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• Pre-BREXIT:

- Demand for construction was high
- Skills shortages
- Contractors being selective, supply chain prices high
- Viability was being tested

Post-BREXIT:

- Demand for construction reduced (uncertainty and reduced investment) – Private Sector
- Reduced Public sector funds?
- Contractors less selective, supply chain prices becoming realistic
- Viability still being tested from reduced value even with some cost reduction
- Some costs may go up

Challenges

- ❖ Economic downturn – Reaction has stabilised but uncertainty will remain for some time
- ❖ Reduction of private sector investment, lower spending
 - Already seen investment decisions taken from M&G, Aviva, Aberdeen, Standard Life, Canada Life suspending trading in Property – But now some reversals
- ❖ Short term Reduction in Public sector spending? Less revenue income?
 - Infrastructure
 - Housing, Schools, Health?
- ❖ Lowering of the value of the pound:
 - Inflation on imported materials, Steel, Plasterboard, Glass, Metals
 - Oil and fuel prices
 - Potential for increase in costs making building projects less viable
- ❖ Skills shortages:
 - Less immigrant labour, an ageing workforce, declining apprentice numbers

Opportunities

- ▮ Reduction in building costs (planning & development costs as well as build costs)
- ▮ Government Policy to keep to keep the house builders building?
- ▮ Massive social housing need but need to engage innovation
- ▮ Government investment in major infrastructure – Hinkley, Rail Electrification
- ▮ Removal of OJEU procurement obstacles
- ▮ Will force industry to become more competitive, leaner, innovative
- ▮ Increase demand for off-site manufacture (but UK based)
- ▮ Spec housing slow-down may bring labour costs down to more sustainable rates
- ▮ Potentially greater overseas investment due to devalued pound? – will we see this in the South West?

Don't Panic !

- ▮ We don't leave the EU for 2 years
- ▮ Inertia in current public sector spend will last for 2 years
- ▮ Challenges inspire innovation and the UK is good at innovation
- ▮ If we follow the principals of CESW we will be well prepared for any changes

Question Time

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