

CCC Brexit Review Overview

April 2021

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CCC Brexit Update Document

Statement

Following on from our published Brexit paper, we write to provide an update on the latest findings from our network and industry partners.

Overview

CCC are in the process of conducting a full pricing review, in conjunction with an independent third party. This will include the cost of materials impacted by Brexit and is due to be launched in the third quarter of 2021.

Our original Brexit white paper published last year, predicted material and labour price increases were inevitable and we are starting to see this coming into existence.

This document can be found here - <https://www.crawco.co.uk/resources/brexit-potential-impact-on-labour-and-materials>

Supply Issues (COVID & Brexit)

Due to scaling down of activity and staff in the major ports across the UK (Felixstowe etc) and the introduction of safer working practices due to COVID. Capacity at UK ports was significantly reduced during 2020.

During 2020 a number of Countries came out of lockdown ahead of the UK and resumed near normal production levels, this created huge backlogs at the UKs major ports. This resulted in huge backlogs outside the ports, forcing some carriers to switch routes and move resources to more lucrative areas such as the USA.

The net result of this is a significant increase in the cost of sea freight. In October 2020 the cost of a container from Asia to the UK was \$1900, today rates are being quoted at approx. \$13000. Freight lead times have also increased from 4 to 9 months.

This increase will have a knock on effect to goods and materials being imported over the next 12 months

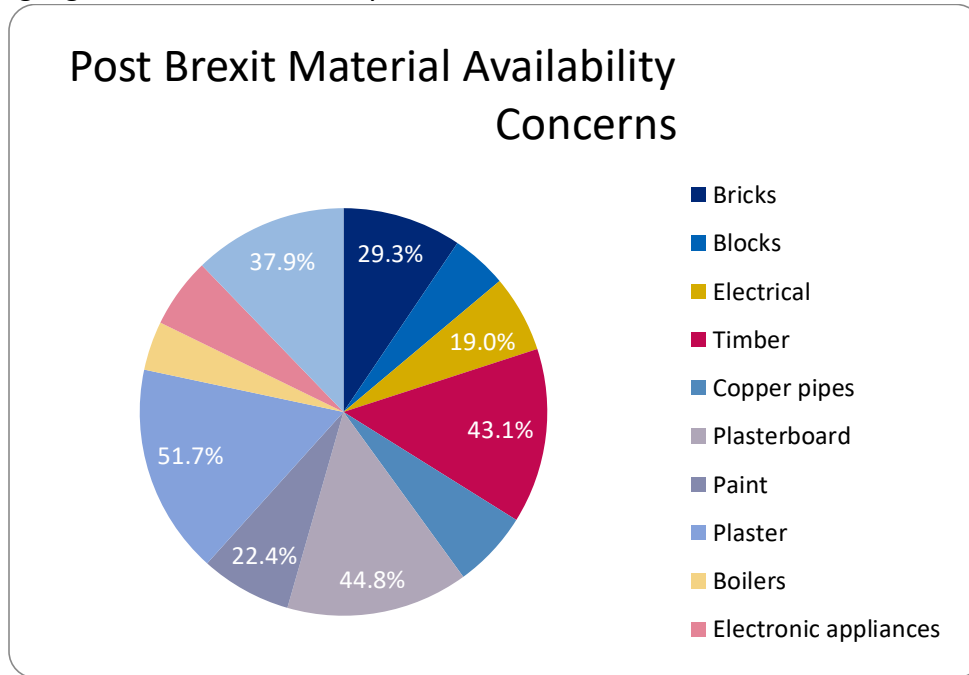
Current Areas of Awareness for Pricing

The table below highlights potential price increases expected in 2021

Item	Expected Increase	Commentary
Aggregate Blocks	Up to 5.0%	
Aircrete Blocks	Up to 3.0%	
Bricks	3 - 5%	
Cement	3%	
Concrete Drainage	3%	
Concrete Fencing Products	5%	
Concrete Lintels	2.5%	
Dense Concrete Block, Lightweight Aggregate Block, Aerated Block	4%	
Driveway & Decorative Paving Products, Flag, Kerb & Edging	4 - 6%	
Drywall	Up to 4.0%	
Feather Edge	15 – 22%	
Fence Panels & Accessories	3.9%	
Heating Controls	4.3%	
Home Grown Carcassing C16	27%	
Ironmongery	4%	
Landscaping	Up to 5.0%	
Lintels	Up to 3.5%	
Manhole Covers	4 - 5%	
MDF, Chipboard Flooring	5%	
OSB	8%	
Paint	3%	
Plaster	2.5%	
Plasterboard	4%	
Plumbing	5%	Silicone suppliers increased prices 15-20% in Feb and are now unable to fulfil orders.
Rails / Gravel Boards	15 – 22%	
Render	3 - 4%	
Sanitary Ware	Up to 5.0%	
Shower Enclosures	2.4%	
Showers	4.5%	
Taps	7.5%	
Tiles and Accessories	Up to 4.5%	
Timber	5 - 10%	Timber prices are set to continue rising. USA has increased European demand and there has also been significant increase in demand from China.
Timber Fencing	15 – 22%	
Timber UC4 Treated Fence Post	6%	
Timber UC4 Treated Sleepers	8%	

Current Areas of Awareness for Availability

The chart below highlights material availability concerns



We are also aware that delivery times on UPVC items such as front doors from mainland Europe are delayed by up to 8 weeks

There appears to be increasing issues in getting products through the main ports. Timber is of particular concern but there is also a diminishing supply of roof tiles, screws, fixings and tools. This is in part due to PPE due to COVID but also stockpiling ahead of Jan 1st 2021.

Current Areas of Awareness for Labour

Building activity is now at a 7 year high [PMI figures published last week] and we are starting to see pressure on wage increases for building trades.

Labour shortages are expected longer term as the industry relies on foreign labour for skilled and non-skilled skills. Due to restrictions in immigration demand is expected to outweigh supply; driving labour costs up. This is being reviewed in more detail and through the CCC foundation, we will continue to seek to encourage our contractors to take on more apprentices to bridge the help bridge the gaps.