

Mace cuts tender price forecast for 2023

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Mace, the international consultancy and construction company, has today (12 January) announced a sustained downward revision of its tender price forecast for 2023.

The Mace Cost Consultancy Market View report for Q4 2022 shows a tender price forecast increase of 2.5% for the year ahead, a reduction from the previous tender price forecast of 3.5%. The Q3 Market Report also gave a reduced forecast for tender prices for this year. The Q4 report considers a range of factors in the annual lookahead – including the Bank of England’s interest rate rise to 3.5% and the 0.2% drop in GDP seen in Q3, a drop in material prices and the likelihood of a recession for the UK economy.

It also points to the resilience of the construction sector, with construction output growing 0.6% in Q3 – a stark contrast to the falls seen in the wider economy. Additionally, an increase in new orders of 6.4% is expected to result in a moderately healthy pipeline for the start the year.

Andy Beard, Global Head of Cost and Commercial Management for Consult, Mace said: “In a challenging market and with increasing inflation and further cost-of-living pressure, the industry faces a difficult year ahead. However, the construction industry’s moderate output growth and increase in new orders is an optimistic indicator for the industry to remain resilient compared with other sectors.

“The industry is likely to face obstacles in terms of material cost pressures and the impact of inflation on profit margins. Against this backdrop, it’s key that clients and consultants continue to prioritise their sustainability goals.”