

AUTUMN 2026

More appetite but not more capacity

Where the market is opening – and where it remains constrained

Current Landscape

Construction remains in contraction, while funding, building-safety requirements, geopolitical shocks and constrained specialist capacity shape the market. Business confidence has improved since July's change of government, but much now hinges on the **Autumn Budget**.

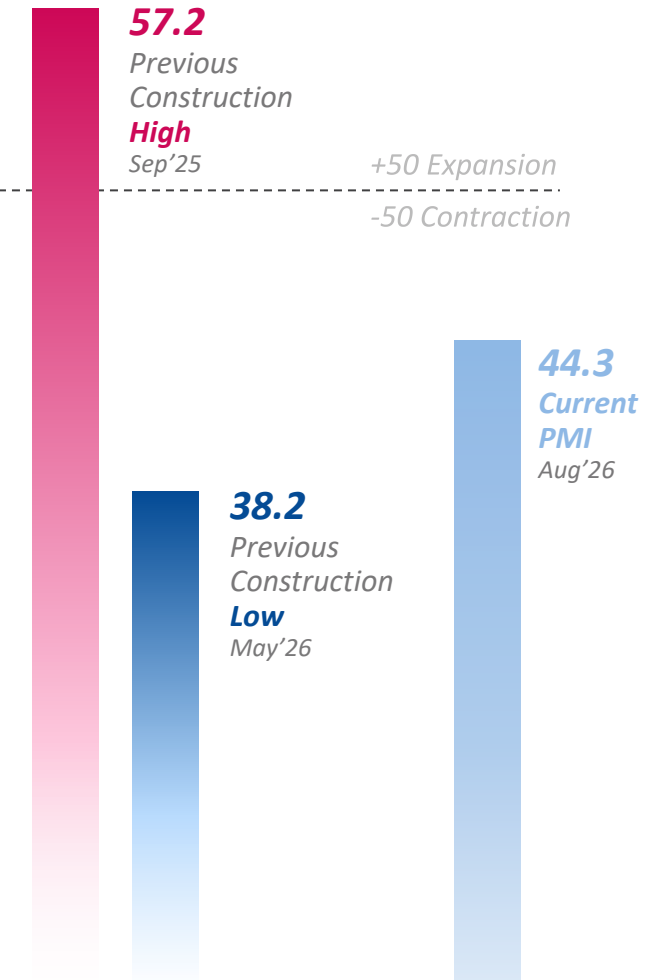
Pressure points:

- Middle East conflict
- CBAM/Steel trade measures
- Constrained MEP capacity
- Selective Cost and Programme Pressure

KEY METRICS

Funding remains a viability constraint	3.75%	Bank Rate Jul'26
Wider inflation remains elevated	3.1%	CPI Aug'26
The economy is resilient	+0.5%	UK GDP/Output Q2'26
Construction outlook remains negative	-3.3%	CPA Output Forecast Summer '26

PMI



A Market Opening Unevenly

Contractor **appetite is improving** as workloads soften, but costs, financing and weak confidence still delay conversion. **The market is more selective - not cheaper.**



Appetite is improving

Well-prepared £10–30m schemes may **attract broader fields**; higher-value or more complex projects may face a narrower field.

Credibility driving tender participation

Tier 1 contractors are **engaging more actively** for selected 2027 opportunities where budgets, funding and risk are credible.

Specialist depth is the limit

Different Tier 1 bids may still rely on the same **narrow pool of package specialists**.

Pressures are Package Specific

Cost and capacity pressures remain concentrated in particular trades – not market-wide.

AUTUMN

Tender Price Indicator

UK Average

3.25%

▼ compared to 3.50% Q2 '26

London Average

3.50%

▼ compared to 3.75% Q2 '26

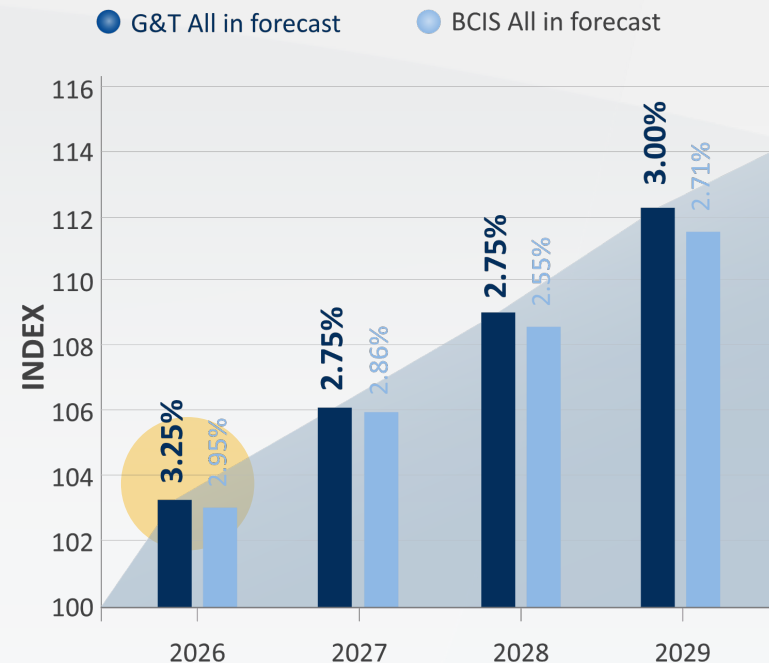
Selected cost and risk pressures are limiting the benefit of softer demand.

Tender Price Annual Change

Regional Forecasts, 2026 %	Now	Last*
Greater London	3.50	3.75
South East	3.25	3.50
South West	3.25	3.50
East (Anglia)	3.50	3.75
Midlands	2.75	2.75
Wales	3.00	3.00
Yorks & Humber	2.25	2.25
North West	2.75	2.75
North East	2.25	2.25
Scotland	3.00	3.00
Northern Ireland	3.50	3.50
UK Weighted Average	3.25	3.50

* Q2 2026

Tender Price Trend 'All UK TPI'



What's driving prices?

- 1** Weaker demand is sharpening competition, restraining price increases
- 2** Specialist labour costs remain elevated
- 3** Materials and plant costs are uneven
- 4** Energy volatility keeps exposure elevated
- 5** Risk allocation is feeding into costs

Market Signals

Tier 1 appetite is **improving selectively**, but specialist capacity and project **conversion remain uneven**. Our market surveys have identified...

TRENDING UP



69%

Main Contractor Selectivity

2027 workload averages 60% secured, but **69% are more selective on tenders**. Credible funding, mature information and a clear delivery route win early engagement.

92%

Material Input-Cost Pressure

92% identify energy and fuel pressure, 73% materials, equipment and plant. Exposure is uneven by package — model escalation at package level, not as a blanket uplift.

52%

Programme Pressure

52% identify programme or design maturity as an upward price pressure. Compressed programmes and immature information drive higher allowances and more qualifications.

Market Signals

Tier 1 appetite is **improving selectively**, but specialist capacity and project **conversion remain uneven**. Our market surveys have identified...

TRENDING DOWN



68%

MEP Capacity

MEP is the clearest constraint, with **68% reporting tightening capacity**. Pressure is package-specific - test specialist and major-plant needs early.

57%

Risk allocation

Uncontrollable risk gets priced or qualified — driving allowances and bid decisions. **57% say risk allocation and contract terms add price pressure**.

77%

Project conversion

77% flag viability gaps, 69% budget misalignment. Budget, funding and design readiness remain the key gates to conversion.

Trade Package Pressure

Headline TPI conceals the differences in cost, capacity and supply-chain depth that matter **at package level**.

High Pressure



M&E, Controls & Critical Plant

Specialist labour and capacity; long-lead equipment, controls and critical plant

Elevated Pressure



Structural Steel

Fabrication capacity; energy and material availability; steel trade measures

Drylining

Labour availability, board and metal costs, workload and market capacity

Moderate Pressure



Joinery and Finishes

Labour, specification, product mix and procurement timing

Concrete

Materials costs, subdued demand and available capacity

Façades

Competence, design responsibility, capacity and liability

Low Pressure



Groundworks

Competition and available capacity

Demolition

Contractor appetite, subdued demand and available capacity

MEP Pressure Must Be Managed

The **risk** is not simply materials: specialist capacity, design, compliance and critical plant compound cost and programme exposure.

Reported Upwards Pressure

79% Materials/Commodity Volatility

50% Compliance/Regulation

46% Design Complexity/Coordination

46% Specialist MEP Capacity

42% Labour Availability/Wage Inflation

How G&T manage this?

- ✓ Get client brief right and hold it – and **revisit it regularly**
- ✓ Appoint the right **MEP designer and delivery team**
- ✓ **Engage supply chain early** and consider early appointment
- ✓ Create **credible competition**
- ✓ Select the right **tender list**
- ✓ Use a **PCSA**
- ✓ Consider early procurement of **critical or long-lead items**

96%

said early procurement can help manage geopolitical and supply-chain risk.

More opportunities, but weaker confidence in conversion

The **volume of opportunities** in the pipeline is improving, but the likelihood of projects proceeding has deteriorated. Our **G&T Main Contractor Survey** and **G&T Autumn 2026 TPI Survey** found...



46%

Of respondents feel that **the volume of opportunities** has improved in the last 12 months



73%

Of respondents feel that the **likelihood of projects proceeding** has deteriorated in the last 12 months



58%

Of respondents feel that **client funding certainty** has deteriorated in the last 12 months

WHAT IS HOLDING OPPORTUNITIES BACK?

78%

Affordability/Viability

55%

Funding Availability/Financing Cost

45%

Client Confidence

Appetite is improving – but selectively

Contractors are concentrating bid effort on opportunities with **credible budgets, secure funding, mature design and balanced risk**. A credible route to delivery matters more than turnover alone.

What respondents report...

69%

are more selective than
12 months ago

88%

bid only
25–75% of invitations

54%

report price validity of
30–60 days

Before inviting bids:

1

Check Budget

2

Check Funding Security

3

Design Readiness

4

Route to Delivery

5

Balanced Risk

More Tier 1 appetite does not necessarily mean more delivery capacity

A wider main-contractor field can still depend on **a narrow and overlapping specialist base.**

Where competition may be **broader**

Well-prepared **<£50m** schemes may attract a wider credible Tier 1 field.

Single-stage tendering can work where funding, design and risk are sufficiently mature.

Where the field may **narrow**

Higher-value schemes, particularly **above £50m** or with greater complexity, may still struggle to attract a strong field of capable bidders.

Earlier engagement or a two-stage route may be needed.

The **hidden constraint**

Different Tier 1 bidders may rely on the same MEP, façade, lift, fire-stopping, controls and critical-plant specialists.

Other high-demand sectors may be competing for the same capacity.

More Tier 1 appetite does not necessarily mean more delivery capacity

A wider main-contractor field can still depend on **a narrow and overlapping specialist base.**

Test delivery depth – not just bidder numbers

Availability

Who sits behind each Tier 1 bid, and are they genuinely available?

Capability

Relevant competence, capability and delivery track record

Commitments

Current commitments and realistic capacity windows

Resilience

Insurance, design responsibility, financial resilience and replacement capacity

Test main-contractor and specialist **availability** before fixing scope, packaging, procurement route and programme

Projects with strong fundamentals can progress now

Improving appetite creates an opening for credible schemes – but competition remains selective and delivery depends on credible budgets, mature design, balanced risk and specialist capacity.

01

Set a credible budget

02

Test bidder depth

03

Resolve design and risk

04

Forecast by package

05

Secure critical capacity

How G&T can help...

Combine **market, cost and supply-chain intelligence** to test viability, bidder depth, package exposure and delivery risk before tender.