

# BCIS All-in Tender Price Index Panel Reports Mixed Construction Outlook for 2026

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Tender prices increased by an estimated average of 0.7% between 3Q2025 and 4Q2025, according to the latest data from the [Building Cost Information Service](#) (BCIS).

The increase resulted in 2.5% annual growth in the BCIS All-in Tender Price Index (TPI).

This was agreed at the latest meeting of the BCIS All-in TPI Panel by cost consultants from firms involved in multiple tenders each quarter.

Newly updated five-year forecasts further estimate a 17% increase in the BCIS All-in TPI between 4Q2025 and 4Q2030.

BCIS has also forecast a 16% rise in total new work output between 2025 and 2030.

BCIS chief economist Dr David Crosthwaite said: “Panellist sentiment was mixed for 2026. Public sector prospects look promising while delayed decision-making ahead of the Budget reportedly put more projects on hold.

“However, concerns remain over contractor order books for the next 12 months with panellists underlining the impact of sluggish markets on tender opportunities in the private sector.”

Less than one-third (29%) of panellists said their pipeline of projects going to tender over the next year increased slightly in 4Q2025, with a further 14% reporting a significant increase.

A total of 43% reported no change in their anticipated pipeline in the fourth quarter while 14% said it had reduced slightly.

Contractor appetite to tender has increased, with 71% of panellists finding contractors 'quite eager' to tender, up from 54% in 3Q2025.

Only 7% said contractors were less eager, down from 31% in the previous quarter, while 21% found their desired number of tenderers after searching. None reported contractors as either unwilling or very eager to tender.

Dr Crosthwaite added: "According to our panellists, contractors continue to view complex and very large projects as risky endeavours. Regulations and cost uncertainty were also highlighted as sources of risk aversion.

"Further, we heard that London is becoming a less favourable investment environment and project viability remains a persistent issue.

"Other key challenges cited by panellists included elevated construction costs, the shortage of white-collar workers and the ongoing difficulty of securing regulatory approval.

"Demand inconsistency could also be a continued problem for project delivery and cost stability down the line.

"Panellists pointed to growing demand in M&E-intensive areas like the data centre sector which are absorbing resources and compounding the cost pressures of M&E insolvencies and shortages. The panel's outlook for the year ahead was by no means entirely bleak, but there is clearly some hesitancy over what the coming months will hold."