ECONOMICS

UK Construction Monitor

Q4 2023

ECONOMICS

Construction workloads turns a little less negative with the prospect of falling base rates later this year supporting the outlook

- Moderate growth in infrastructure workloads whilst housing activity falls once again in Q4
- Financial constraints remain the biggest obstacle plaguing the sector although skill shortages are still to the fore
- Anticipated loosening in credit conditions this year supports expectations

The latest (Q4 2023) UK Construction Monitor presents a slightly less pessimistic picture as to the state of the industry helped by the prospect of falling interest rates over the course of the coming year. This shift in mood is, however, relatively modest with most key metrics in the survey still sending a cautious message.

Trend in workloads becomes slightly less negative

The headline net balance for workloads, which captures total activity for the whole of the construction industry, remains slightly negative at -8%. That said, this represents a marginally less downbeat figure compared to Q3 when a net balance of -10% of respondents reported a decrease in activity (Chart 1).

Breaking this down by sector, it is evident that there continues to be a visible degree of divergence in workload trends at a disaggregated level. Infrastructure still remains a relatively bright spot (Chart 2) but momentum has slowed through the back end of last year with the net balance reading of +9% as against +10% in Q3 (the average in the first half of 2023 was +20%). At the other end of the spectrum, private housing workloads remain stuck in negative territory albeit a little less so than previously (-21% vs -26%) while the reading for public housing actually deteriorated (-14% v-7%).

Financial concerns ease somewhat

Significantly, the shifting mood around the prospects for interest rates is being reflected, to a greater or lesser extent, in the credit conditions metrics captured in the survey (Chart 11). A net balance of 30% of contributors still concluded that the credit environment worsened in the final three months of the year but this was the least negative reading for this indicator since the second quarter of 2022. For the next three months, the credit indicator shows a marked improvement (from -25% to -14%) while at the twelve month time horizon, the series is back in positive territory for the first time since Q1 2021.

Whilst access to credit may gradually improve as the year wears on, financial constraints continue to be viewed as the major impediment to businesses within the construction sector at the present time; just under two-thirds of respondents reported this to be so. Moreover, there has also been a slight rise in the percentage of respondents who indicate insufficient demand as being a constraint on activity (36% vs 32% last quarter); this is the highest share since the back end of 2020.

Pressures around skill shortages persists

Interestingly, despite the more cautious tone to many of the activity metrics in this survey, including new business enquiries (net balance -1%), the series designed to provide insight around recruitment is still strongly positive (+32%). And while labour shortages have eased from the highwater mark a couple of years back when around 80% of respondents were signalling a challenge in hiring, the result in the latest survey is still close to 50%. In addition, skill shortages in specific areas still remain acute. So for example, roughly the same proportion point to shortages of both quantity and building surveyors and an even higher share identify problems around skilled trades.

Given the ongoing labour issues, it is perhaps not surprising that the indicator designed to provide a steer on business commitment to training and development is still in positive territory despite the difficult profits environment (the current margins indicators was -16% in Q4). So a net balance reading of +19% report a rise in planned investment in this area which is slightly up on the +17% reported in Q3.

A more positive outlook for the upcoming year

Looking forward over the next 12 months, the feedback from surveyors is a little more upbeat than in Q3 with the headline workloads indicator climbing from +6% to +12% (Chart 4). Within this, it is predictably the infrastructure segment that is leading the way even if the number is some way off the highs reported in 2022. Private non-residential workloads are also envisaged picking up modestly over the year while the net balance for residential is still indicative of a broadly flat trend (+5% v -3% in Q3). Employment is also viewed as likely to continuing rising despite the difficulties around recruitment with a net of +20% perceiving this to be the case.

When it comes to the profits outlook, the survey aims to ascertain the the judgement of participants in two very different ways. The first question focuses on how profit margins are likely to change over the year in net balance terms. The reading of -8% is down from -14% in the last survey is actually the least negative result since the early part of 2022 (which could reflect hopes around interest rates). The second question requests projections for tender prices and costs (in point estimate terms). This suggests that the latter will continue to rise by slightly more than the former over the period ahead with both skilled labour and material costs seen as likely as likely to increasee by something in the region of 5% (Chart 14).

Key indicators

Chart 1

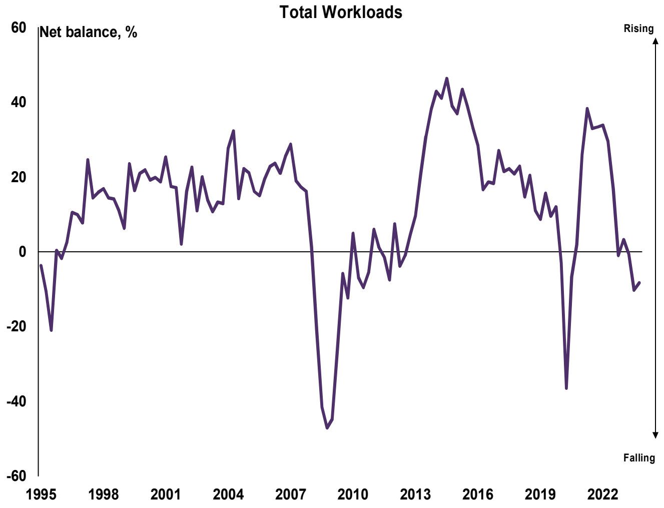


Chart 2

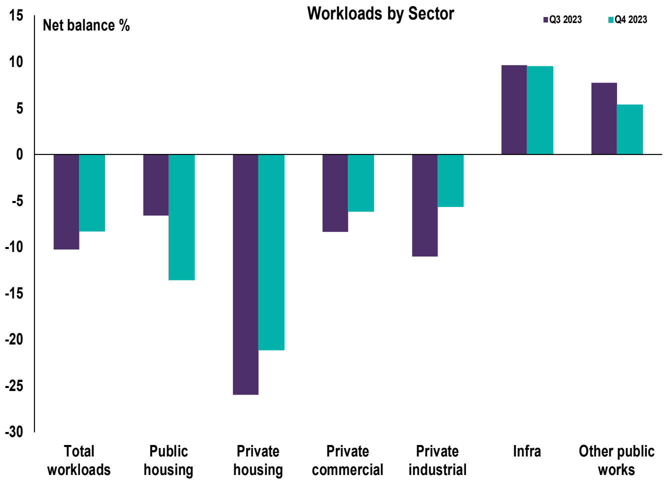


Chart 3

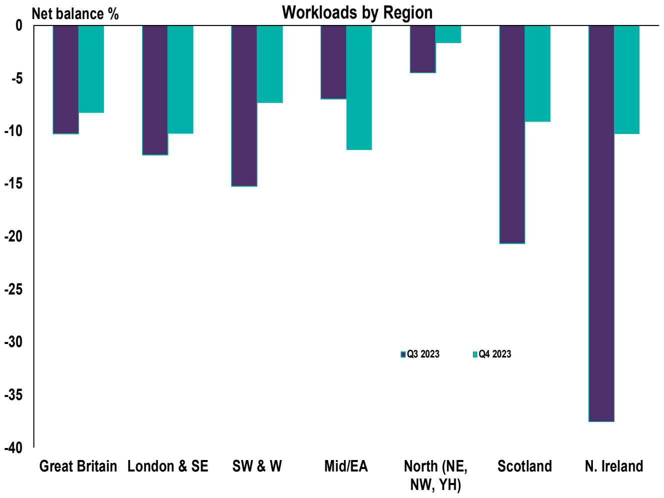


Chart 4

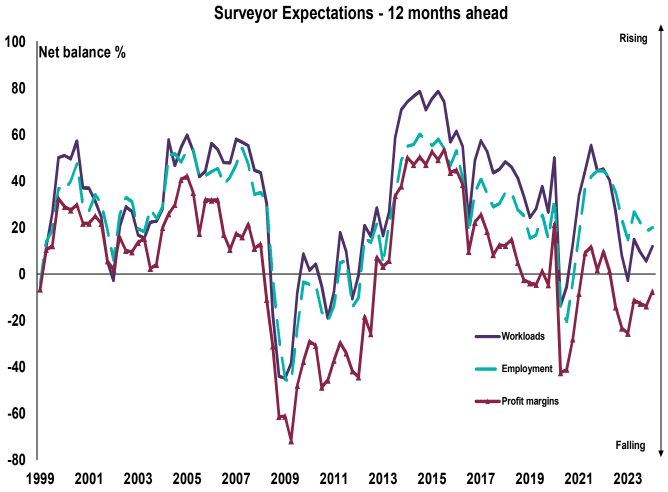


Chart 5

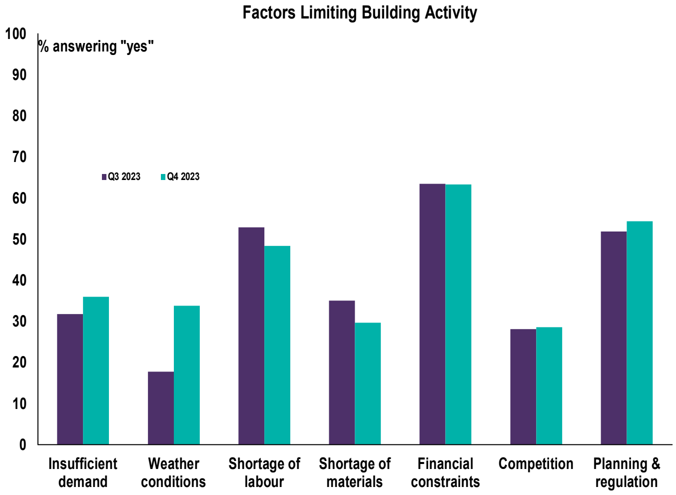
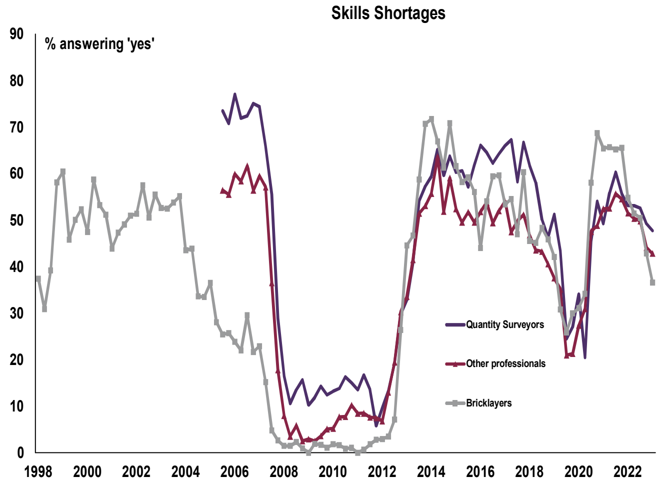


Chart 6



Key indicators

Chart 7

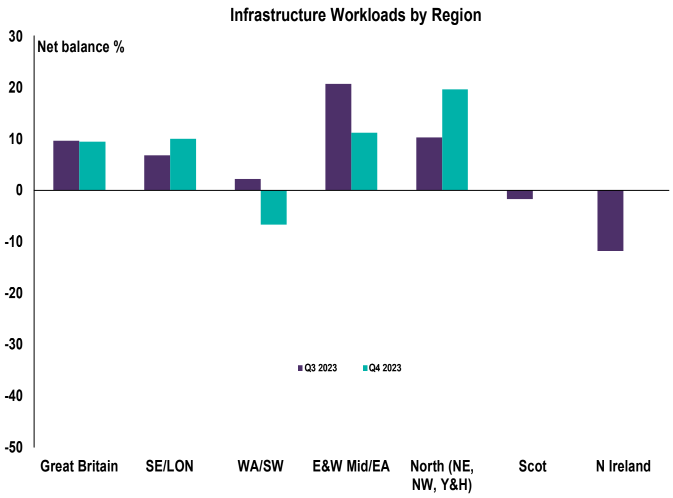


Chart 8

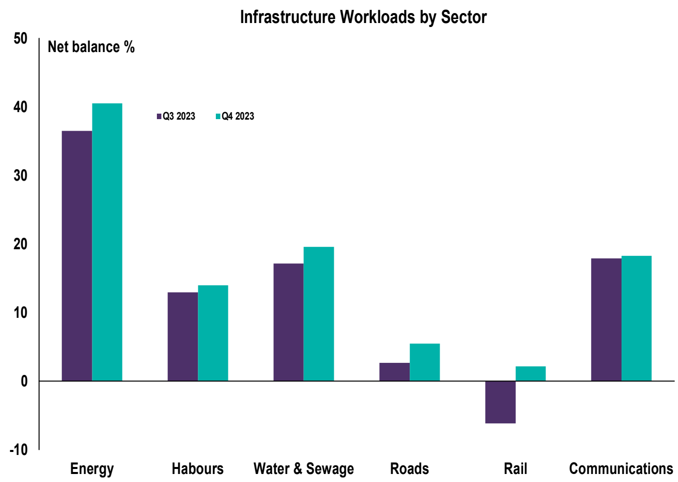


Chart 9

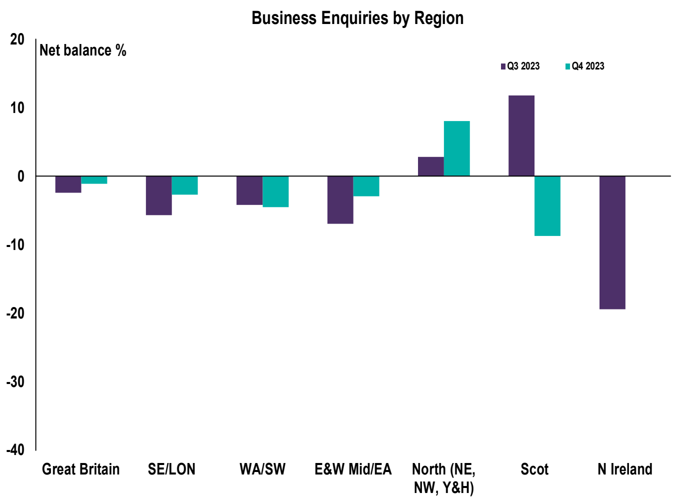


Chart 10

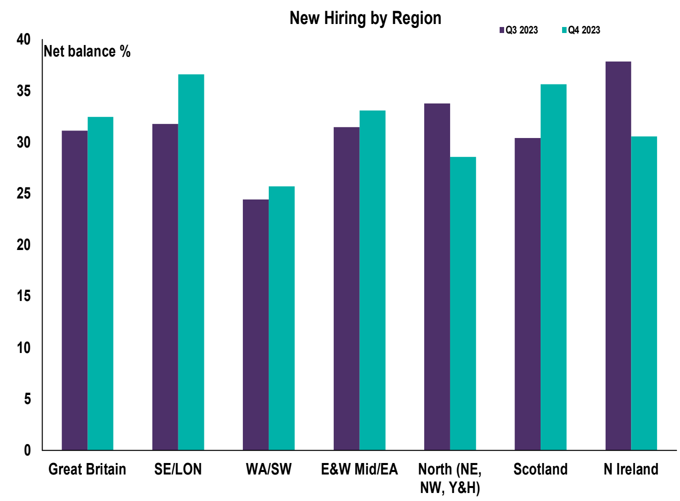


Chart 11

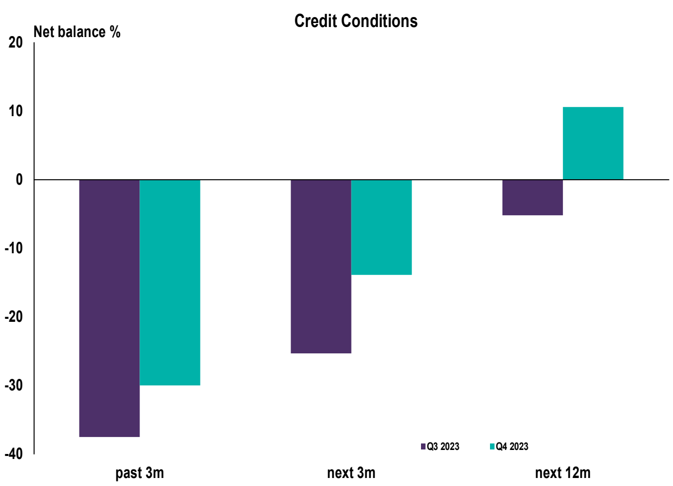
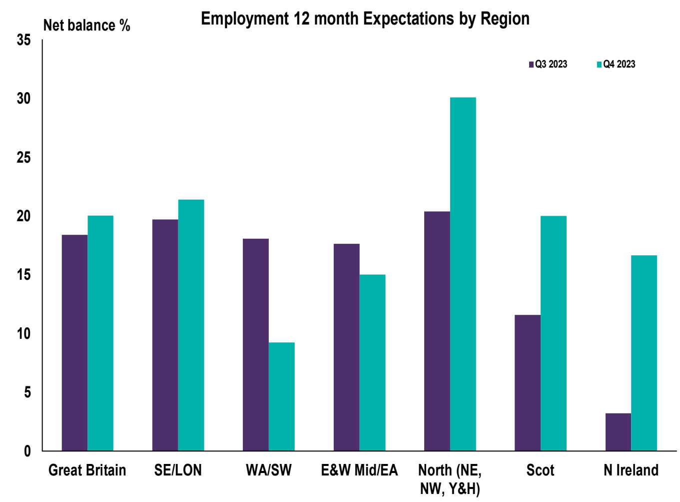


Chart 12



Key indicators

Chart 13

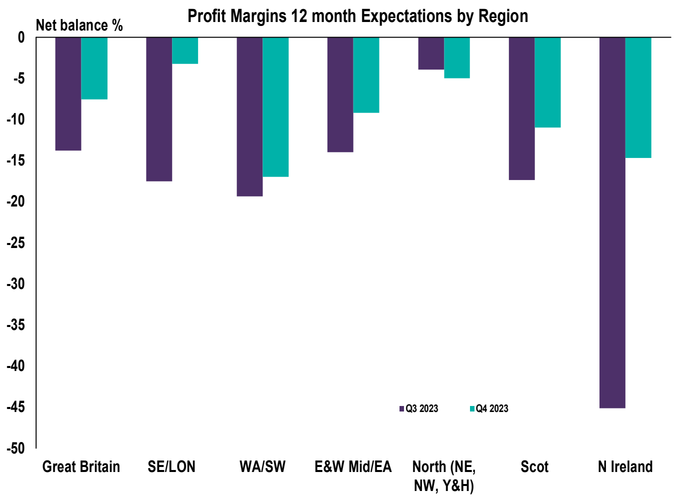


Chart 14

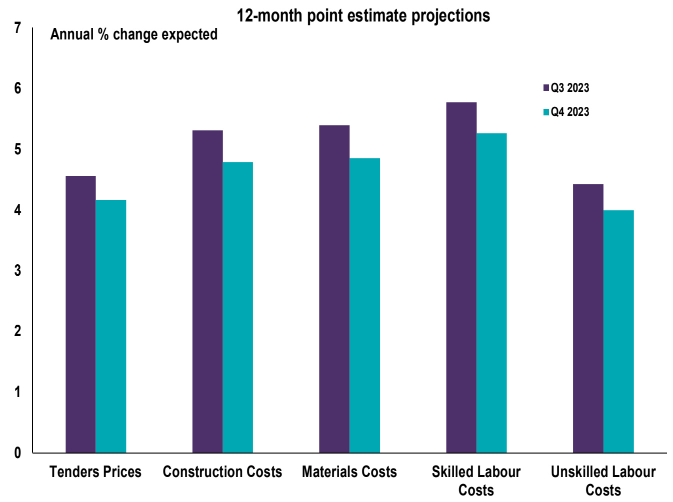
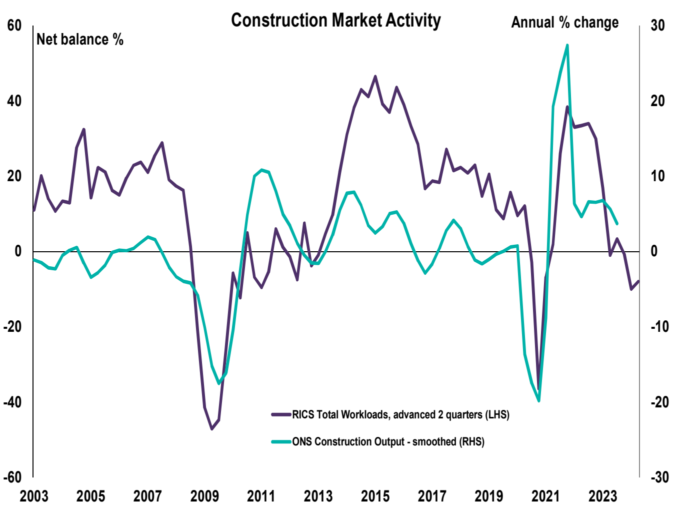


Chart 15



Chartered surveyor market comments

London

A Gander, London, Lend Lease, Alan.gander83@btinternet.com - Increased competition is buying workloads.

Aaron Henley, London, Henley Surveyors and Associates Limimted, aaron.henley@hsacl.com - Scaffolding costs seem to be the biggest issue when it comes to residential works. Associated material costs have not changed too much over the last year but they continue to rise in line with those other related products.

Adebowale David Adesoye, London, L&Q Housing Trust, dadesoye@lqgroup.org.uk - High tender prices as a result of cost of living crisis.

Adrian Trent, London, Future54, adrian.trent@future54.com - Laziness of staff under 30 years old.

Akshaye Putty, London, AEAE, aputty@hotmail.com - Current inflation rate, cost of living.

Alex Boyden, London, Turner & Townsend, alex.boyden@turntown.com - Difference in salaries depending on the sector. We are seeing Data Centre PMs expecting 50% higher than the equivalent Resi PM.

Andrew Moore, London, Currie & Brown, Andrew.moore@curriebrown.com - AI.

Anthony David Oxford, London, Chrysalis Building & Project Consultancy Ltd, tonyoxford@chrysalisbc.co.uk - Planning system is highly restrictive in terms of delays and costs associated with delivering projects.

Antony Field, London, Beadmans LLP, antony.field@beadmans.co.uk - Finance availability.

Benjamin Stalham, London, WSP in the UK, Ben.Stalham@wsp.com - Inconsistency of government policy and timing / delivery of identified projects.

Bobby Bobby, London, Pick Everard, bobbybeadle01@gmail.com - Lack of diversity is definitely an issue, which in part is due to the high percentage of people coming from private schools, rather than comprehensive.

Cameron Dawson, West London, ACS Professionals in Construction, cameron@acsconstruction.co.uk - Skill shortages across the labour force, especially at the coal face, are getting significantly worse.

Caroline Copping, London, Semperian, caroline.copping@semperian.co.uk - COP28.

Charles Mackonochie, London, montie associates, charles@montie.org - Client indecision.

Chris Ellingham, London, PPM Specialist Works Ltd, cellingham@ppmspecialist.com - Clients taking longer to pay invoices.

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

Christopher Barrett, London, Belasco Associates., chris@belasco-associates.co.uk - The main supply shortage in the construction industry is in the labour market. This drives inflation in the construction industry.

David Edward Harding, London, cubit consulting limited, david.harding@cubitconsulting.co.uk - Employer commitment on project funding.

David Gwyn Jones, London, Highgate School, gwyn.jones@highgateschool.org.uk - Delays in planning are biggest problem.

David Heil, London, Piercehill Consulting LLP, davidheil@piercehill.com - General client hesitation in the commercial sector.

David Martin, West London, Metropolis, Davidmartin0906@outlook.com - High interest rates have affected the sale of properties. The with drawl of 'Help to Buy' has dramatically affected the sale of new homes and flats..

David Roberts, London, IndigoScott Group Ltd, david@indigoscott.com - High/unstable insterest rates still causing slow back end sales in the private residential market.

Fabrice Davis, London, , fabricedavis87@gmail.com - Economic factors putting pressure on supply chain and credit, resulting in more claims.

Gavin Haynes, London, London Borough of Camden, gavin.haynes@camden.gov.uk - Contractor capacity in critical areas - fire safety remediation, mechanical services, tradespeople - roofing, bricklaying, plumbing.

Gerald F Brown, London, Company - Consultant Surveying Services, gb@consultantsurveyor.co.uk - Despite the current economic climate - demand for professional services still being maintained although as a Building Professional in my 60s the current market trends are making me contemplate retirement soon.

Graham Seage, London, Mace Construct Limited, grahamseage@gmail.com - Indecision regarding the general election and potential change of government

Graham Shreeves, London, 205467, graham.shreeves@mpgshreeves.com - Planning seems to be getting worse with lengthy delays experienced.

Gregory Victor Hart, St. Albans, Greg Hart Chartered Quantity Surveyor, greghartcqs@btinternet.com - The recent failures of a number of MEP contractors.

H Pattni, London, RJ29 Consulting, harishpattni@yahoo.co.uk - Shortage of skilled labour and ever increasing materials costs have negative effects on developments, especially by small to medium potential developers/clients.

Ian Harding, London, Copley Limited, idharding73@gmail.com - Bank funding issues and high interest rates.

Ian Peart, London, Cushman & Wakefield, Ian.peart@eur.cushwake.com - Credit markets and high construction costs continue to affect viability.

Ivanna Raquel Puente Vasquez, London, Mott MacDonald Limited, ivanna.puente@gmail.com - Financial stability of contractors (uncertainty that they'd be able to deliver the works due to the impact of the volatility of the market on them).

Jacques-Alexandre Lepez, London, Strategy&Projects, alex.lepez@hotmail.co.uk - Funders appetite for riskier investments such as development is low.

James Devine, London, HOCHTIEF/MURPHY JV, seamusdevine@hmjv.co.uk - Cancellation of sections of HS2.

James Lane, London, Lendlease, Semajenal@outlook.com - New fire regulations.

James Sheppard, London, Equals Consulting, jsheppard@equalsconsulting.com - There is a general lack of interest in implementing AI which puts the construction industry on the back foot. This is frustrating.

Jon Sealy, London, Faithful + Gould, jon.sealy@fgould.com - Lack of Government coherency, consistency and commitment in supporting and stimulating key future proofing industrial activity.

Julian R Davies Frics, London, Jrdavies associates Ltd, Daviesjrda@aol.com - Regulation, bureaucracy, funding conditions. Impossible conditions of funding risk affect progress on most jobs now so none proceed.

Justin Bird, London, BTP Group, justinbird@btpgroup.com - Salary expectations unreasonably high, given fee income is not matching.

Kazumba Kumisuku, London, AECOM, kazumba.kumisuku@aecom.com - Sustainability.

Kevin Omar, London, Estates & Management Ltd, k.omar@e-m.uk.com - Requirements of the Building Regulator.

Lee Jenkins, London, J. Murphy & Sons Limited, lee_jenkins@hotmail.co.uk - Long lead times on HV plant and lack of commissioning engineers.

Lewis Mckenzie, London, McBains Ltd, lmckenzie@mcbains.co.uk - Lack of skilled trades and professionals.

Linda Christian, London, LSH, Linda.christian@ikonconsultancy.com - Planning consent, discharging planning conditions, Building Control acknowledgement of application and engagement with contractors who build out schemes including early engagement with London Fire Brigade.

Marc Levy, London, Google, marcadonislevy@me.com - Skilled labour leaving for Europe.

Mark Mitchell, London, , markmitchell15@hotmail.com - Interest rates and late payments.

Martin Bates, London, Martin Bates Consultancy, martin@martinbates.com - Interest rate rises.

Martin Skiggs, London, , martin.skiggs@tube.tfl.gov.uk - Project managers and contractors focusing on cost and time, rather than the long term gains.

Michael Hughes, London, Ballymore, Mhughes@ballymoregroup.com - Lack of funding, interest rates, high construction costs, low sale values, low sales.

Mr Graham H Jones, London, Turner & Townsend, Graham.Jones@turntown.co.uk - The construction industry is still wedded to outmoded procurement and commercial models which lengthen project gestation, waste money and reduce productivity. Adoption of the Private Sector Playbook should be a key focus.

Mr Taben P Exeter, Swanley, ME&P Cost Consulting Ltd, tabenexeter@meplimited.co.uk - There needs to be a more equal split of graduates and trades persons entering into management. Currently the vast majority are graduates. We need a mix to ensure understaning of construction methods is maintained and imporved in the coming generations.

Nigel Bellamy, London, 8build limited, n.bellamy@8build.co.uk - Unfair contract terms and forms of contract.

Nigel Carter, London, Foreign Commonwealth & Development Office, nigel.carter@fcdo.gov.uk - Overseas construction costs have risen significantly.

P Jones, London, Fuse PC Ltd, new.nest463@gmail.com - Poor training and lack of well skilled professionals and trades. Lack of regulation and variable (low) quality in terms of people advising & working on projects i.e. consultants and trades.

Paul Chilton, London, Chilton Associates Limited, paul.chilton@chiltonassociates.com - The availability of skilled construction professionals remains extremely tight & is a constraint to growth as well as delivery for the wider market.

Paul Kershaw, London, Modern Attics, paul@modernattics.com - House values have dropped and interest rates need to drop to stimulate demand for home improvements.

Paul Zuccherelli, London, , paul.zuccherelli@ttalinea.com - Low profitability, poor project set-up, no incentive for long term investment, planning laws that actively discourage construction and a lack of real political understanding of our industry.

Peter Charles Bensted, London, Fenton Associates, peter@fentonassociates.co.uk - Declining educational standards.

Peter Tasker, London, Adams Chartered Surveyors, info@adamcharteredsurveyors.com - Materials and labour costs have increased which has pushed up tender bids, in some cases over budget, resulting in deferred works.

Peter Yarushin, London, KS4 Consulting, peter.yarushin@live.com - Availability of funding.

Rajnath Sond, London, Stature London Limited, rajnath.sond@stature.london - Eastern European labour severely impacts the ability for projects to be resourced.

Richard Diamond, London, Random Cubic Projects Ltd, jrdinuk@gmail.com - No major projects has squeezed every organisation down to lower value projects impacting the smallest organisations the worst.

Richard Keely, Richmond Upon Thames, Lavingtons LLP, richardkeely@lavingtons.co.uk - The rise in interest rates has had a detrimental effect on our business. A large part of our work is in the caravan park industry and financing purchases of second homes has risen to a level that is not sustainable.

Richard Petterson, London, MEA Hother Ltd, rpetterson@hother.co.uk - The cost of borrowing is delaying decisions, planning hold ups are delaying implementation.

Robert Shutler, London, MDC Limited, robert@mdclondon.com - Too much bureaucracy, lack of common sense, general incompetance.

Sivanathan, London, Qhelp International, Siva.nathan@hotmail.co.uk - Still construction and built environment industry is not implementing equal opportunity, cultural diversity and inclusion policies properly.

Stephen Birdling Dzugwahi, London, Transport for London, infobeu@yahoo.co.uk - Need for more government support in the sector.

Stephen Brown, London, Savile Brown Associate, stephenbrown@savilebrown.com - Housing has slowed, office and hotels have increased, strong fee competition, contractors and sub-contractors going into administration.

Steve Baldock, London, WSB Consultancy Limited, steve.baldock@wsbconsult.com - Overall political landscape isn't providing investment confidence.

Steve Gaskell, London, BAM Construct & Ventures UK Ltd, sgaskell@bam.com - Supply chain insolvency, sub-economic tender prices, clients selecting contractors on lowest price.

Steven Haslewood, London, Skanska UK PLC, Steve.haslewood@skanska.co.uk - Poor client advice.

Temitope A Tugbobo, London, Mott MacDonald, temitopetugbobo@gmail.com - Client attitude towards social outcomes.

Tom Leader, London, Viridian Property (retired Director), tleader@viridianproperty.co.uk - Increased Regulation.

William David Tweed, London, Professional Project Support Ltd, londonaddress176@yahoo.co.uk - Cancellation of HS2 northern section and pause at Euston.

Yunji Lee, London, , Yunji.lee@yahoo.com - International investors.

South East

A Wheeler, Cambridge, Barker Associates, Awheeler@barker-associates.co.uk - Skill shortages.

Aled Jenkins, London, Mace Group, aledjenkins3@gmail.com - Inflation & interest rates.

Andrew Cottrell, Oxford, Ridge and Partners LLP, andycottrell@ridge.co.uk - Enhanced risk of insolvency of main contractors.

Andrew James Manning, London, ORSA Projects Ltd., amanning@live.co.uk - Cladding remediation projects resulting from Grenfell Tower fire: Appalling lack of fire stopping and cavity barriers physically installed in existing buildings despite being indicated on 'as built' drawings and signed off by Local Govt. Building Control Departments.

Andy Chrismas, Worthing, Adur & Worthing Council, andychrismas@live.co.uk - Lack of capacity in the local construction supply chain resulting in long lead ins for projects.

Charles Richard Goodsell, Worthing, MorganCarr Ltd, rich.goodsell@btinternet.com - Conflict and effect on financial markets.

Chris Griffin, Woking, Griffin Macleod Consultancy Ltd, C.griffin@griffinmacleod.co.uk - High credit costs and planning process.

Chris Huntley, London, HUNTLEY CARTWRIGHT, chrishuntley@huntleycartwright.co.uk - Planning. The inability of the UK planning system to properly manage applications is a massive drawback for our industry. The Gov. needs to get a proper grip of this as it is both resource wasteful and delaying development.

Clive Tatlock, Guildford, CTA Surveyors, info@ctasurveyors.com - Lack of coordination between trades.

Clive Voller, Hassocks, Ditchling Surveying, clive@ditchlingsurveying.co.uk - Interest rates.

Clyde Parsram, Maidstone, GVE Commercial Solutions, Clyde.parsaram@gvecsb.co.uk - The role of the client needs to change, especially at governmental level where large infrastructure projects spending occours. Central & Local government spending needs to have clients who are willing to be part of the team & lead the team into 'early supply chain involvement' & 'collaborative practices'.

Colin Henderson, Oxford, Lexica Health and Life Sciences Consultancy Ltd, colin.henderson@lexica.co.uk - Buildling Regulations and lack of Public Sector funding in the NHS leading to short sighted delivery models.

Colin Hulott, Sheerness, Abstrkt-Dsign, colinhulott@abstrkt-dsign.co.uk - Inconsistencies in the financial markets & lending criteria.

Colin Nicholson, Guildford, Zero Carbon QS Ltd, colin@zerocarbonqs.com - Stop/start of projects and investment constantly being reassessed as organisations are careful not overcommitting on cashflow.

Colin. R Banyard, Guildford, Cracknore Kilbride Group., colin.banyard@kilbridegroup.com - Shortage of specialist contractors.

D T Base, Rochester, STG Partnership, derek.base@stgbc.org.uk - HSE building control registration for all surveyors. Currently lack in the industry. Soon to be large retiring and not becoming register if over 55.

Daniel Ayim, Portsmouth, Cherydan & Co Ltd, ayimdaniel@hotmail.com - Lack of availability of skilled professionals and ethic minorities in construction.

David Bird, Norwich, DTB Consultants Ltd, dtbird@btinternet.com - North Norfolk is not a prime location, and is only serviced by small to medium sized local constructors. Tier 1 contractors operate in the area, but is not as buoyant as (say) Cambridge.

David Bland, Wokingham, Finch Consultants Ltd, davidb3@btopenworld.com - Clients placing projects on hold due to the economic climate.

David John Naguib, Fareham, DJN QS Services Limited, david@djnqsservices.co.uk - Poor Statutory Undertaker responses, excessive advance payment requirements from suppliers/subcontractors, poor levels of design/multiple mistakes from architects and engineers employing inexperienced staff causing delays and expense.

Gavin William Johnson, Windsor, JA, gavin@johnsonassociatesltd.co.uk - Planning and the BSA.

Gemma Good, London, South East, Southampton And The South, Jackson Rowe, gemma.good@jackson-rowe.com - Incapacity and failure of the planning system is blocking the construction of new housing.

Gerard Gerard, London, Andrews & Boyd, gerardwynne@andrewsboyd.co.uk - Lack of clear governance although an early 2024 election would help.

Harry Johnson, Brighton, MDA Consulting, hjohnson@mdaconsulting.co.uk - The rise in interest rates is impacting lending, with the increase of materials and labour over the previous 12 months, making projects less feasible or profitable.

Hugh Cross, London, Hill Cross, hugh@hill-cross.com - Residential completions appear to be being delayed.

Ian Kehl, Haywards Heath, Currie & Brown UK Ltd, ian.kehl@curriebrown.com - Lack of Central Government funding, skills shortages, and caution/uncertainty in the private sector regarding the general state of the economy, and more global events e.g Ukraine war etc.

James Cockle, Witney, Covenant Management, jc@covman.co.uk - The housing market.

John Gunn, , Tamarside South Limited, johngunn@tamarside.net - Staff at all levels still not entering the sector. Causing problems now and has been for last few years.

Jolyon Mitchell, Tring, Miramar design Ltd, office@miramardesignltd.co.uk - Cost of borrowing money, increase in construction and labour costs, fewer projects starting.

Jon Spall, Kingston Upon Thames, Summers-Inman, jon.spall@summers-inman.co.uk - Lack of investment especially in the public sector.

Karen Clarke, Epsom, University College of Estate Management, k.clarke@ucem.ac.uk - Hiring of apprentices.

Karim Khan, London, Egg Design and Build Limited, karim.khan@egglimited.co.uk - The high cost of capital.

Keith Robert Hammond., Ashford, Keith R Hammond Limited. Chartered Surveyors., krhammondltd@btinternet.com - Stodmarsh. Obstructive planning authorities. BSR. Lack of labour and material.

Kenneth William Smith, Tonbridge Wells, KWS Associates Ltd, ken@kwsassociates.co.uk - Labour shortage.

Kristian Hudson, London, Ammonite Surveying Limited, kris.hudson@ammonitesurveying.co.uk - BIM modelling is talked about and implemented on many projects but fails as the consultants dont take back the model to update it during construction for changes made and hand back to the contractor for him to import as installed information.

Marian Asare-Boapeah, London, Currie & Brown, nanaesi14@hotmail.com - Having a buy/in from all about digitisation - people tend to be stuck in their old ways and resist change unless it becomes compulsory by some means.

Mark Lister, Cover South East From London, Listers, listers@sg-practice.co.uk - Uncertainty in the economy and likely change of government. Clients sitting on cash until future clearer.

Matthew Bagatta, Dartford, M&P Technical Services Ltd, mattbagatta@mptech-services.com - Clients not wanting to spend the going rate on surveying and not appreciating that more work on surveying can be undertaken away from sites.

Michael Langmed, Faringdon, Langmead Associates Ltd, Langmead47@outlook.com - Availability of land ; planning restraints.

Mr Alex Harris, Kent, Alexander Harris & Associates LLP, alex@ahpbc.co.uk - Insufficient skilled labourers, generally young persons poor attitude to work and customer service.

Mr Ian A Thomas, Hove, ITM Design and Development Ltd, ian.thomas893@ntlworld.com - Planning needs to be significantly restructured to facilitate development at lower costs for applications. Local authorities must set specific Affordable Housing provisions and be made to deliver on them.

Mr Michael Levack, Worthing, Highway Electrical Association, michael.levack@thehea.org.uk - Skills shortages

Mr Pj Ockenden, London, Henry Riley Consultants Ltd, peter.ockenden@henryriley.com - Sentiment is such a large factor so it would be helpful if the media did their part to support the economy rather than to constantly knock it.

Ms Cath Prenton, Brighton, Bree Prenton Property Consultants, cath@breeprenton.co.uk - Lack of active engagement by local planning authorities with developers to enable proposals to be approved and built, particularly with regards to housing and social housing units.

Nick Collyer, Petersfield, Independent 4 Life Limited, nick.collyer@independent4life.co.uk - Conservative goverment - Incompetent, just do ther bare mimimum as these clowns keep on changing the rules.

Nigel French, Brighton, Brighton & Hove City Council, nigel.french100@btinternet.com - Namely skills shortages and cost increases in materials.

P M Saville, Areas Surrounding London & Cambridge, Hutton, peter.saville@hutton-group.co.uk - Supply chain cashflow tightening/ insolvencies, poor quality/coordination of tender documentation, early retirement of experienced industry professionals, high wage expectations of inexperienced staff.

Paul Denny, Colchester, Essex, Potter Raper ltd, paul.denny@potterraper.co.uk - Lack of buyers (especially first time buyers) in residential market. Nutrient neutrality regulations causing delays on schemes. Planning determination periods increased and delaying developments

Paul Spelzini, St. Albans, PQS Associates, paulspelzini@aol.com - Mega projects such as HS2 sucking in 25% of UK capacity, forcing prices up. Many components only available from China or Germany, e.g lifts, causing delays, increased cost.

Peter Creffield, Buckinghamshire, Buckinghamshire Council, peter.creffield@chilternandsouthbucks.gov.uk - Interest ratesmeaning people cannot borrow money to do building work, extensions etc on their own properties. Cost of materials is staying high.

Robert Terence Britnell, Canterbury, Bob Britnell - Planning Consultancy, bobbritnellplans@hotmail.co.uk - Planning - nutrient neutrality restrictions blocking development.

Sarah Roe, Reading, Sarah Roe Associates, sarah@sarahroeassociates.co.uk - Interest rate rises.

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

Sean Goodall, Guildford, MEA, sean@meaconsult.co.uk - Planning seems to be one of the biggest causes of delay and uncertainty.

Sean Meier, London, BPM Project Management Ltd -, sean.meier@bpm-london.com - Perfect storm in the affordable housing sector , increased interest rates, high build inflation and values decreasing . none of the schemes appraised 2 years ago now stack up.

Stephen Fletcher, Cobham, Ebcs ltd, Steve_fletcher@hotmail.com - High cost of living, preventing homeowners investing in their properties factored with high cost of materials and work.

Stephen Strachan, Greater London, Stanwood Professional Services, steve@stanwoodestates.co.uk - Lack of skilled labour.

Steven Henderson, Berkshire & Oxfordshire, Henderson Building Surveyors, info@hbsurv.co.uk - High interest rates.

Stewart Black, Beckenham, Stewart Black and Associates, stewart@construct-manage.co.uk - The construction market is being negatively impacted by the lack of accountability of personnel in local planning authorities and other public sector organisations including but not limited to utility providers, education and health service providers.

Stuart Hill, Southampton, CBRE Ltd, stuart.hill@cbre.com - Working in the MoD/ defence environment there are challenges with BIM conflicting with infosec/ major impacts on data and deconfliction management.

Tim Mole, Haywards Heath, Gould Baxter, tmm@gouldbaxter.co.uk - Uncertain and long timescales associated with obtaining planning consent, often due to requirements for supporting reports/licences.

Upeksha Madanayake, Reading, University of Reading, u.madanayake@gmail.com - Cultural shift, economic crisis.

William O'Mahony, London, Alstom Transport UK, omahonyliamk@gmail.com - Planning constraints.

North East

Alan Keith, Durham, Joe Fraser chartered surveyors, akgreenwell@outlook.com - Shortage of fully qualified Surveyors in residential sector reducing competition.

Campbell Neil Traill, Newcastle, Sir Robert McAlpine, n.traill@srm.com - Poorly informed clients, and paucity of client consultant's capability and experience.

David James Hosken, Newcastle Upon Tyne, Sir Robert McAlpine Capital Ventures Ltd, d.hosken@btinternet.com - No foreseeable public sector funded project until after the election.

Henry Scott, Newcastle, Saltbox Surveying Limited, henry@saltboxsurveying.com - Planning, conservation and investor finance.

Ian Clift, Sunderland, BRIMS CONSTRUCTION LTD, iclift@brimsconstruction.com - The biggest factor is projects being over budget and then not proceeding.

Jason Llarenas, Doha, ATC Group LTD, jml_jazz@yahoo.com - The war which is happening right now between Israel and Gaza is affecting the project implementation around the Middle East area.

Matthew Dennis, Hexham, National Grid, Dennisematthew@gmail.com - Limited capacity in the offshore market for types of vessels a challenge.

Peter Carruthers, Newcastle Upon Tyne, Paragon Construction Consultants Ltd, paragon.consult@hotmail.com - With base rate rises easing, the prevailing mood is one of cautious optimism, however the persistently elevated cost of construction materials, components and labour continue to pose significant viability challenges.

Stephen Box, Newcastle Upon Tyne, RNJ Partnership LLP, stephen.box@rnjllp.com - Onerous procurement requirements resulting in resources being diverted to non construction related matters .

North West

Alan Butterworth, Manchester, BAM Construction, butty5000@virginmedia.com - Lack of skilled operatives. Availability of subcontractors strained.

Andrew John Murta, Warrington, HKA, andrewmurta@hka.com - Brexit is still a factor affecting availability of skilled manpower.

Andrew West, Cockermouth, Day Cummins Limited, andy.west@day-cummins.co.uk - Typically a lack of skilled labour.

Andy Fisher, Liverpool, B&M, andyf637@aol.com - Fairly stable.

Anthony Dillon, Manchester, Willmott Dixon, anthony.dillon@willmottdixon.co.uk - Despite the challenges the market remains buoyant and early contractor involvement is delivering better customer outcomes.

Brian John Boys, Waterfoot Rossendale, B&E Boys Limited, john.boys@beboys.co.uk - The planning system has severly disrupted our plans, forecasts,and investments.The continued increase in costs of materials and wages are impacting upon our competetiveness, and there appears to be a lethargy creeping into the market as budgets are tested.

Crystal Jenkins, Preston, C Jenkins QS Services Ltd, crystal@cjqs.co.uk - Lack of skilled labour and the rise of contractural claims from contractors.

Darren Pomfret, Manchester, Darren Pomfret, darrenpomfret@hotmail.co.uk - Planning restrictions and uncertainty with the implications of the Building Safety Act 2022.

Darren Rawlinson, Barrow In Furness, Morgan Sindall, Darren.Rawlinson@morgansindall.com - Lack of skills in the labour force.

Edward Bushell, Kendal, Fairfield Cost Consultants Ltd, ed@fairfieldcc.co.uk - Regarding BIM etc. the sole reason this is not used in my company is that all designers I work with do not use it and therefore it would not be a coordinated approach.

Graham Fairhurst, Manchester, Avison Young, graham.fairhurst@avisonyoung.com - Shortage of quality mid level surveyors within the industry as not all firms invest as we do in people.

Grant Dinsda;E, , Dolphin Land and Development Consultancy Ltd, grantdinsdale@gmail.com - In over 35 years of involvement in the NW and W Midlands areas, I have never known the planning system so inefficient and obstructive to promoting growth and development.

Jason Chappelhow, Manchester, Active Flooring Solutions Ltd, jason.chappelhow@gmail.com - In short there has been a slowdown in work in the last 3-4 months of 2023, worth noting we're far down the supply chain (subcontractor).

Jeremy C Broadbent, Manchester, CLIVE RAINFORD HOMES LTD, jeremy.broadbent@cliverainfordhomes.co.uk - Housing market - matching materials with the latest SAP regulations/calculations are causing much confusion

John Pryor, Liverpool, Laing O'Rourke, john.pryor77@gmail.com - PQS firms are still a scurge on our industry.

Jonathan Vaughan Davies, Buxton, Jonathan V Davies Chartered Surveyors, jonathan@jonathanvdavies.co.uk - Digitisation is reducing skill sets.

Kevin Thompson, Liverpool, TJ Morris Ltd, kevt26@yahoo.co.uk - Availability of property.

Leslie Millar, Isle Of Man, Leslie Millar MRICS FCIOB FASI, les.millar@hotmail.co.uk - Busy construction sector leads to shortage of skills.

Loveday Godfrey, Cheshire, LDG Associates Ltd, ldgassociates@outlook.com - Construction cost inflation and planning delays are the biggest challenge to providing social housing at present.

Mark Murphy, Manchester, Town and Country Development Paertnerships Ltd, mark@egertonhomes.co.uk - Restrictive planning regulation.

Michael Blakeley, Greater Manchester, Tempus Design & Build Ltd, mike@tempusdesignandbuild.co.uk - Interest rates.

Mike Groarke, Warrington, BGEN, mikegroarke@b-gen.co.uk - A lack of a standard prequalification datebase and the also the measure of added value within bids.

Mr Leslie J Turnock, Skipton, Quantum Arbiter Ltd, ljt@quantumarbiter.co.uk - General reduction in workload.

Mr Nicholas Bracegirdle, Predominantly Birmingham, Manchester And The Surrounding Area, Habilis Surveyors, nick@habilis-surveyors.co.uk - HS2 Northern Leg.

Nick Wdowczyk Mrics, Manchester, GWB Consultants Limited, nwdowczyk@gwbconsultants.co.uk - Funding is very challenging for projects at the moment. It will be interesting to see how this develops in Q1 2024.

Paul Redman, Southport, Paul Redman Consulting Ltd, paulredmanconsulting@gmail.com - Funding institutions are now overly risk averse and projects are taking longer to commence due to funding restrictions whilst legal and bureaucratic boxes are ticked. This is taking a lot longer than usual.

Peter A Rolph, Manchester, Emerson Bond Group Limited, peter.rolph@emersonbond.com - High interest rates and planning delays.

Peter Mcgrath, Manchester, Warrington Martin, pmcgrath@warringtonmartin.co.uk - Incoming stats and planning bodies are a shambles at this moment in time.

Phil Whitwam, Manchester, BAM Construction Limited, pwhitwam@bam.com - One of the greatest challenges is inflation. Private sector clients cannot secure funding at affordable levels causing projects to stall. Fixed price construction projects with significant value and/ or long delivery programmes are a huge risk to contractors.

Philip Poundall, Greater Manchester, P J POUNDALL, phil.poundall@hotmail.com - Inflation.

Raymond Boyle Mrics, Manchester, RJBoyle MRICS Property Conultants, rayjboyle@hotmail.com - Continued pressures on skill shortages and material costs.

Robin Tracey, Manchester, Cara Construction Limited, robin.tracey@caraconstruction.com - Tier 1 Contractors are moving payment terms back from 30 days to 45 days. After the Carillion debacle the Government should have taken steps to stop this with legislation.

Samuel Slater, Warrington, National Highways, samuel.slater@nationalhighways.co.uk - General inflation.

Simon A Suttton Mrics, Liverpool, MayZ Building Consultancy Ltd, sasuttonmayz@gmail.com - Slow response to settlement of accounts by larger companies and developers. Small firms and individuals pay better.

Simon Fullard, Liverpool, Actua Chartered Surveyors, simon.fullard@actuabc.co.uk - Lack of suitably experienced staff and salary expectations.

Stephen Bamford, Manchester, Global reports, stephen.bamford@yahoo.co.uk - Lack of competent trades people.

Timothy Lewis Hewitt, Manchester, TLH Surveying Services LTD, Tim.hewitt@tlhsurveyingservices.com - City housing demand and interest rates pushing private housing demand in certain demographics.

Yorkshire & the Humber

Ben J Pearson, Sheffield, Henry Boot Construction Limited, benpearson@henryboot.co.uk - The accuracy of cost planning and feasibility estimates are providing clients with a false impression of the current costs and when tenders are returned the projects aren't viable. This is prevalent on two stage tenders.

Conrad Canadine, Barnsley, Barnsley Facilities Services Ltd, canadine@ymail.com - Lack of investment in most public areas, healthcare, transport, technology etc.

Dale Launders, Hull, Questgates, dale.launders@questgates.co.uk - Shortage of skilled trades and labour that reduces competitive tendering options.

Daniel Salisbury Mrics, York, SASS UK, daniel@sassuk.com - Very limited opportunities for sole-traders.

Glenn Halsey, Hull, Building Control Partnership, rhea@rhea.karoo.co.uk - Material back log.

Mark Bevan, Bradford, Aqua Consultants, mark.bevan@aquaconsultants.com - Demand peaks resulting in resource shortages.

Martin, Leeds, Green Croft Consultants, martin@greencroftconsultants.co.uk - Failure of Government to provide promised funding for necessary projects.

Mathew O'Shaughnessy, Leeds, Construction Marine Ltd, moshaughnessy@hotmail.co.uk - End of CP06 railway frameworks.

Paul Michael Smith, Leeds, PSC Surveying Ltd, Pauls@psc-surveying-ltd.com - Continued delays with planning is delaying most projects from a start on site.

Paul Walker, York, Two Plus Two, paul@two-plus-two.com - A steady construction industry at the moment with a balance of interchanging increases and decreases in workload between new and R&M, and within the various sectors will be good to see over the winter months followed by a renewed confidence in the spring.

Richard Gough, Leeds, Rushbond Plc, richard.gough@rushbond.co.uk - High costs creating viability issues.

Richard Pearson, Sheffield, Sheffield City Council, richard.pearson@sheffield.gov.uk - Workload exceeds resource across the board. Tender prices vary by considerable margins. Site management is very inconsistent, changes of staff can be frequent in leading to inconsistency and lack of continuity. Contractors struggling and going into administration.

Tom Emery, Sheffield, Mott MacDonald, tom.emery@mottmac.com - Post Brexit red tape hindering activity within EU.

South West

Adrian Gilby, London & Bristol, First Rail, adrian.gilby1@btinternet.com - I work within the rail industry which is undergoing a lot of change with heavy Central Government involvement which has slowed/complicated processes for project funding, authority and project delivery.

Anthony Seymour, Berkeley, Seymour QS, seymour_t@sky.com - Lack of young people apprenticeships in construction.

Christopher M Gunn, Redruth, CM Gunn MRICS, chris@chrisgunnsurveying.co.uk - Significant skills shortage are resulting in trades becoming picky about what work they wish to undertake specifically choosing new builds over refurb. If refurbs are priced the labour costs seems excessive.

David Greenway, Truro, Cornwall Council., david.greenway@cornwall.gov.uk - It is not the lack of digital skill for graduates that is the problem, it's there lack of building pathology and general surveying skills that cannot be taught from a classroom.

David Millar, Exeter, Blue Cedar Homes Ltd, david.millar@bluecedarhomes.co.uk - Difficulties with planners.

Elizabeth J Thornton, Southampton, Morgan Sindall, ejthornton123@gmail.com - Discord between operations and commercial.

Gary Fisher, Bristol, Mode Consult Ltd, GaryFisher@modeconsult.com - Lack of good, young people coming in to the industry.

Gary Lucas, Dartmouth, GSL Advisory, glucas119@btinternet.com - Remoteness of region means shortage of skills at an economic cost.

Gary Slade, Ta11, Sole trader, Gsladesurveyors@gmail.com - Phosphates neutrality issues is the biggest hinderance to new development in my area.

Gary Sutton, Exeter, Gigaclear Ltd, littleinches@hotmail.co.uk - Competition between Alt nets and availability of suitable demographics/geometrics for future build areas diminishing.

Gavin Beesley, Bradford On Avon, Beesley Consultancy Ltd, Gavin@beesleyconsultancy.co.uk - BREXIT limitations in working across Europe.

Gavin Howells, Bristol, , gavin.howells@hotmail.co.uk - Planning authority. Planning resourcing.

Gavin Scriven, Bristol, Lantic Building Surveyors, gavin@lanticbuildingsurveyors.co.uk - Property valuation and cost of finance, coupled with construction costs and timescales for planning are making investment in property a real concern.

Gregory Smith, Bristol, hookway llp, gregsmith@hookway.org.uk - Ageing workforce.

Hamish Macbeth, Poole, Cawdor Construction Developments Ltd, hmacbeth@cawdor.biz - Obstacles, delays and inefficiency in the planning system.

Ian Lewis, Guernsey, States of Guernsey, ian.lewis@gov.gg - Shortage of labour and increased transport costs of 20%.

James Evans, Swindon, Network Rail (Western & Wales Region), James.Evans@networkrail.co.uk - Uncertainty and fear over future workstreams and contractual engagements between new Framework Suppliers and existing in-region SME/subcontractors that have not worked for/with them before.

James Hurford, Bristol, Redrow, james.hurford@redrow.co.uk - Demand for private housing reduced due to economic reasons.

Jeremy Aston, Gloucester, , jeremy@astonand.co.uk - Global war, economic influences and loss of focus in domestic and overseas politics.

John Banyon, Plymouth, Gateway Surveyors, j.banyon@gatewaysurveyors.co.uk - Now stable interest rates and the possibility of slight lowering of interest rates in the next 12 months may stimulate the new build residential property market.

Katy Senior, Truro, Cornwall Council, katy.senior@cornwall.gov.uk - Cornwall suffers from a very limited contractor resource market for projects with value of between £3m-£10m. This is significantly increasing tender prices.

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

Mark Cox, Plymouth, COX DEVELOPMENTS (SW) LIMITED, cox.developments@hotmail.co.uk - Currently market is very stagnant and expect similar over next 6 months.

Michael Philip Ardley, Gloucester, Gloucester City Council, philip.ardley@gloucester.gov.uk - Our construction works in progress this year have been heavily influenced and progressed by Government Levelling Up funding without which much of the work would not have been viable.

Myles Clough, Exeter, Myles Clough Management Services Limited, myles@cloughmanagement.co.uk - Contractors are still very busy and price rises are coming through the supply chain.

Oliver Dunford, Lymington, Dunford Construction Ltd, oliver@dunfordconstruction.co.uk - Skills and labour shortage and increases in rates as a result.

Oliver Murray, Cirencester, Ridge & Partners LLP, olimurray96@gmail.com - Planning backlog, local authority resourcing issues, principle in favour of non-development.

Paul Blackmore, Bristol, Arts Council England, paul.blackmore@artscouncil.org.uk - Poor public finances.

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

Paul White, Bristol, AJP Commercial Ltd, ajpltd@live.co.uk - Cost of living.

Peter Grills, Plymouth, Devon, High - Tech Services Ltd, peter.grills@high-techservices.co.ukuk - Lack of training and skilled labour.

Phil Pike, Newport, Isle Of Wight, Pikes ltd, philip@pikesltd.co.uk - Frameworks are anti competitive and drive up costs by min 30%. QA is rubbish and we need Quality control with proper trades.

Richard Jessup, Bristol, AtkinsRealis, Richard.jessup@atkinsrealis.com - Lack of contract knowledge by contractors in sub £5 million projects. Lack of skilled trades people directly employed by main contractor. Lack of detailed knowledge by designers in commercial retrofit market.

Rod Mathieson, Bournemouth, Ellis Belk Associates Ltd, Rod@ellisbelk.com - Building Safety Act.

Roger Ewart Smith, Swindon, Wilts, Smith and Foyle, smithandfoyle@btconnect.com - Reputable, skilled small builders are hard to find, Those that could be recommended are booked up for months ahead.

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

Simon Cornelius, National, smc projects services, simon@smcprojects.co.uk - Rising prices.

Tim Burke, Plymouth, BRL Architects Limited, tim.burke@brlarchitects.co.uk - Planning and other regulation.

Trevor Humphreys, Cornwall, Trevor Humphreys Associates, thassociates@sky.com - Shortage of contractors bidding fixed price.

William P Howard, Bristol And North Somerset And S Glos, W P Howard FRICS, williamphoward@btinternet.com - Planning failures due to consistent delays by local government.

Yuk Leung Lok, Oxford, W&S, lokyuk852@gmail.com - Global economic situation.

Wales

Andrew Needle, Cardiff, Chatelain Consulting Ltd, chatelain.consult@gmail.com - Lack of government funding.

David Andrews, Knighton, David Andrews Chartered Surveyor, davidandrewsmrics@gmail.com - Lack of construction trade skills.   Poor workmanship on site. Inadequacy of educated and sophisticated contractors. Delays caused by Town and Country Planning.   Insufficient young people entering the construction industry.   Construction and property careers not promoted enough in schools

David N Williams, Swansea, Gillies, Williams & Associates, gillieswilliamsassoc@gmail.com - High costs.

Jeffrey Lester, Newport, Seff employes, jefftlester@btinternet.com - Poor governance.

Jodie O'Connor, Pembrokeshire, Penfro Consultancy Limited, jodie.oconnor@live.co.uk - Rural location struggling to recruit suitably qualified personnel for professional roles due to lack of transport and infrastructure.

John Pugh, Ruthin, CHARTERED BUILDING SURVEYOR, johnappugh@usa.net - Lack of housing both affordable and marketable

Jon Simcock, Cardiff, NHS, jonathan.simcock@wales.nhs.uk - Reduced public sector funding leading to schemes being kept on hold indefinitely.

Lindsay Richards, Swansea, Richards Partnership Ltd, Lindsay@richardspartnership.com - New Welsh legislation this autumn will have a detrimental effect on the market.

Mark David Crowley, Cardiff, Blue Boar Project & Building Consultancy, mark@blue-boar.com - Impacts of COVID, global issues and supply of materials and labour are key challenges. Inflation and elections in UK & USA could also impact the market massively in 2024.

Neil Taylor, Cardiff, Hafod Housing Association, neil.taylor@hafod.org.uk - Planning process and lack of suitably qualified professionals and trades.

Terence Jones, Swansea, Terry Jones CQS Ltd, terry.qs@btinternet.com - Lack of funding for the Welsh Government and local authorities.

West Midlands

C Cullen, Birmingham, SDL, chriscullen@live.com - Increasing bureaucracy and regulatory requirements including carbon & environmental requirements.

Darren Clarke, Birmingham, Arcadis LLP, darren.clarke@arcadis.com - Planning delays, access to suitable land, viability.

David Thorp, Leamington Spa, Warwick District Council, david.thorp@warwickdc.gov.uk - Lack of available building control officers to fill roles.

Edward J. Webb, Leamington Spa, Oakley Blythe Quantity Surveyors Ltd, edward.webb@oakleyblythe.com - Interest rates.

Fergus Thompson-Yates, Birmingham, NCS PCL, fergusthompsonyates@ncspcl.com - HS2 sucking up labour plant and materials.

Garrie Weatherley, Birmingham, Trinity Property Consultants Ltd, gjw@trinitypc.co.uk - Planning process still continues to frustrate development.

Ian Davis, Birmingham, Saxon Holmes Surveyors, Iancdavis59@hotmail.com - High interest rates.

James Duffy, Birmingham, Emmaus Consulting, Duffy1_5_7_1@hotmail.com - Recent projects in the SouthWest are struggling to attract contractors to tender on a single stage basis.

James Paul O'Dwyer, Leamington Spa, ORB QUANTUM CONSULTING, paul.odwyer@orbqc.com - Shortage of skilled operatives for certain trades.

Jeremy Pardoe, Rugby, Octavius Infrastructure Limited, jempardoe@gmail.com - I think inflation will decrease in 2024 therefore tender and construction prices will come down in price.

Lindsay Mccombe, , Godwin Developments, lindsay.mccombe@godwingroup.co.uk - The planning system needs radical overhaul to allow development to occur speedily and stop it being hijacked by special interest groups.

Lois Taylor, Birmingham, Naismiths, loistaylorbabb@hotmail.co.uk - Availability of funding as criteria has changed/more cautious approach.

Mark Lucas, Birmingham, DGA UK Ltd, mark.lucas@dga-group.com - Planning process.

Phil Hodges, Birmingham, Ridgeways Chartered Quantity Surveyors, phil@ridgewaysqs.co.uk - Increased risk aversion by funders and developers alike mixed with inflated rates for skilled trades.

Rhys Owen Sandbrook, Bromsgrove, R O Sandbrook Ltd, enquiries@rosandbrook.co.uk - Delays in receiving quotations.

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.

William Howe, Birmingham, SSE, william.howe2@sse.com - Resource shortage in commercial and technical roles.

Winston Clarke, Birmingham, Coventry City Council, winston.clarke@coventry.gov.uk - Shortage of skilled operatives.

East Midlands

Christine Lawlor, Lincoln, Defence Infrastructure Organisation, Christine.Lawlor200@mod.gov.uk - Working in the public sector, having to meet carbon net zero targets is fast pushing many projects beyond affordability or limits the budget programme to only a few projects each FY.

David John Morris, Wellingborough, Tompkins Robinson Surveyors, davidm@tompkinsrobinsonsurveyors.co.uk - Speed of planning, highways agreements and LA building regs approval remains a major project delay factor.

David Price, Nottingham, Turner & Townsend Infrastructure Limited, david.price1@turntown.co.uk - There seems to be a large number of high value schemes in the pipeline which could impact skills availability over the next 1- 3 years.

Eleftherios Patsalides, Leicester, John Lester Partnership Limited, lefty@jlpqs.co.uk - Lack of good contractors available for tendering of projects.

Gary Barber, Ibstock, Benchmark Property, gbarber@benchmarkproperty.co.uk - Planning delays and hurdles.

Glenn Cryer, Lincoln, Cryer Surveying, glenncryer@cryersurveying.com - Slow housing market.

Jason Alexander Denning, Leicestershire, Eveson Projects Limited, jason@eveson.com - Funding has slowed considerably in new stock and has shifted to existing stock and R&M.

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

Jonathon Grove, Northampton, Drake and Partners LLP, jgrove@drakeandpartners.co.uk - High interest rates are prohibiting development.

Mrs Hepzibah Hunt, Birmingham, Roach Hunt Partnership Ltd Chartered Quantity Surveyors, hepzihunt@roachhunt.co.uk - Information can only be extracted once it is captured in a model and our experience of recent projects is the detail required for visualization is not the level of detail required. The QS's role is growing rather than reducing with the increased use of CAD.

Richard Gudgin, Lincoln, FOX{OWMBY} LTD, rgudgin@foxowmby.com - Poor moral and movitional issues resulting from current negativity regarding national and local economy.

Stephen Hodgson, Derby, Lumsdale Surveyors Ltd, stephen.hodgson123@gmail.com - Planning system is historic.

Stephen Parris, Northampton, Underwoods, steveparris45@gmail.com - Local authority ineffective.

Tanya Spilsbury, Derby, Highgate Sanctuary Ltd, tanya@buildingsanctuary.co.uk - Lack of availability of big firm tools to small businesses, either freely or at affordable cost. Too many acronyms in digital products and not enough focus on small scale buildings or portfolios.

East Anglia

Amy Butler-Priestley, Chelmsford, Oxbury Chartered Surveyors, amybutler-priestley@oxbury.co.uk - Delays in planning.

Annett Thompson, Ipswich, Concertus Design and Property Consultants, annett.thompson@concertus.co.uk - Housing developments are slowing which is slowing related construction such as new schools.

Chris Keeble, Ipswich, Castons Consulting Ltd., ckeeble@castons.com - We continue to see strong demand for quality professional services despite a sometimes uncoordinated macro and political approach.

Christopher Barker, Clavering, Chris Barker Surveyor Ltd, christopherjbarker1951@gmail.com - Interest rates and turndown in domestic market.

Clive Richard Tanner, Woodbridge, hollins architects, clive@hollins.co.uk - Planning regulations and fees.

Daniel Key, Norwich, RUA LLP, daniel.key@rua.co.uk - Planning process; in particular nutrient neutrality.

Gerald Bird, Colchester, Gerry Bird Consultants Ltd, gabird@btinternet.com - Local Authority planning inconsistency on small works. Legislation from Whitehall drafted for major companies then applied to small works impractically. Eg. Building Safety Act 2022.

John Allen, Colchester, Retired, jaysuk@btinternet.com - Lack of infrastructire investment.

Jonathan Nelson, Norwich, RUA LLP, jonathan.nelson@rua.co.uk - Competitors buying work, whilst cost of living / construction costs remain high and likely to remain such during 2024. Buying work in markets unable to unlock development seems a foolhardy and unsustainable tactic / model in the current climate. Firms likely to quickly reduce headcount as a result.

Martin Peter Clark, Norwich, EAM DEVELOPMENTYS, martinclark04@btinternet.com - Lack of first time buyers in housing market place leading to entire process being hell.

Matthew John Rawlings, Ipswich, Mid Suffolk District Council, matthewr7@sky.com - The new Building Safety Regulator / HSE.

Michael Lawton, Flitwick, , michael@trinitysolutions.org.uk - Poor quality work causing too much rework or damaging reputation of construction.

Nick Pacey, Milton Keynes, Pacey & Associates, npacey@outlook.com - New house building slowed considerably and second hand house sales rates down with corresponding price reductions in both sectors.

Paul Drayton, Cambridge, Pace associates, Pdrayton@paceassociatesltd.co.uk - Resources of local planning authorities leading to delay / uncertainty in the planning process.

R Franklin, Bedford, Robinson & Hall, rjf@robinsonandhall.co.uk - Hopefully more confidence will return to the industry in early 2024, allowing more certainty for new projects to progress.

Richard Monk, Felixstowe, RICHARD MONK ASSOCIATES LTD, rmasurveyor@gmail.com - Lack of confidence in the market, uncertainty.

Richard Sewell, Halesworth, Suffolk, Richard Sewell (Quantity Surveyor) Limited, richard@rbsewellqs.com - Quality and integrity needs improving in all disciplines - desperate times have lead to cutting corners.

Russell John Osborn, Based In Luton, Operate Mainly In Cambridge, PM & QS Services Ltd, russellosborn@btinternet.com - Confusion of new legisation following Building Act.

Saul Humphrey, Norwich, Saul D Humphrey LLP, Saul@sauldhumphrey.com - Commercial viability is a growing problem.

Stephen Fitzgerald, , Clarke banks building control, Daniajf@blueyonder.co.uk - Registration of building control surveyors will result in fewer surveyors.

Scotland

Alan Prenty, Glasgow, Soben CC Ltd, alanprenty@btinternet.com - Changes in goverment spending policies.

Allan Alexander Cockburn, Paisley, PMC Commercial Ltd, allan@pmccom.co.uk - A shortage of skilled labour (both Professional and Site Operatives) continues to be an issue. I would also say that the quality of young professionals is lower than required and I feel that there is not enough experienced staff supporting the. This is demonstrated by the quality of documents issued.

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

Caroline Meeke, Glasgow, , caromeeke@googlemail.com - M&E cost increases.

Chris Grant, Edinburgh, Careys, chris.grant@careys.co - Clients on the whole still focussed on cheapest price which has been exacerbated by increase in interest rates.

Colin Robertson, Edinburgh, Turner & Townsend, Colin.robertson131@gmail.com - Effect of large infrastructure investment in offshore schemes on already diminishing professional suppliers.

Daniel Mckinney, Glasgow, Storrier & Donaldson Limited, dannymckinney.sanddltd@btconnect.com - Increasingly hard to get Design Team information to prepare tender documents.

David Mcgeachin, Glasgow, Morrison Construction scotland, davidmcgeachin@hotmail.co.uk - Skilled labour shortage and volume of work, labour unwilling to travel.

Gary Wilson, Inverness And Aberdeen, WSD Scotland, gary@wsd-inverness.co.uk - Planning delays.

George Jaap, Edinburgh, Rose Street Realty llp, george@rsrllp.co.uk - The scale of projects determine the use of digitalisation, BIM - not appropriate for smaller scale projects and general repair/ maintenance works.

Gordon Campbell, East Kilbride, Neilson Partnership, gordon.campbell@neilsons.biz - There are a limited number of contractors chasing similar opportunities.

Ian Simpson, Dundee, DCT, Isimp5869@gmail.com - There is a limited appetite from clients to invest in long term benefits of BIM/ digital twin modelling because of the initial outlays. There is also a major issue with the quality of model info provided in models. Clients investing in a model are often left deeply disatisfied by the quality.

Jack Mc Kinney, Glasgow, , Jack@jmckinney.co.uk - Planning under NPF4 delaying developments and involves high costs adding to development expenditure. Developments are being delayed as Planning Departments contend they are unsure of the applications of NPF 4 in Scotland.

Jonathan Howarth, Portree, Jon Howarth Chartered Surveyor, skyesurveyors@gmail.com - Price of procuring specialist materials & labour in remote areas.

Kevin Caffrey, Glasgow, Avison Young, klcaffrey@yahoo.co.uk - Finance costs.

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

Leslie Ross, Edinburgh, Morham & Brotchie Limited, leslie.ross@mb-qs.com - Sub-contractors only hold prices for short periods or caveat conditions and exclusions.

Mark Stevenson, Inverness, Torrance Partnership LLP, mjs@torrance-partnership.co.uk - Lack of public sector funding for shools, infrastructure, etc. is affecting development. Delays in the Planning system are a significant issue, specifically related to responses from consultees such as Roads/Infrastructure.

Steven Hyde, Edinburgh, D Blake & Co Ltd, stevenhyde66@gmail.com - Skilled and unskilled wages were becoming unattractive so we have found it necessary to increase them by around 7.5%.

Stuart Taylor, Glasgow, Avison Young, stuart.taylor@avisonyoung.com - A poor Government locally and nationally within Scotland.

Susan Rodigan, Kirkcaldy, Fife Council Building Services, susan.rodigan@fife.gov.uk - Good reliable contractors who want an honest approach to work.

Tom Higgins, , SE, higginstom7@hotmail.com - Geographical remote areas.

William Mcbride, Glasgow, Glass Profiled Solutions Limited, wam@glass-profiled-solutions.co.uk - Most main contractors are not sustainable without the sub-contract cash model wherein sub-contractor payment finance is the main source of main contractor liquidity - client to M/C 14 days payment terms, M/C to sub-contractor 60 day payment terms. This model is widespread to varying degrees.

Northern Ireland

Fergal Mackle, Coleraine, AG Wilson Civil Engineering, fergal@agwilsoncivilengineering.com - Government budget reductions.

Gerard Lundy, Belfast, GRAHAM Asset Management Ltd, gerard.lundy@graham.co.uk - The lack of government in NI is severely impacting investment and project decisions. The regional Centre of Procurement Excellence under DoFNI is also poorly motivated, managed and causing great difficulties in the supply chain, it needs radically reformed.

Mark Hughes, Belfast, McNicholl Hughes, mark@mcnichollhughes.com - Lack of functioning goverment in NI. Brexit issues still effect NI.

Michael Mccaughey, Dungannon, Director, info@mjmccaughey.com - Absence of local government adding to budget constraints.

Norman Lambe, Banbridge Co Down, Gibson (Banbridge)Ltd, norman_lambe@yahoo.com - Continuing lack of Northern Ireland devolved government.

Oliver Smith, Ballymena, SurveyLink NI Ltd, olliesmith1959@gmail.com - No devolved Government. A rudderless and underfunded ship.

Robert Martin, Belfast, Nolaclan, Lock50ltd@outlook.com - Planning.

Tim Nelson, Belfast, Sodexo, tim.nelson@sodexo.com - Political uncertainty.

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 Q4 2023 = 1500

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?

Economics Team

Simon Rubinsohn

Chief Economist

srubinsohn@rics.org

Tarrant Parsons

Senior Economist

tparsons@rics.org

Donglai Luo

Senior Economist

dluo@rics.org

Adib Munim

Economist

amunim@rics.org

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.

Americas, Europe, Middle East & Africa
aemea@rics.org

Asia Pacific
apac@rics.org

United Kingdom & Ireland
contactrics@rics.org