Ltd, dpartridge@summerfield.co.uk - We expect the gradual reduction in inflation and slow down in housing to lead to a reduction in costs and more competitive tendering by Contractors for the smaller pool of available projects.

David Paul Treweek, Truro, Dptqs, paul@dptqs.com - Lack of suitably qualified resources and long lead-in times for materials.

David Walter Torode, Guernsey Bailiwick, Torode Architecture & Surveying, david@torodearchitects.co.uk - Lack of availability of skilled workforce and problems securing work permits to outsiders.

Gary Lucas, Dartmouth, Gsl Advisory, glucas119@btinternet.com - Lack of sites for affordable housing and skill shortages.

Geoff De Pass, Bristol, HDP Associates Limited, gdepass@hdpassociates.com - Availability of new industrial space.

Howard Peter Johnson, Exeter, I Civils Limited, howard@icivils.co.uk - Still experiencing significantly and unrealistic low tender prices from some competition.

James Hurford, Bristol, Redrow Homes, james.hurford@redrow.co.uk - Mortgage costs.

James Mcclune, Exeter, Claremont, james.mcclune@blueyonder.co.uk - Client hesitancy to commit to projects; Insurance premiums.

Joanna Davis, Bristol, JD Collaboration Ltd, joanna.davis@jdcollaboration.co.uk - High quality can be problematic throughout the construction sector. Too many contractors provide the simple fix and do not give the attention to detail that is required. This also goes for designers and PM's. We need to wind back time and go back to delivering a high quality product that is snag free.

Jonathan Williams, Swindon, Atkinsréalis, jonathan.williams@atkinsrealis.com - Government funding cuts, specifically infrastructure.

Kathy Green, Bradford On Avon, Kathy Green Mrics Chartered Project Management Surveyor, kathy.green.projects@gmail.com - Registration requirement for providers in order to access grant funding.

Keith Parry, Bristol, Elm Associates Ltd, keith@elmsurveyors.com - Lack of skilled trades. Poor management of apprenticeships.

Kelvin Herbert, Weston-Super-Mare, Kelvin Herbert Qs, kh-qs@outlook.com - The new nuclear power station construction is pulling in a lot of labour causing skill shortages in the surrounding areas.

Luke Roberts, Barnstaple, HDB Engineering Insurance, lukesta@live.co.uk - Interest rates, mortgage rates.

Malcolm White, Exeter, The Robinson White Partnership, malcolmwhite@robinson-white.com - Too many easy pickings in public sector adversely effecting private sector.

Martin Smalley, Bristol, Gleeds Cost Management Ltd, martin.smalley@gleeds.com - Continued inflationary pressures affecting the viability of private sector projects, and causing slow down in public sector as they can fund fewer projects. Planning in the city has impacted on the progress of projects and is deterring clients from developing coming to the city.

Mike Knight, Bristol, Michael Knight, mike@michael-knight.com - Shortage of staff.

Mr Joel Scragg, Weymouth, Casterbridge Land Surveys Ltd, casterlandsurv@gmail.com - Competition vs number of projects. Saturation of the market.

Neil Cornock, Bath, Emery Brothers Limited, lcornock@hotmail.co.uk - Lack of skilled labour.

Paolo Gilardoni, National, Greene King, pdgilardoni@gmail.com - Supply issues and import costs.

Paul Ashton, Ashburton, Devon, Dwelling Technology, paul@dwellingtechnology.co.uk - To much emphasis on building with weak materials such as straw bails and phenolic insulation. A return to understanding solid masonry construction needed.

Paul Butler, Exeter, Kier Integrated Services Limited, aulos01@googlemail.com - The two big infrastructure aches in the region, Hinckley Point and HMNB Devonport are drawing a lot of skilled labour in and leading to wage inflation within the remaining labour pool. Civils labour in particular seem less willing to travel. Electrical component shortages are also still an issue.

Peter John Endersby Mrics, Sidmouth, As Above, pjendersby@hotmail.com - High demand for reasonably priced work - area over heated.

Phil Lewis, Exeter, Randall Simmonds Llp, phil.lewis@randallsimmonds.co.uk - Delays in approvals and availability of bonds to SME's.

Philip Page, Salisbury, Philip Page Chartered Surveyors, pjpagehoughton@gmail.com - Lack of skilled labour.

Philip Rumbelow, Exeter, Wt Hills Ltd, philip.rumbelow@wthills.com - Lack of demand for private housing.

Philip Stuart-Harris, Bristol, Bailey Partnership, p.stuart-harris@baileyp.co.uk - The new Building Safety Act, notably cladding and fire safety in high-rise residential buildings as well as the RAAC issue will have a significant impact on the construction market in the South West and across the country, generating more work and increasing complexity of projects.

Piers Owen, Redruth, Owen And Company, piers@owenandcompany.co.uk - Lack of sub contractors, various trades.

Robert Le Page, Channel Islands, Robert W Le Page Architects & Chartered Surveyprs, architect@rwlp.co.gg - Lack of skilled labour.

Rod Whiting, Bristol, Atkinsrealis, rod.whiting@atkinsrealis.com - Hybrid working.

Russell Porter, Teignmouth, Porter Planning Economics Ltd, rporter@porterpe.com - Changes in building regulations.

Ryan Hobbs, Bristol, Department For Education, r_hobbs@hotmail.com - Cost of living crisis has affected people's ability to achieve a healthy work / life balance and has significantly impacted morale and productivity.

Simon Carey, Gloucester, Barnwood Ltd, simoncarey@barnwood.co.uk - Delay caused by Planning Decisions, availability and cost of utilities affecting site viability.

William Howard, Bristol, W P Howard Chartered Building Surveyors, williamphoward@btinternet.com - Huge shortage of labour force due to Brexit experienced by clients leading to closure of some sectors.

Wales

Andrew Davies, Swansea, Hurley And Davies, andrew@hurleyanddavies.co.uk - Stop start threat of major infrastructure investment, blows hot and cold and affects other schemes.

Christian James Davies, Swansea, Scp Construction Cost Consultants Ltd, cd@scpqs.co.uk - General skills shortage across all sectors of the industry.

Claire Louise Deacon, Haverfordwest, Marloes Conservation Limited, marloesconservation@tytwt.co.uk - Very limited quality contractors including low carbon technology suppliers available.

Howard Eynon, West Wales, H. R. Eynon Chartered Surveyor, howardeynon@btinternet.com - Section 106 contributions. Availability of small building contractors.

Ian Waite, North Wales, Williamson Technical Services Limited, williamsonts@aol.com - Lack of investment in power generation.

Lee Bishop, Cardiff, Chessmann, lbishop@chessmann.co.uk - Constriction cost inflation coupled with the increase in the cost of borrowing has led to numerous schemes being cancelled or postponed.

Mark Sanders, Carmarthen, Gerald Blain Associates Ltd., mark@geraldblainassociates.co.uk - Affordable housing contributions.

Martin Guy Thomas, Pembroke, South Meadow Homes, guy@guythomas.com - As a welsh SME Housebuilder, we are concerned that our devolved government is not supportive of our potential contribution to produce smaller projects. Examples include onerous a/h levels, misunderstanding of viability, administrative overkill.

Matt Potter, Aberystwyth, LEB Construction Ltd, matt@lebconstruction.co.uk - Geographically difficult supply chain.

Nick Simpson, Cardiff, Bruton Knowles, nick.simpson@brutonknowles.co.uk - Planning delays and other statutory approvals e.g. SAB.

Richard Blakemore, Barmouth, FR Consultants Ltd, richard@frconsultants.co.uk - Release of government funding.

Terence Jones, Swansea, Terry Jones Cqs Ltd, terry.qs@btinternet.com - Reduction in projects funded or partly funded by the Welsh Government due to the impact of increased costs on the Governments budget.

West Midlands

Chris Lewis, Birmingham, Balfour Beatty, chrislewis1184@gmail.com - The biggest risk to the construction market is undoubtedly this UK government who continually undermine investor confidence through sabotaging construction projects that are already underway. In doing so they are causing significant harm to all stakeholders and the industry as a whole.

David Edward Borasinski, Stoke-On-Trent, David.B Limited, david.borasinski@outlook.com - Lack of investment.

David James Jackson, Coventry, Sole Trader - Self Employed, djj88888@gmail.com - Materials quotes and tender prices only being held for very short periods due to uncertainty.

Dean Weldon, Coventry, Deeley Group, dean.weldon@deeley.co.uk - Increased Borrowing Costs and Planning Delays causing additional inflation.

Gary Hough, Birmingham, Haystoun Construction, gary.hough@live.com - The Birmingham City Council bankruptcy has affected market confidence.

Ian Billington, Worcester, I Billington Surveying Services Ltd, icbillington853@gmail.com - Lack of specific specialist subcontractors for hi-tech buildings.

Ian Holloway, Birmingham, M&B, ian.holloway@mbplc.com - We are seeing suppliers go into administration, currently easily backfilled, but with some cost to projects and resource to sort.

Ian Vogwell, Birmingham, Soundwall Services Ltd, vogthebuilder@aol.com - Pausing of HS2 Birmingham to Manchester.

John Beggan, Sutton Coldfield, Felton Consult, johnb@feltonconsult.co.uk - Clients focusing on cost and return over and above value.

Joshua Goodwins, Wolverhampton, Housing Plus Group, joshua.goodwins@housingplusgroup.co.uk - Rising material costs and as a result tender submissions.

Mark O`Neill, Birmingham, Arcadis, mark.oneill@arcadis.com - Political will with current government to proceed with growth plans so close to a General election and the defunding of City Council budgets.

Martin Perks, Birmingham, National Highways, msperks@gmail.com - Change to IPD mindset.

Matthew Underwood, Worcester, Lioncourt Homes Ltd, mattunderwood@lioncourthomes.com - Local Authority delays and lack or resource i.e. Planning Consents, Section Agreements, Consultation etc.

Michael Howard Byng, Birmingham, MBPC Infrastructure Limited, michael.byng@michaelbyng.com - Likely change of control of Central Government in 2024.

Michael Roach, Tamworth, Roach Hunt Partnership, michaelroach@roachhunt.co.uk - Delays in Planning and land purchase.

Mike Foster, Birmingham, Off Developments Ltd., mr.mikefoster@ntlworld.com - Too little operatives for too much work equals a fickle workforce.

Nigel Himpson, Birmingham, Wakemans Limited, n.himpson@wakemans.com - Lack of resource in local authority departments to deal with planning applications and discharging conditions.

Nigel Parkinson, Leicester, Salus Approved Inspectors, nigeparky@gmail.com - Building Safety Regulator.

Phil Hodges, Birmingham, Ridgeways, phil@ridgewaysqs.co.uk - Comments from Main and Sub-contractors of concerns about reduced workload in general housing, however, high value private housing still seems buoyant. Developers facing far higher funding costs than planned due to increased interest rates with adverse affect on margins.

Rex Ford, Birmingham, P. R. Willmouth & Associates, rex.prwillmouth@gmail.com - Following the issues of Birmingham City Council and stopping HS2 north of Birmingham we need to inject confidence in the Construction Industry.

Ryszard Jan Kawak, Stoke-On-Trent, Townsend And Renaudon, ryszard.kawak@t-and-r.co.uk - LA Planning Constraints and time to obtain permissions.

Stephen Davies, Worcester, Ribbesford Property Services Ltd, sdavies152120689@aol.com - Planning continues to have a dramatic delaying impact. Also in a connected way, the lack of ecologist resource is negatively impacting the industry.

Stephen Gilhooly, Birmingham, R G Commercial Limited, steve@rgcommercial.co.uk - HS2 is affecting the procurement of Labour, Plant & Materials.

Stephen Groves, Birmingham, National Highways, stevencatherine@virginmedia.com - Planning delays caused by environmental groups challenging DCO decisions are causing massive delay and huge costs to infrastructure projects.

Stewart Williams, Birmingham, Faithful + Gould, stewart.williams@fgould.com - The strive towards NZC carries a substantial cost premium which clients, both private and public sector, are unwilling to accept and thus NZC projects are scaled back to suit their budgets.

Tony Milner, Droitwich, Weatheroak Projects Limited, tony.milner34@gmail.com - Investment value.

William Donohoe, Birmingham, The Hub Consulting Limited, Redditch, Birmingham., liam@brandkirk.co.uk - High quality professionals.

East Midlands

Adrian Cox, Nottinghamshire, Recently Retired, adrianpcox@btinternet.com - Opportunities for end user sales.

Barry Hodgson, Chesterfield, Merlin Design And Survey Partnership, barryjhodgson@yahoo.co.uk - The main issue affecting the construction market is the relatively high interest rates.

David Morris, Wellingborough, Tompkins Robinson Surveyors, davidm@tompkinsrobinsonsurveyors.co.uk - Planning delays continue to frustrate.

Eleftherios Patsalides, Leicester, John Lester Partnership Limited, lefty@jlpqs.co.uk - Delays in achieving planning.

Jonathan David English, Nottingham, Jonathan English Associates, info@jeacs.co.uk - Interest rates increases, inflation and forthcoming general election.

Martin Pape, Boston Lincolnshire, H H Adkins Contractors Ltd, mpape@btinternet.com - Business confidence and compliance driven R & M works particularly in food processing, storage and logistics.

Niall Macinnes, Wellingborough, Mott Macdonald, n.macinnes@sky.com - Need to outsource skills to cheaper countries. Need for client organisations to upskill, change leadership culture and people, simplify process to add value.

Patrick Furlong, Peterborough, Jjmac Limited, pfurlong@jjmac.co.uk - Reduction in speculative builds.

Stephen Leech, Wellingborough, Steve Leech Associates Ltd, steve@steveleech.co.uk - Low demand.

Eastern

Alastair Gibson, Cambridge, Sherriff Tiplady Associates Ltd, a.gibson@sta-cambs.co.uk - Working in Cambridge we are involved in a lot of university and college buildings where work is always ongoing so keeping local contractors busy.

Alexander Poole, Essex, Hezekiah Consulting Limited, alexpoole2@hotmail.com - Speed of planning consents, development of infrastructure and utilities.

Daniel Fordham, Norwich, Nps Property Consultants Ltd, daniel.fordham@nps.co.uk - Lack of contractors (medium size).

Jackie Bircham, Norwich, G&J Bircham Ltd, jmbircham@hotmail.com - Planning, nutrient neutrality.

Michael Timothy Lawton, Flitwick, Retired, michael@trinitysolutions.org.uk - Incompetence amongst the professional teams: architects, surveyors, engineers, project managers. Poor design and management severely hampering the time, cost and quality of the contractors.

Nick Pacey, Milton Keynes, Pacey & Associates, npacey@outlook.com - Private chartered surveyors undertaking valuation of residential property.

Saul Humphrey, Norwich, Saul D Humphrey Llp, saul@sauldhumphrey.com - Net Zero.

Steve Devoy, Cambridge, SDA Consultancy Ltd, steve@sda-consultancy.com - Lengthy planning process.

Stuart Goodchild, Cambridge, 3G Construction Consultants Ltd, stuart@3gcc.co.uk - Overall situation where local demand exceeds the local labour market in all aspects.

Tim Boucher, Norwich, Oxbury, timboucher@oxbury.co.uk - Nutrient Neutrality is ruining the local residential sector output, job losses and housing shortages are inevitable.

Scotland

Alan Prenty, Glasgow, Soben Cc Ltd, alanprenty@btinternet.com - Government uncertainty for rail projects.

Brian Duthie, Aberdeen, Aberdeenshire Council, brian.duthie@aberdeenshire.gov.uk - Lack of skill all round.

Christopher Alexander Marshall, Perth, Agb (Scotland) Ltd, marshall.chris@btinternet.com - Lack of skill amongst the Design Team has had an impact within our construction market. Much more expected of the contractor, usually unpaid.

Craig Mckenzie, Glasgow, Brown + Wallace, craig06@btinternet.com - Scope of pre-fabrication and modulerisation.

Cyril Leonard Farleigh, Glasgow, Farleigh Associates Chartered Surveyors, cyril@farleighcs.com - Shortage of trained labour and the shortage of young persons for apprenticeships. The slow and poor performance by Building Standards and Planning Departments.

David Fortune, Greenock, Galbraith & Lawson, dfortune@galbraithlawson.co.uk - Poor management of Local Authority Planning Department decisions. Distinct lack of energy and imagination from elected personnel and Local Authority Officers. Low investment and interest in a deprived areas of the UK.

David Macdonald, Glasgow, JC+P, david.macdonald@jcandp.co.uk - Shortages of skilled labour is the main issue - less supply with the same demand has increased costs. Brexit and an inept Westminster government lurching from crisis to crisis, changing leaders and ministers at a whim has reduced confidence.

David Shaw, Edinburgh, Torridon Cost Consultancy, david@torridon.co.uk - Pricing volatility has improved in the last quarter, giving clients more confidence to invest in their projects. However, this is still balanced with financing challenges. Availability of QS professionals in the market (particularly at senior and associate levels) remains a challenge.

Gary Wilson, Inverness And Aberdeen, Wsd Scotland, gary@wsd-inverness.co.uk - Delays with planning.

Ian Differ, Glasgow, CBA Qs Ltd, ian.differ@cba-qs.com - Lack of affordable funding / increased interest rates.

Lesley Brown, Glasgow, Jacobs, lesley.brown@jacobs.com - Lack of Government funded projects.

Liam Spence, Shetland, Ditt Construction Ltd, liam@ditt-shetland.co.uk - There is currently a major shortage of labour.

Lorna White, Edinburgh, Rjt Excavations Ltd, lwhite@rjtexcavations.co.uk - Budget constraints impacting massively due to costs increasing over the past 3 years.

Mark Dempsie, Glasgow, Redefinebdl Management Ltd, mdempsie29@gmail.com - Cost of debt is making it more difficult to develop rather than refurbish / repurpose.

Mark Woods, Glasgow, Construction Industry, mark@crawfordmech.co.uk - We operate in a commercial/industrial plumbing and mechanical marketplace and have found the difficulty in securing labour at a reasonble rate to be of hinderance to our ability to tender and complete projects.

Neil Mcdougall, Edinburgh, Glasgow, Structured Property Consulting, neil@structuredpc.com - Public transport and local accessibility issues.

Scott Bradshaw, Glasgow, Nbm Construction Cost Consultants, scott.bradshaw@nbm.bz - Working from home and the fallout from flexible working brought about by covid.

Stewart Marshall, Glasgow, SW, stew.marshall@btinternet.com - Overheating market due to power utilities monopolising and inflating professional resources.

Stuart Robinson, Edinburgh, Cba Qs Ltd, stuart.robinson@cba-qs.com - Planning delays.

Terence Stevenson, Glasgow, Babcock International, terrystevenson1964@gmail.com - Availability of specialist subcontractors.

Thomas Martin, Glasgow, Martin Aitken Associates Ltd, tom.martin@martinaitkenassociates.co.uk - Planning, building control, roads, Scottish Water delays to projects.

Northern Ireland

Adrian Petticrew, Belfast, Kier Utilities, adrian.petticrew@kier.co.uk - Lack of a government in Stormont is the single biggest challenge faced by the NI Construction Industry combined with major cuts to public expenditure in all sectors.

Arthur Connell Nugent, Newry, Young -Nugent, achn488@outlook.com - Interest rates rising.

David Murray, Bangor, Moore Macdonald & Partners, david@mooremacdonaldandpartners.co.uk - Lack of government in Northern Ireland.

Fred Rea, Belfast, PQS Chartered Quantity Surveyors, fred@projectqs.com - Shortage of labour and materials.

Gerard Casey, Belfast, Gerard I Casey Chartered Quantity Surveyor, gicaseycqs@btconnect.com - Lack of devolved government in Northern Ireland and associated accountable leadership has had a major negative impact on all areas of construction in the region.

Gerard Lundy, Belfast, Graham Asset Management Ltd, gerard.lundy@graham.co.uk - Within Northern Ireland and specifically relating to public sector procurement, the lack of devolved government is causing ongoing industry issues, including funding concerns, shelving of procurements and pipeline visibility.

James Sammon, Derry, Sammon, j.sammon@sammon.eu - Lack of government is having a dragging effect on the economy.

Mark Lynch, Belfast, Lotus Homes, mark.lynch@thelotusgroup.co.uk - Working in the housing market is proving difficult. The high cost of living paired with current inflation hikes have seriously impacted upon our potential customer base. Projects are running at a rate of downturn, with others shelved in the interim, pending economic improvements.

Michael Mccaughey, Dungannon, Director, info@mjmccaughey.com - Political stalemate is holding back approvals for projects.

Paul Jude Brogan, Lisburn, John Mcquillan Contracts, paul.brogan@mcqcos.com - Continuing lack of a government is leading to unfavorable budgets being forced on the region by Westminster. Lack of accountability of Government departments due to no ministerial leadership.

Raymond Murphy, Belfast, Civil Service, raymond.murphy@finance-ni.gov.uk - Funding for Public Sector work has been negatively affected by lack of funding availability due to budget cuts.

Roan Robinson, Belfast, ESC Construction Consultants, roan@email.com - Lack of leadership in government.

Methodology

The RICS UK Construction Monitor is a quarterly sentiment survey of Chartered Surveyors who operate across the UK. Data collection began in 1994 with additional questions introduced subsequently.

https://www.rics.org/uk/news-insight/research/market-surveys/

Total responses in Q3 2023 = 1355

Regions:

- The 'headline' national readings cover Great Britain.
- Specifically, the five regions that comprise the national figure are: (1) London and South East, (2) South West/Wales, (3) Midlands/East Anglia, (4) North West/ North East/ Yorks & Humber, and (5) Scotland. Data on Northern Ireland are not included in the headline figure.
- National data are regionally weighted.

Sectors:

"Other public works" comprises factories, warehouses, oil, steel, coal, schools/colleges, universities, health, offices, entertainment, garages, shops and agriculture.

For sector definitions, http://www.ons.gov.uk/ons/rel/construction/construction-statistics/no--16--2015-edition/pdf-construction-statistics-appendix-2.pdf.

Net balance data:

- Net balance = Proportion of respondents reporting a rise in prices minus those reporting a fall (i.e. if 30% reported a rise and 5% reported a fall, the net balance will be 25%).
- The net balance measures breadth (how widespread e.g. price falls or rises are on balance), rather than depth (the magnitude of e.g. price falls or rises).
- Net balance data is opinion based; it does not quantify actual changes in an underlying variable.
- Net balance data can range from -100 to +100.
- A positive net balance implies that more respondents are seeing increases than decreases (in the underlying variable), a negative net balance implies that more respondents are seeing decreases than increases and a zero net balance implies an equal number of respondents are seeing increases and decreases.
- Therefore, a -100 reading implies that no respondents are seeing increases (or no change), and a +100 reading implies that no respondents are seeing decreases (or no change).
- In the case of the RICS price balance, a reading of +10 should not be interpreted as RICS saying that house prices are going up by 10%, but that 10% more surveyors reported increases rather than decreases in prices (over the last three months).

Questions Asked:

1a. How has the level of workloads changed over the last three months?

1b. Which sector do you think will see the strongest growth in output over the coming twelve months?

2a. How have infrastructure workloads changed across the following sub-sectors over the past three months?

2b. Which infrastructure subsector do you think will see the strongest growth in output over the coming 12 months?

3. How has the total level of New and R&M workloads changed over the past three months?

4. How have business enquiries for new projects or contracts fared in the past three months?

5. Have you hired anyone new (additional) in the past three months to support new workloads?

6. Have any of the following factors negatively impacted building activity over the past three months?

7. Has your company (or your contractors) experienced skills shortages in the past three months for the following occupations?

8. How have credit conditions changed over the past three months? How do you expect credit conditions to change over the next three/twelve months?

9. What are your company's expectations in each of the following areas over the next 12 months? (Workloads, headcount, profit margins)

11. How do you expect the following to change over the next twelve months?(Tender prices, construction costs, material costs, labour costs)

12. What are your company's investment intentions over the next 12 months?

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Delivering confidence

We are RICS. Everything we do is designed to effect positive change in the built and natural environments. Through our respected global standards, leading professional progression and our trusted data and insight, we promote and enforce the highest professional standards in the development and management of land, real estate, construction and infrastructure. Our work with others provides a foundation for confident markets, pioneers better places to live and work and is a force for positive social impact.

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