



## Q3 2021: RICS UK Construction and Infrastructure Monitor

# Activity still strong but access to building materials and skilled labour presenting significant challenges

- Workload trend remains firm, led by infrastructure
- Problems around sourcing materials cited by nine in ten respondents
- Further cost increases over the next year will impede profits recovery

The Q3 2021 UK Construction and Infrastructure Monitor suggests that supply chain pressures are continuing to intensify across the sector with workload momentum remaining positive, albeit slightly less so than previously when measured in net balance terms. Meanwhile, forward-looking indicators around activity point to the sector continuing to experience strong growth over the course of the next twelve months.

### Workload trend remains solid

The headline Q3 reading capturing activity in the UK Construction and Infrastructure sector slipped back slightly from the previous three month period, but remains comfortably in positive territory (net balance of +33% as against +38%). Feedback to the survey suggests that infrastructure is the sector with the strongest momentum at this point (+47% compared with +45% in Q2) followed by private housebuilding (+42%). Unsurprisingly, private commercial (which includes office and retail developments) is the sector showing the slowest uplift in activity but the +19% net balance indicates that even this more challenged area (in the face of structural headwinds) is seeing business improve and projects resume.

Within the infrastructure space, respondents to the surveys were positive on activity in all the sub-sectors that we monitor. However, the feedback was particularly upbeat for energy (+51%) and roads (+49%). Water and sewerage workloads followed this, with a reading of +41%.

### The challenges for the industry mount

Each quarter the RICS survey asks questions about major impediments to activity faced by developers. Since the beginning of 2020, concerns around the availability of building materials has been growing. In the final quarter of the previous year, just 14% of respondents indicated that this was an issue for them. Four quarters later, it had jumped to over half of all respondents identifying this issue and, since then, it has continued the rise. The Q3 2021 results show that 89% of contributors believe this to be a problem, which is the highest proportion since the series began in 2012. Comments from

contributors highlight a broad range of building products where availability is an issue. Alongside this, there are increasing concerns about being able to source sufficient labour. In the latest survey, this issue was cited by over 80% of respondents which compares with two-thirds in Q2 and 42% in the first three months of the year.

The problem around labour looks fairly broad based with the share pointing to difficulties in sourcing blue collar workers climbing from 46% to 55% and the comparable figure for quantity surveyors rising from 45% to 54%. Within the former category, bricklayers appear the standout problem with 69% of contributors drawing attention to shortages of this particular skill but carpenters, plasters, electricians and plumbers are not far behind. Perhaps because of this, investment intentions around workforce development and training have risen of late with the net balance reading increasing to +37% compared to +30% in Q2 (and +15% a year ago).

### Activity likely to stay strong but margins will lag

Business enquiries remained firm in the third quarter (+40%) which is consistent with generally upbeat expectations for activity looking into 2022. Although the headline workload expectations metric is down from Q2, at +44%, it remains indicative of a positive trend. Within this, the forward looking guidance around infrastructure is predictably most upbeat but private residential remains not far behind, despite the expiry of the stamp duty break and the tapering of the help to buy scheme.

Notwithstanding the points made earlier around labour and skills shortages, employment in the construction industry is anticipated to continue rising with a net balance of +45% envisaging such an outcome. By way of contrast, expectations around a profits recovery are rather more guarded with a net balance of just 2% seeing an uplift in margins over the next twelve months. Although tender prices are projected to increase by close to 8% over the period, construction costs are seen as more than matching this at an aggregated level, with materials costs viewed as likely to rise by around 10%.

# Key indicators

Chart 1

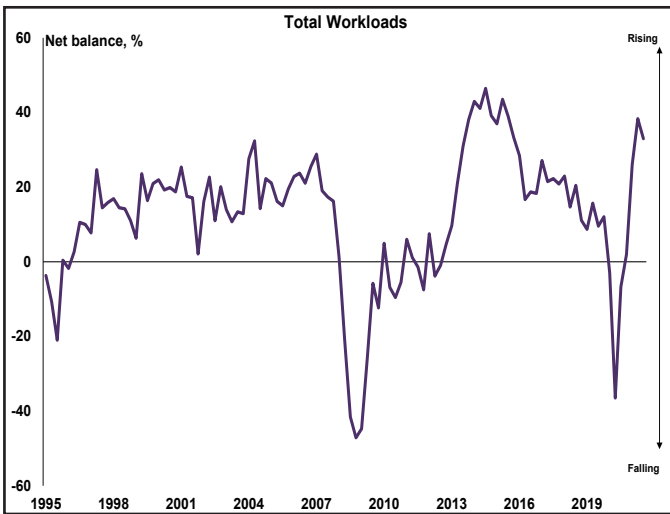


Chart 2

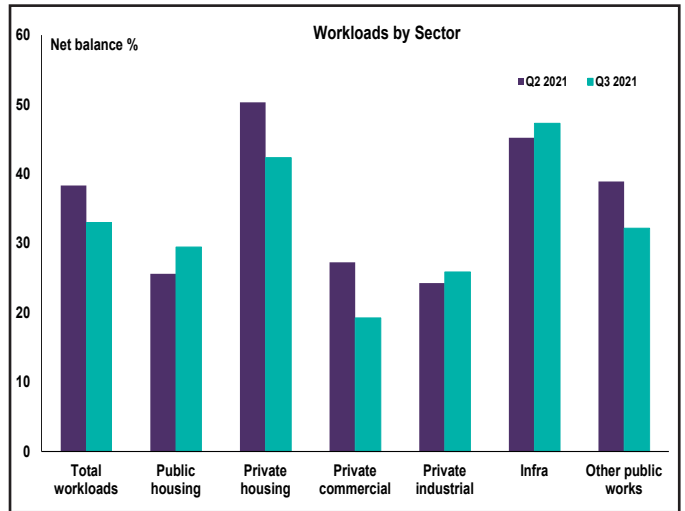


Chart 3



Chart 4

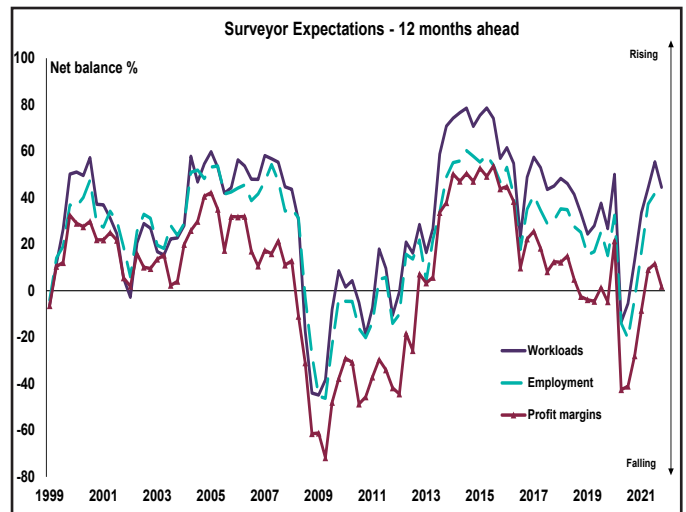


Chart 5

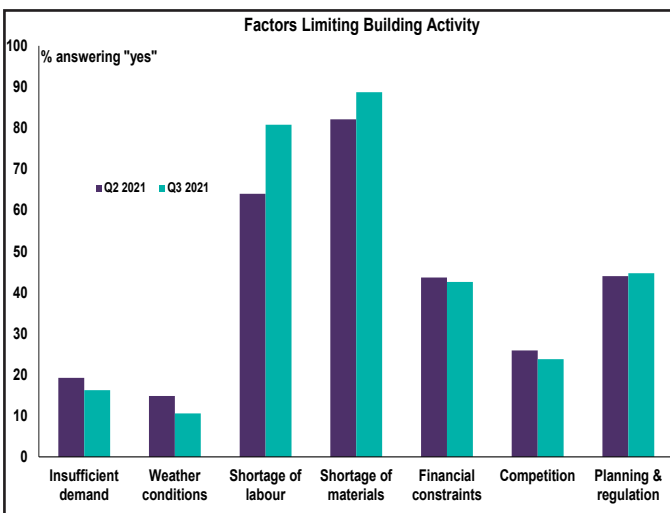
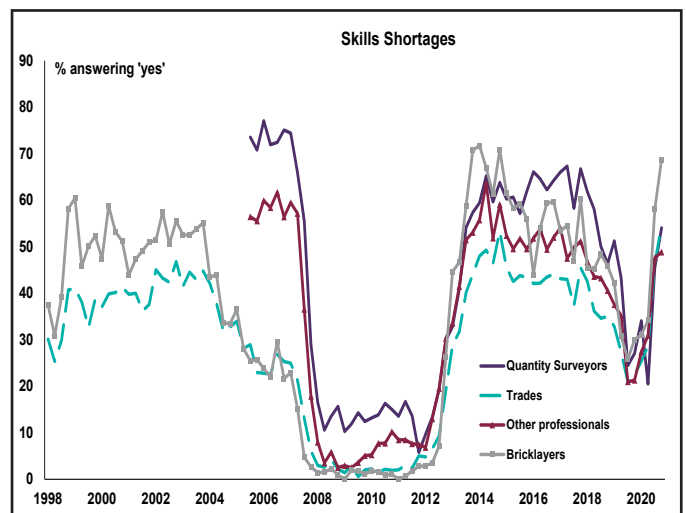


Chart 6



# Key indicators

Chart 7

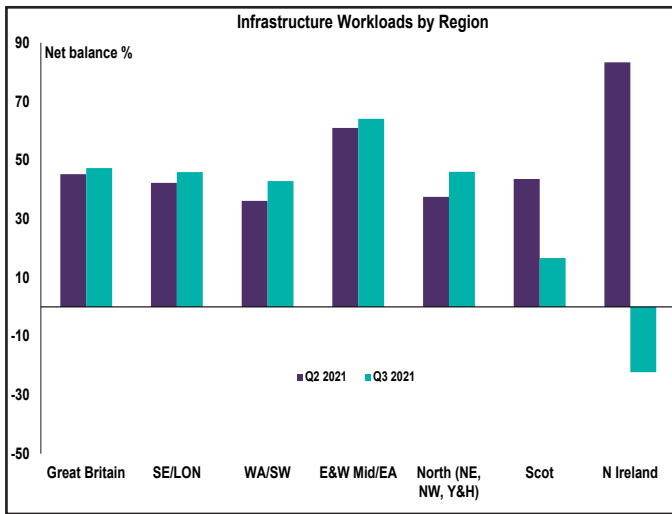


Chart 8

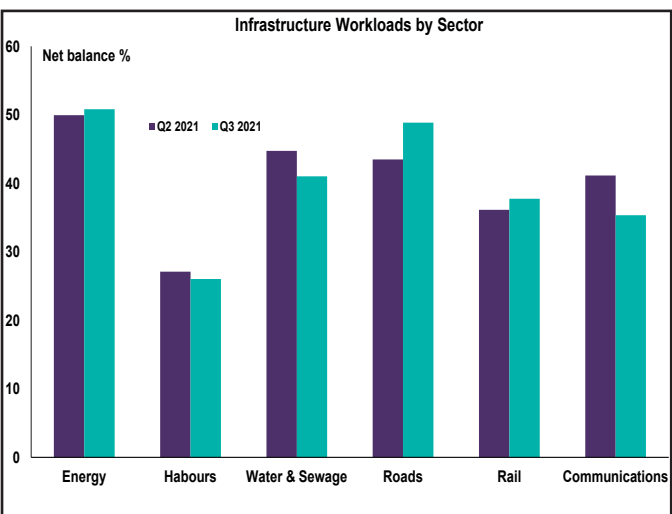


Chart 9

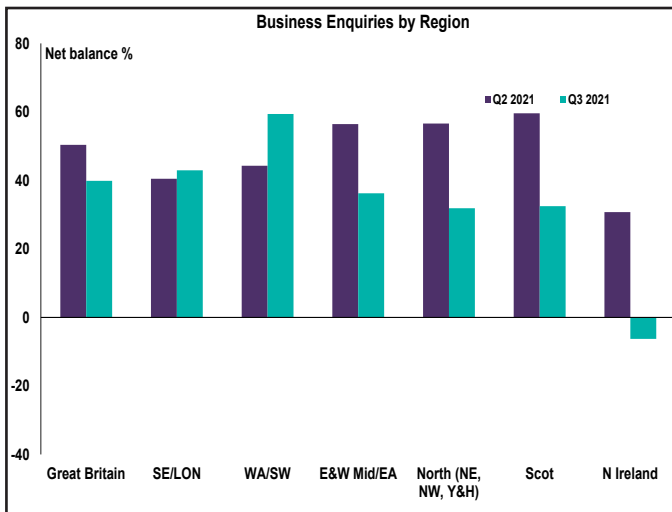


Chart 10

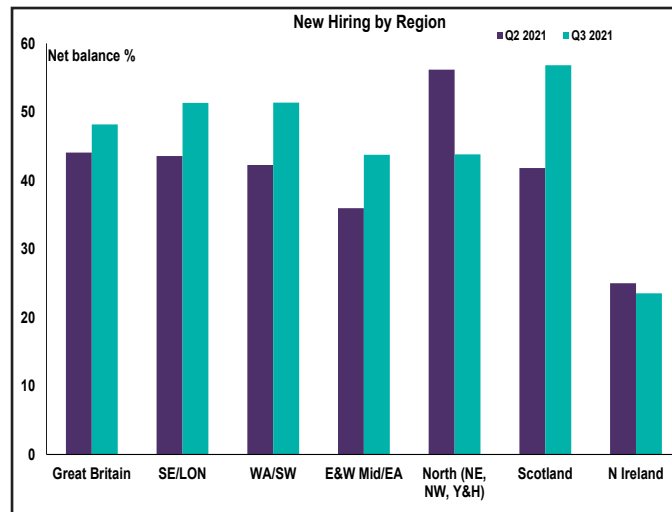


Chart 11

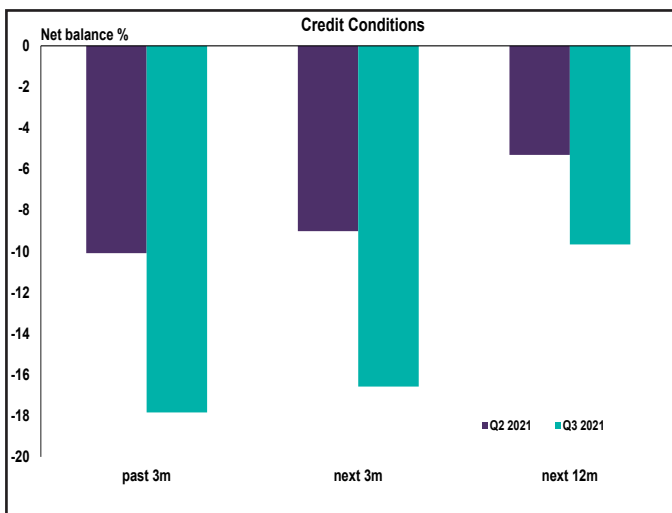


Chart 12



# Key indicators

Chart 13

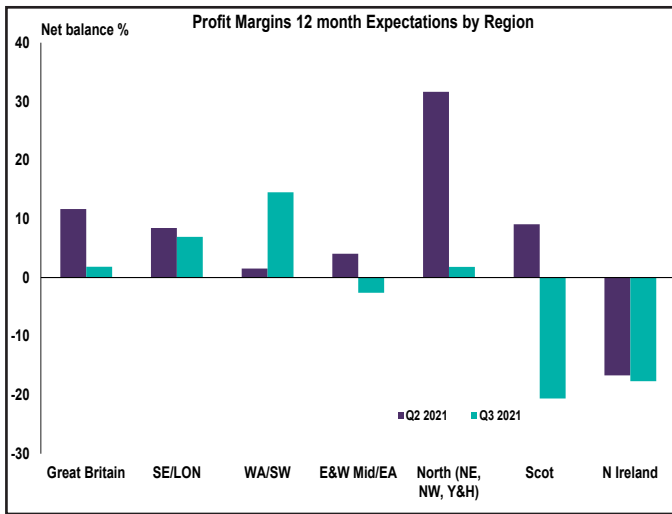


Chart 14

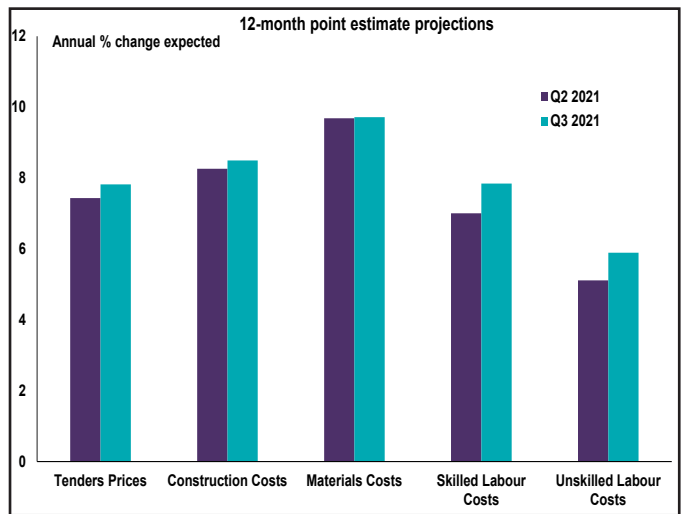
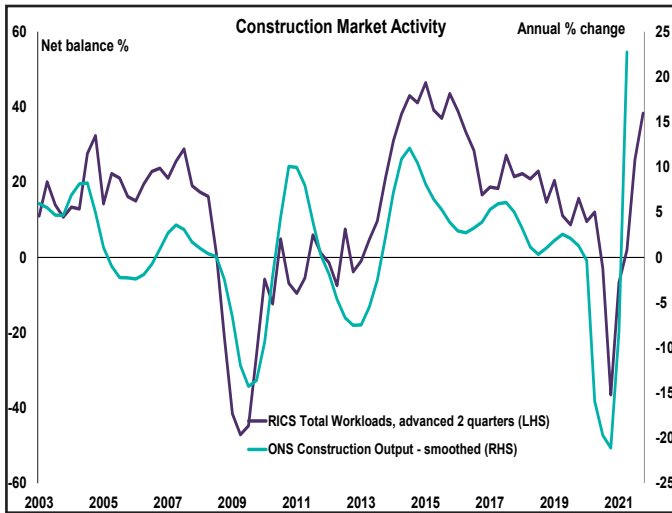


Chart 15



# Chartered Surveyor market comments

## London

Adam Forster, London, SPS associates ltd, adam@sps-associates.co.uk - Scaffolding shortage.

Alex Canham, Banbury, CLoSE UK Ltd, alexcanham@outlook.com - Availability and delivery of materials.

Alexander Francis, London, PureGym, alex.chris.francis@gmail.com - Brexit.

Andrew Jeffery, London, Ankura, andrewbrianjeffery@gmail.com - Reluctance to move / travel.

Andrew Turner, Uxbridge, ATC Ltd, andrew@aturner.co.uk - Significant differing views from one contractor to another on market conditions and pricing of work.

Andrew White, London, WT Partnership, andrew.white@wtpartnership.com - HGV drivers and fuel supply.

Bill Nancarrow, London, Cushman & Wakefield, bill.nancarrow@cushwake.com - Brexit impacting materials costs from the EU.

Blair Money, London, CIRC Construction Management Limited, blairmoney1@hotmail.com - Government & planning requirements for developments are increasing.

Carl O'Boyle, London, Tayross, carl@tayross.com - Lack of qualified trades and young surveyors.

Charles Digby Hobson, London, Brack Meekins Partnership, digby@qs-1.com - Lack of materials and labour is delaying work and pushing up prices.

Christian Potiriadis, London, Godfrey Group Limited, potiriadis@gmail.com - Delays in planning are crippling pipeline of projects coming to market.

Coert Erasmus, London, Turner & Townsend, coert.erasmus@turntown.co.uk - Clients pivoting and changing business strategies.

Dalraj Singh Bencil, London, Bencil Partnership Ltd, raj@bencilpartnership.co.uk - Lack of labour, both skilled and unskilled, uncertainty on price of materials.

Dan Struthers, London, Spring Building Consultancy, danstruthers1@gmail.com - Lack of skills and knowledge in areas of growing importance (e.g. 'net zero').

Daniel Jarvis, London, Gardiner & Theobald LLP, d.jarvis@gardiner.com - Delivery of materials purchased from the EU market.

David O'Keeffe, London, Underwood Carpenter, davidokeeffe62@yahoo.co.uk - Impact from Covid - individuals needing to isolate - particularly for skilled labour.

Fabrice Davis, London, Bouygues UK Ltd, fabricedfavis87@gmail.com - Feels like big businesses are controlling the market to their advantage. Concrete, steel and plaster.

Huw Thomas, London, Treharne Building Consultancy Limited, hthomas@treharne-bcl.co.uk - Awareness of building labour shortage has caused one contractor to increase wages 20% to keep workforce.

Jack Austin, London, Cumming Group, jack.austin@cumming-group.com - Labour shortage and material price increases in steel, glass, aluminium.

James Dugan, London, Delcon Construction Ltd, duganj38@hotmail.com - Steelwork & plastering labour is scarce. The fuel crisis created a blip in concrete deliveries.

James Griffib, London, Milford Project Management LLP, jssgriffin99@aol.com - Rising cost of Labour and materials.

James Mummery, London, Ardent, jamesmummery@ardent-management.com - Materials supply is affecting construction projects.

Liam Davenport, London, Engie, mrliamdee@gmail.com - Client funding.

Matt Glitz, London, FK Restoration, matthew.glitz@fk ltd.co.uk - Small projects workload is increasing but threatened by cost increases and supply decreases.

Michael O'Connor, London, Burberry, michael.oconnor@burberry.com - Steel supplies are low and on very long lead times.

Ms Sriyani Harper, Mrics, Aciarb Director, Clr Associates Ltd, London, CLR Associates Ltd, sriyani.harper@clrassociates.co.uk - Fallout from Brexit factors and restrictions in trade due to Covid-19 since March 2020.

Nasser Rezayai-Rad, London, Westminster City Council, nra1339@yahoo.co.uk - Lack of skilled professionals.

Patrick Daly, London, Frencon Construction Ltd, patrick88daly@gmail.com - Materials and skills shortages are the two major issues in the industry right now.

Paul Hands-Wicks, London, J.P.Jelly & Partners, paul@jpjelly.co.uk - Lack of confidence in the market.

Paul Kelley, London, Metcalfe Briggs Surveyors, paul.kelley@metcalfebriggs.co.uk - Building surveyor remuneration costs too high to make their employment viable.

Paul Knight, South West London and Suburbs, Paul D Knight, pdknightsurveyor@gmail.com - Covid and job losses are creating little interest for clients to build extensions/conversions.

Philip John Roy, Dromore, County Down., Greencastle Surveying Limited, pjroy@jcoffey.com - Tender prices will rise with industry costs but margins will be trimmed to secure turnover.

Richard Mawson, London, Regal London, rdmaison@me.com - Flexibility of planning regulations and the ability / appetite to facilitate new work.

Richard Melling, London, J3 Partners, richard.melling@j3partners.co.uk - Material availability.

Richard Petterson, London, Hother Associates LLP, rpetterson@hother.co.uk - The combined effects of Brexit and COVID 19 continue to negatively impact all construction processes.

Roger Grove, Chelsea, Grove and company, roger.grove@groveandcompany.com - Labour shortages for EU workers.

Rory MCGovern, London, DML, rory@dml-group.com - It is hard to get resource either design or on site at the minute.

Ross Vanson, New Cross, London, J Murphy & Sons Limited, rossvanson96@gmail.com - M&E and tunnelling resources limited.

Simon Britton, London, Artelia Projects UK, simon.britton@uk.arteliagroup.com - Shortages of labour and materials have led to a significant increase in costs.

Simon Jones-Davies, London, Linesight, simon.jones-davies@linesight.com - Labour and material shortages.

Stephen John Brown, London, CDM Project Services, stevebrown@cdmprojectservices.com - Land price.

Steve Peggs, London, Network Rail, peggssteve@hotmail.com - Price increases and labour shortages.

Stuart Johnson, London, Stuart A Johnson Consulting Limited, mail@sajohnson.com - Disappointingly, widespread misunderstandings continue about sustainability and environmental topics.

Syreeta Robinson-Gayle, London, Barratt Homes, syreeta.robinsongayle@barrattlondon.com - Staff shortages, transport effects.

Thomas Power, London, Harridge Developments, thomaspower4@yahoo.ie - Planning is too slow and too restrictive.

# Chartered Surveyor market comments

Tony Jacob, London, Digital Realty, [toniy@jacob1.waitrose.com](mailto:toniy@jacob1.waitrose.com) - Brexit, COVID, supply chain logistics.

William Noble, London, Unite Students, [w.noble2@icloud.com](mailto:w.noble2@icloud.com) - Land shortage.

Yiannaki Stavrou, London, YS Associates London Ltd, [yian@ys-associates.co.uk](mailto:yian@ys-associates.co.uk) - Material price increases and labour shortage is negatively impacting projects which are currently on.

## South East

Alison Maddison, Watford, CLPM Ltd, [alison.maddison59@gmail.com](mailto:alison.maddison59@gmail.com) - Lack of confidence is delaying decision making.

Angus Stronach, South of England, Arlington, angus.stronach@arlington.com - Lead times for material supplies are causing an issue.

Annie Thomas, Surrey, Faithful+Gould, [annie.thomas@fgould.com](mailto:annie.thomas@fgould.com) - New Building Safety Bill.

Anthony Stockley, Tunbridge Wells, Gleeds, [tony.stockley@gleeds.com](mailto:tony.stockley@gleeds.com) - Banks not lending money to developer contractors.

Clive Rowe, Poole, Dorset Joinery Ltd, [qs@qsworks.co.uk](mailto:qs@qsworks.co.uk) - As forecast by 'Project Fact' Brexit has been and will continue to be disastrous.

David Pike, Surrey, Fileturn, [david.pike@fileturn.co.uk](mailto:david.pike@fileturn.co.uk) - Deliveries from Europe, shortage in skilled labour/trades.

Edward Hunt, Berkhamsted, Edward Hunt & Co, [edward@edwardhunt.co.uk](mailto:edward@edwardhunt.co.uk) - Simple residential planning applications should be fast tracked by Local Authorities.

Edward Kannemeyer, Godalming, Drake & Kannemeyer, [e.kannemeyer@dkgroup.co.uk](mailto:e.kannemeyer@dkgroup.co.uk) - Uncertainty as to new fire standards for existing buildings.

Harry Alexander, Chichester, BAQUS, [harry.alexander@baqus.co.uk](mailto:harry.alexander@baqus.co.uk) - Delays due to Brexit.

Jamie Halmonroyd, Grendon, CLoSE UK Ltd, [jamie.halmonroyd@closeld.co.uk](mailto:jamie.halmonroyd@closeld.co.uk) - Steel & timber shortages.

Jonathan Squire, Fareham, Holloway Squire Partnership Ltd., [jon@hspqs.co.uk](mailto:jon@hspqs.co.uk) - Transport and imports.

Joseph Ofosu-Appiah, Brighton and Hove, Brighton and Hove City Council, [jofosuappiah@aol.com](mailto:jofosuappiah@aol.com) - Covid-19.

Keith Gale, Winchester, Hampshire County Council, [keith.gale@hants.gov.uk](mailto:keith.gale@hants.gov.uk) - The recent shortage of HGV drivers is impacting on material deliveries and other resources.

Micaela Saunders, Maidstone, Prime Building Consultants, [micaela.saunders@primebc.co.uk](mailto:micaela.saunders@primebc.co.uk) - Brexit, the supply of materials and Labour.

Nick Pacey, Milton Keynes, Pacey & Associates, [surveys@psl-group.net](mailto:surveys@psl-group.net) - General lack of good site managers leading to an increase in defects claims in housing.

Nigel Randall, Mitcham, Centura group, [nigelrandall@btinternet.com](mailto:nigelrandall@btinternet.com) - Professional indemnity insurance costs and lack of skilled tradesmen.

Peter James Cooling, Surrey, Independent Living Ltd, [coolingp@hotmail.com](mailto:coolingp@hotmail.com) - Planning is becoming more and more complicated. Labour & material prices have risen, availability has fallen.

Robert Baker, Tunbridge Wells, Base Quantum, [robert.baker@base-quantum.co.uk](mailto:robert.baker@base-quantum.co.uk) - Temporary material shortages.

Steve Bucknell, Swindon, Fulcrum Development Consultancy Ltd, [steve@fulcrumdc.co.uk](mailto:steve@fulcrumdc.co.uk) - Delays in planning.

## North East

Alan Jacques, Newcastle Upon Tyne, Tolent Construction, [ajacques@tolent.co.uk](mailto:ajacques@tolent.co.uk) - Shortage of materials and resultant increase in costs.

Anthony Kay, Newcastle Upon Tyne, Classic Masonry Limited, [tony@classicmasonry.co.uk](mailto:tony@classicmasonry.co.uk) - Labour are restless, looking for improved wages. Materials are on longer lead times which needs planning.

Brian Bainbridge, Middlesbrough, Addison Plant Limited, [brian\\_bainbridge@sky.com](mailto:brian_bainbridge@sky.com) - Allocation of contractual risk is effecting tenders.

Matthew Dennis, Newcastle, Solomons Europe, [dennisemattthew@gmail.com](mailto:dennisemattthew@gmail.com) - Requirements for delivering power schemes in unrealistic programmes continuously.

Richard Lilley, Sunderland, Butler-Curnow building surveyors LLP, [richa.lilley@gmail.com](mailto:richa.lilley@gmail.com) - Material lead in times and contractor availability.

## North West

Alison Collins, Warrington, Keelagher Okey Klein, [alison@leecollins.co.uk](mailto:alison@leecollins.co.uk) - Tender prices are unstable and cannot be held long enough for lengthy approval processes.

Alistair Rose, Lancashire and South Cumbria, Lancashire and South Cumbria ICS, [alistair.rose1@nhs.net](mailto:alistair.rose1@nhs.net) - Contractor and materials availability slowing pace of investment.

Chris McNally, Manchester, Arcadis, [chris.mcnally@arcadis.com](mailto:chris.mcnally@arcadis.com) - COVID.

Christopher Atkinson, Blackburn, Blackburn with Darwen Borough Council, [christopher.atkinson@blackburn.gov.uk](mailto:christopher.atkinson@blackburn.gov.uk) - Rising material costs, lack of materials/poor supply chains and rising tender prices.

Crystal Jenkins, Preston, C Jenkins QS Services Ltd, [crystal@cjqs.co.uk](mailto:crystal@cjqs.co.uk) - Lack of affordable material is crippling firms I work with.

Daniel Tucker, Manchester, G+S, [86danieltucker@gmail.com](mailto:86danieltucker@gmail.com) - Haulage issues due to lack of drivers impacting supply chain.

David Alcock, Preston, DMA Associates, [davidalcoc@dma-associates.co.uk](mailto:davidalcoc@dma-associates.co.uk) - Contractors are busy, there may be increased difficulty in obtaining competitive prices.

David Long, Preston, John Turner Construction Group Ltd, [david.long@johnturner.co.uk](mailto:david.long@johnturner.co.uk) - Availability and associated price of resources.

David Williams, Manchester, Northwards housing, [dwilliams8@live.co.uk](mailto:dwilliams8@live.co.uk) - Delays to supply of materials from outside UK. Limited bidders for tenders due to private sector demand.

Frederick J Austen, Manchester, John Austen Associates Ltd, [info@john-austen.co.uk](mailto:info@john-austen.co.uk) - Shortage of cement and bricklayers.

Greg Gilding, Kendal, NWA Architectural part of North West Auctions L&K Group plc, [greg@nwauctions.co.uk](mailto:greg@nwauctions.co.uk) - Over regulation and an increasingly inflexible slow and expensive planning system.

Ian Tunnicliffe, Manchester, Ian Tunnicliffe Building Consultancy Limited, [ian@itbcuk.com](mailto:ian@itbcuk.com) - Shortage in materials and labour are delaying projects and increasing costs.

James Masterson, Manchester, J Hopkins (Contractors) Ltd, [james.masterson@jhopkinscontractors.com](mailto:james.masterson@jhopkinscontractors.com) - Labour and materials - both hard to find and both getting more expensive.

Jemima Horn, Manchester, Lane End Group, [jemimahorn@outlook.com](mailto:jemimahorn@outlook.com) - Timber materials.

Josh Terry, Manchester, Hargreaves Jones, [josh.terry.89@gmail.com](mailto:josh.terry.89@gmail.com) - Design consultancy skills shortage.

Mathew Wright, Blackburn, Lea Hough Chartered Surveyors, [mat.wright@leahough.co.uk](mailto:mat.wright@leahough.co.uk) - Materials.

Matthew Winchester, Manchester, MDA Consulting Ltd, [matt.winchesterqs@gmail.com](mailto:matt.winchesterqs@gmail.com) - Covid 19 uncertainty.



# Chartered Surveyor market comments

Michael Cottam, Bury, Sparta Construction Ltd, cottamsq@gmail.com - Material & delivery costs are on an unprecedented increase. "Today's" price is the norm now.

Michael John Fisher, Lancaster, Fisher Wrathall Ltd, mike@fwcommercial.co.uk - Shortage of materials and the increased cost when available have had a real negative impact.

Michael Paul, Manchester, The QS Monitor Limited, mike@theqsmonitor.co.uk - Planning delays impacting funding decisions. Material and labour availability impacting programmes.

Mike Hyde, Manchester, Truline Construction & Interior Services Ltd, mikehyde@truline-cis.co.uk - Shortages of materials, increasing costs of materials.

Nicholas Coulson, Manchester, Sir Robert McAlpine, nick.coulson@srm.com - Big housing schemes hold too much power over councils. Granted permission becomes a negotiation tool.

Nicholas Gregory, Manchester, KOK Surveyors, tgp-nick@tiscali.co.uk - Uncertainty rather than actual shortages.

Paul Dignan, Blackburn, Lea Hough Chartered Surveyors LLP, paul.dignan@leahough.co.uk - Skills shortages, following decades of under-investment in training tradespeople and professionals.

Paul Redman, Southport, Paul Redman Consulting Ltd, paulredmanconsulting@gmail.com - Covid has impacted on availability of trades.

Philip Spendlow, Stockport, P G Spendlow FRICS, spendlowphilip6@gmail.com - Transport issues and material supplies.

Richard Hull, Liverpool, Krol Corlett Construction, richardhull74@gmail.com - Material supply, labour shortages.

Simon Fullard, Liverpool, Actua Chartered Surveyors, simon.fullard@actuabc.co.uk - There is a severe skills shortage in the professional services sector at a local level in Liverpool.

## Yorkshire & the Humber

Andy Mathers, York, Vetpartners, andy.mathers@vetpartners.co.uk - Availability of a/c plant

Charlie Trueman-Smith, Sheffield, Tremco CPG StructureCare Services Limited, ctruemansmith@yahoo.com - Supply of raw materials, particularly catalysts.

Eddie Hume, Leeds, Jamieson Brown Associates Ltd., eddie@jamiesonbrownassociates.co.uk - Contractor insolvency by absorbing risks due to staff error not understanding tender requirements.

James Redmayne, York, Arcadis, james.redmayne@arcadis.com - Resource interruption due to covid.

James Robertson, York, Fordhurst Support, j.robertson@fordhurst-support.co.uk - Supply of raw materials from the E.U, leading to increased lead times, especially sheet cladding.

Mark Watson, Leeds, MAW Consulting Limited, m.watson@mawconsulting.co.uk - Steel and Cladding shortages and in some cases timber.

Matthew Wragg, York, Network Rail, mat\_wragg@sky.com - Brexit and cost of importing key technology and materials.

Nick Copley, Leeds, Freedom Group of Companies, nco@freedom-group.co.uk - Shortage of materials especially bricks/blocks, cladding and steelwork. Shortage of bricklayers.

Paul M Smith, Mrics, Leeds, PSC Surveying Ltd, pauls@psc-surveying-ltd.com - We are seeing very strong interest in out of town PRS housing, minimum approx. 50 units.

Richard Dyson, Leeds, Sedgwick International UK, richdyson05@gmail.com - A shortage of skills and experience will cause problems.

## South West

Adrian Andrew, Bristol, Faithful+Gould, adrian.andrew@fgould.com - Draw of large infrastructure projects (Hinkley and HS2).

Alan Glanville, Exeter, Abacus QS Services Ltd, alanglanville@hotmail.co.uk - Lack of skilled labour and material increases plus shortages are a major risk going forward.

Alastair Jestyn Coke, Sturminster Newton, A.Jestyn Coke Chartered surveyors, ajc@ajestyncoke.co.uk - The lack of a skilled workforce is causing delays and stopping of projects.

Andrew Mcneile, Bristol, Gleeds Energy, andrew.mcneile@gleeds.com - Material prices.

Christopher Hunter, Truro, Scott and Company (Cornwall) Limited, chris@scottandco-buildingconservation.co.uk - Lack of materials, extreme variation in costs/availability, planning inconsistency, funding issues.

Christopher T Lockyer Frics, Southampton, FRC Ltd, clockyer@btinternet.com - Demand far outstretches supply.

David Hillman, North Devon, PWH Surveyors Ltd, dave@pwhsurveyors.co.uk - Severe shortages of materials and extreme price rises.

David Reynolds, Bristol, Currie & Brown, davidreynolds211@yahoo.com - Brexit leading to shortage of materials and labour. Coronavirus leading to shortage of manufactured goods.

Edward Currie, Plymouth, AECOM Limited, edward.currie@aecom.com - Brexit, Covid-19.

Graham Robert Walker, Swindon, HOCHTIEF (UK) Construction Ltd., graham.walker@hochtief.co.uk - Major projects such as A303 held up due to DCO issues, which is typical for major projects.

John Banyon, Plymouth, Gateway Surveyors, j.banyon@gatewaysurveyors.co.uk - The residential construction market in SW is buoyant due to popularity as a relocation destination.

Luke Trussler, Bournemouth, DDI Projects, luket@ddiprojects.co.uk - Rapidly rising material and labour costs, transportation shortages.

Nicholas Allen, Bristol, Amity Partnership Ltd, nick@amitypartnership.co.uk - 2 factors affecting sites the most at the moment are the lack of bricklayers & the cost of timber.

Paul Thomas Swindlehurst, Bristol, The Bowland Consultancy, paulswindlehurst.qs@gmail.com - Material price increases.

Richard Newton-Chance, Plymouth, Macegreen Consulting, richardnewtonchance@macegreen.co.uk - Shortage of skilled designers is extending pre-contract delivery significantly.

Steve Nightingale, Bristol, Bloq Management, steve@bloqmanagement.co.uk - Huge demand, inadequate support. Pent up demand following two lockdowns.

Tim Burke, Plymouth, BRL Architects Ltd, tim.burke@brlarchitects.co.uk - Complete lack of support from banks who are hiding behind government supported schemes.

Tim Over, Bristol, f10 build, slashter100@gmail.com - HS2 & Hinkley blamed for labour shortage.

## Wales

Gerrard Williams Frics, Cardiff, Melin Homes Limited, gerrard.williams@melinhomes.co.uk - Obtaining approval for sustainable drainage systems is proving very time consuming and slow.

Martyn Osborne, Cardiff, Sweet Construct, dewy67@aol.com - Resources across the board.

# Chartered Surveyor market comments

Michael, Cardiff, LSG,  
mhorner303@gmail.com - Covid.

Mike Earleys, Cardiff, Strongs,  
mike@strongs-cqs.co.uk -  
Materials shortages and Covid.

Richard Lewis, Cardiff, ROL  
Cost Consulting Ltd, richard@  
rolcostconsulting.com -  
Availability of materials rather  
than their cost.

## West Midlands

Adam Snowden, Birmingham,  
BAM, lordasnowden@gmail.com  
- Labour and material shortages  
plus inflation.

Anthony C Kempton, Stone  
Staffs, CKA Chartered Surveyors  
Ltd, ckempton1956@gmail.com  
- Noticed continued overseas  
acquisition of energy businesses.

Hugh Raven, Hereford, The  
Raven Partnership, h.raven@  
ravenpartnership.co.uk - Covid  
being used too much as an  
excuse.

Kaweesi Chris Katabaazi,  
Stoke, Burns and Macdonell UK  
LIMITED, chriskaweesi@yahoo.  
com - Price increase on metal  
and availability of skilled labour.

Michael Young, Dudley, Mott  
MacDonald, michael.young@  
mottmac.com - Personnel  
shortages.

Oliver Timms, Birmingham,  
CS2 Chartered Surveyors,  
olivertimms@cs2.co.uk - Quality  
of works completed.

Paul Sharples, Shrewsbury, Silk  
Sharples Jennings Ltd, paul@  
ssjsurveyors.co.uk - Planning  
constraints.

Peter Cole, Lichfield, Peter  
Cole Cost Management Ltd.,  
peter@petercolecm.com - The  
pandemic has significantly  
affected workload as clients  
focused on that rather than  
projects.

Stephen Wilkinson,  
Wolverhampton, Boningale  
Homes Limited, stephen.  
wilkinson@boningalehomes.  
co.uk - The loss of European  
labour has negatively impacted  
progress; local skills need  
developing rapidly.

Steve Butler, Shrewsbury,  
Steve Butler Consultancy Ltd,  
survey2design@btinternet.com -  
IR35 is a negative impact.

Victoria Fielding, Birmingham,  
Ove Arup and Partners,  
victoriafielding@outlook.com  
- Project delays due to market  
competition.

## East Midlands

Andrew Riggott, Nottingham,  
Van Elle, andyriggott@gmail.  
com - Aggressive risk allocation  
in T1 contracts and poor contract  
admin affecting cash flow.

Clement Harvey, Loughborough,  
Hanson Aggerates, clem.  
harvey@hanson.biz - Change  
from red diesel next April.

Gary Martin, Derby, Gary H  
Martin, ghmartin52@hotmail.  
com - Shortage of labour and  
materials are the dominant  
factors.

Mike Nuttall, Leicester,  
Adaptimise Consulting Ltd,  
mike@adaptimise.co.uk - Brexit  
and Covid remain significant  
factors to overcome along with  
quality of available personnel.

## East Anglia

Asif Rehman, Lakenheath, NG  
Bailey, a.rehman@ngbailey.co.uk  
- Brexit.

Barney Lee, Norwich, Andrew  
Morton Associates, barney@  
ama-qs.co.uk - Material  
shortages due to driver delivery  
issues. Labour costs increasing  
due to sudden demand.

Colin Borley, Several, Pimys  
Ltd, colin@pimys.com - Over  
construction. It is now just taking  
effect.

Jonathan Nelson, Norwich, RUA  
LLP, jonathan.nelson@rua.  
co.uk - Competition amongst  
main contractors and their supply  
chain due to order books.

M J S Marshall, Norwich, D J  
Designs Limited, djdesignsltd@  
btinternet.com - Supply chain  
issues on project programme.

## Scotland

Alan Caldwell, Stirling,  
Robertson Group, a.caldwell@  
robertson.co.uk - Public sector  
placing huge emphasis on low  
carbon, low energy.

Alisdair Steel, Aberdeen,  
Inspired Design & Development  
Ltd, ally@idd-ltd.co.uk - Material  
prices and shortages are likely to  
halt private development within  
the next 3-6 months.

Andrew Duncan, Glasgow,  
DMA Partnership, andrew@  
dmaqs.co.uk - Short term  
material supply and cost issues  
are impacting on investment  
decisions and cost certainty.

B Minnis, Motherwell, North  
Lanarkshire Council, minnisb@  
northlan.gov.uk - Fire insurance;  
low tender return numbers due to  
high risk with fixed tender prices.

Bruce Fyfe, Glasgow, GCC,  
fyfestar1973@hotmail.co.uk  
- Brexit and IR35 has caused  
subcontractors problems.

David Fleming, Edinburgh,  
Balfour Beatty, david.fleming@  
balfourbeatty.com - Labour  
and material shortages are  
the biggest limiting factors on  
construction.

Douglas Henderson,  
Dundee, Angus Council,  
douglasshenderson@blueyonder.  
co.uk - Impact of covid and Brexit  
affecting material prices and  
supply.

Elaine Graham Scott, Pailsey,  
Renfrewshire Council, elaine.  
scott@renfrewshire.gov.uk -  
Local Authority pay is far lower  
than external contractors, losing  
staff to head hunters.

Jonathan Howarth, Portree, Jon  
Howarth Chartered Surveyor,  
skyesurveyors@gmail.com  
- Tenderers are unwilling to  
commit to fixed price projects  
due to material price volatility.

Kenny Cheyne, Aberdeen,  
Atholls Ltd, kenny.cheyne@  
atholls.com - Lack of qualified  
work force is the biggest issue.

Leigh Thomson, Glasgow,  
Hardies Property & Construction  
Consultants, leigh.thomson@  
hardies.co.uk - Scottish  
Government handling of Covid  
epidemic continues to hamper  
recovery in construction industry.

Rosa Godsman, Glasgow, ACT  
Construction ( Europe)Ltd,  
rosa@act-construction.co.uk -  
Material lead in times and rising  
prices, material quotes valid for  
increasingly short periods.

Stephen Digance, Larbert,  
Springfield Properties plc,  
stephen.digance@gmail.com -  
Shortage of materials & labour  
as a result of Brexit & COVID.

Stephen Smith, Glasgow,  
Scottish Canals,  
stephensmith34@hotmail.com  
- Brexit; COVID 19; changes in  
both employees and employers  
to working patterns and  
conditions.

Terence J. Stevenson, Glasgow,  
Babcock International,  
terrystevenson1964@gmail.  
com - Sourcing material locally  
is becoming increasingly difficult,  
with spikes and volatility in  
prices.

## Northern Ireland

Adrian Mcnaughton,  
Belfast, Tetra Tech, adrian.  
mcnaughton@tetratech.com -  
Brexit import restrictions.

Arthur Connell Hugh Nugent,  
Newry, Young-Nugent.,  
achn488@outlook.com -  
Availability of mortgages.

Joseph Green, Belfast, J Green  
Chartered Quantity Surveyors,  
info@jgreenqs.com - Supply of  
all materials difficult.

Michael O'Donnell Frics,  
Belfast, Belfast City Council,  
odonnellmichael@belfastcity.  
gov.uk - Brexit and Covid-19.

Paul Brogan, Lisburn, John  
McQuillan (Contracts) Limited,  
paul.brogan@mcqcos.com -  
Effect of Brexit impacting on the  
numbers available for work in  
parts of our sector.



# Methodology

## About:

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 2021= 665

## 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).
- A change from +30 to +60 does not mean that the variable grew by 30% in one period and by 60% in the next period, but it does indicate that twice as many surveyors reported an increase compared to a decrease than in the previous period.
- Likewise, if we get a reading dropping from +90 to +5, this still means that more respondents are reporting increases than decreases overall, but the breadth of those reporting increases has fallen dramatically; meanwhile, a shift in the reading from -90 to -5 still means that more respondents are reporting decreases than increases overall, but the breadth of those reporting decreases has fallen dramatically.

## 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?

## Economics Team

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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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