

France Market Report, March 2022

This quarterly digest aims to provide a brief overview of the key indices of France's construction industry. Please refer to additional Reports for further information, available [News & Insight | Gleeds](#).

As seen in the recently published BT01, 2021 produced an average cost increase of +5.37% across all trades. The trades most impacted were mostly metal related, as can be seen in the table below, Building Trades Index, by trades.

Principal building contractor management remained confident on their future activity / workload at the close of 4Q 2021, as indicators remained above average levels for long-term prospects even though production difficulties remained, with shortage of personnel and material supplies. Further optimism was seen in the "prix du vente", or selling price, that rapidly increased towards to the end of 2021.

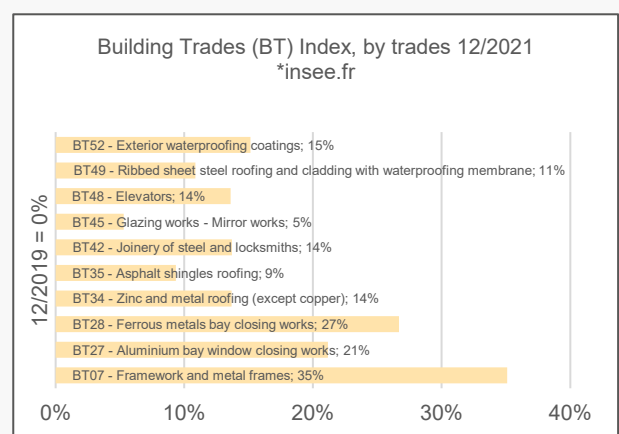
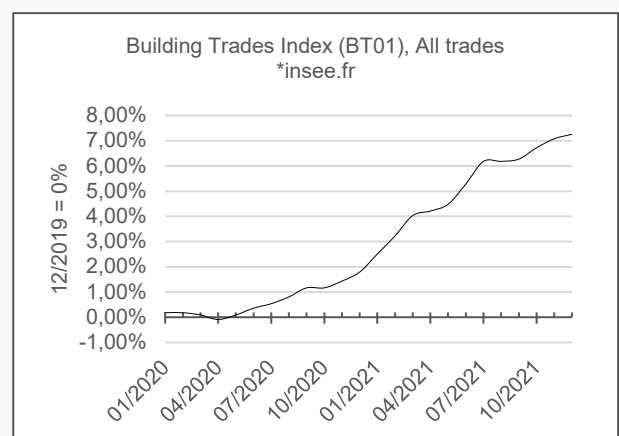
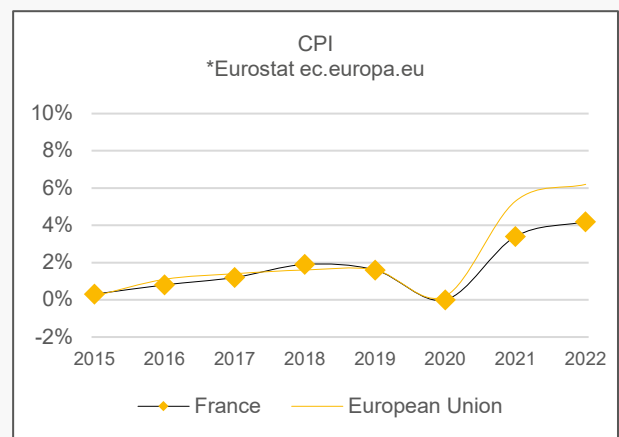
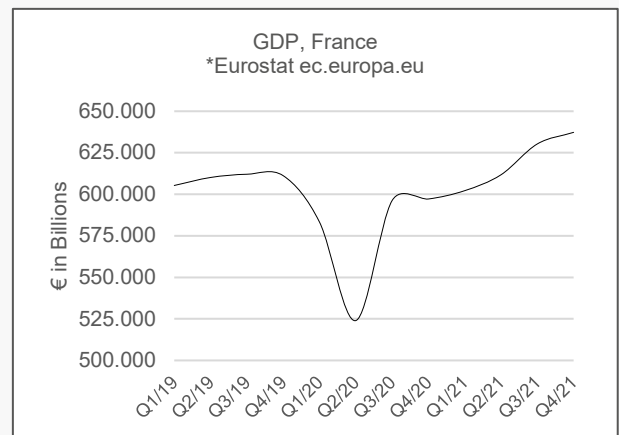
Early effects of the war in Ukraine have impacted cement, wood, bitumen, terracotta, and basic metal pricing as principal materials are becoming rare. Pressure on profit margins, reduced/limited contractor tendering responses, and the consequences of the raw material crisis are now numerous and more frequent. A number of logistic projects (with a large metal content) are now being put on hold as a result.

The unrelenting boom in the global raw materials market, led by gas, oil, steel and aluminium, which remain under enormous demands from the world's largest economies has resulted in never-before-seen price increases. Also worth noting is the rise in energy costs increasing production costs in every industry compounded with the added uncertainty of war in Ukraine, potentially worsening energy supply and costs. The hopes for a swift slowdown in the upward trend of building materials still seems to be practically impossible to meet in the foreseeable future.

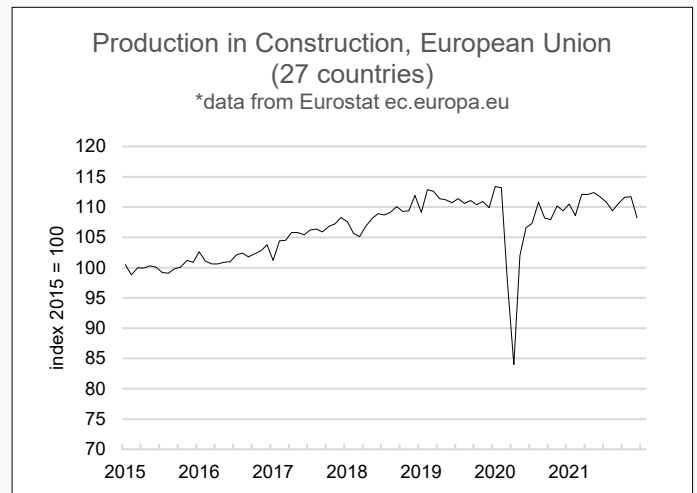
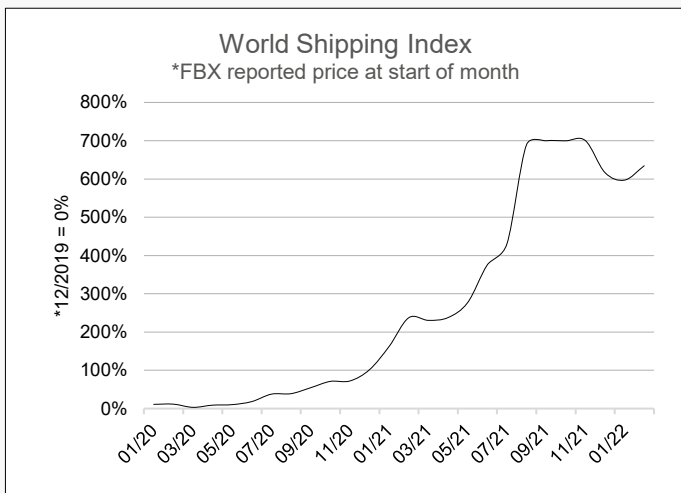
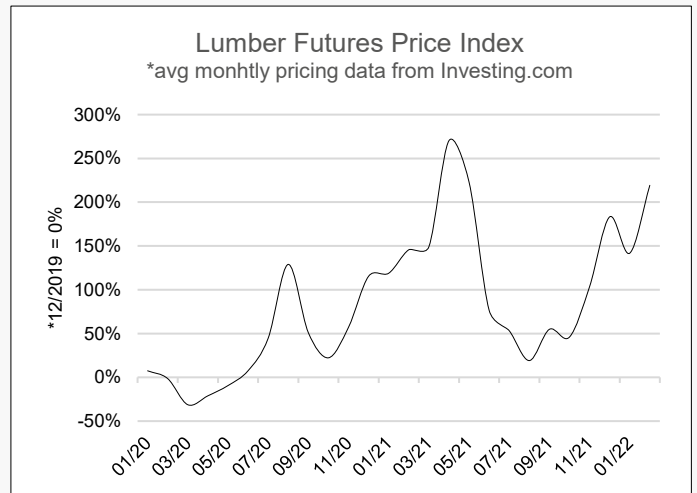
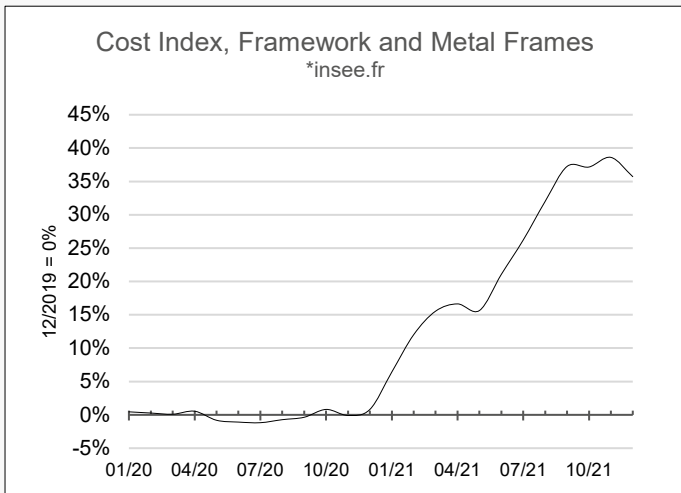
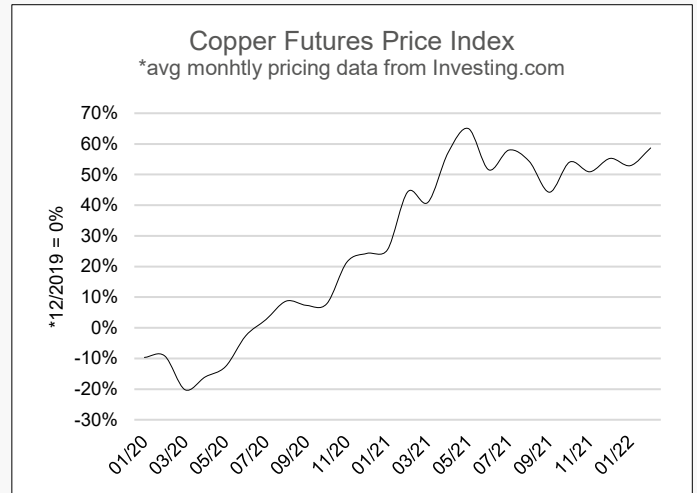
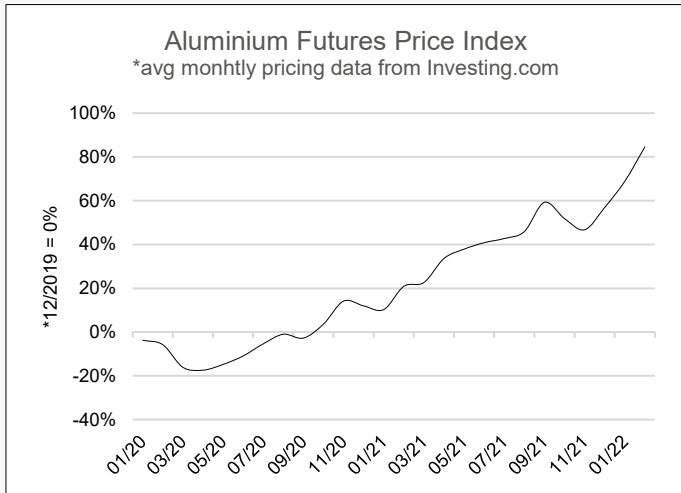
In keeping with the current state of the market in France, Gleeds strongly recommends revising project budgets set in 2021 (or earlier) to present day figures based on local statistical information, our own internal data and early 2022 forecasts. Additionally, we are advising Investors to consider inflation contingencies in their budgets as materials and labour shortages persist.

The situation constantly evolves and should be regularly monitored. Early engagement, partnership and collaboration with the supply chain is critical as well as cashflow forecasting.

We welcome all feedback, particularly if there is something you feel should be included in the next edition, please forward suggestions to insightsEMEA@gleeds.com



Global Market Indexes



For additional information, contact:
 EMEA Insights and Analytics
insightsEMEA@gleeds.com
gleeds.com

Legal disclaimer: This paper was prepared by Gleeds for general information only and neither Gleeds nor any of their partners, employees or other persons acting on their behalf makes any warranty, express or implied nor assumes any liability with respect to the use of the information or methods contained in this report to any person or party. This document is subject to copyright and may not be reproduced without permission from Gleeds Ibérica, SAU. The I&A team uses a variety of open sources and suppliers to obtain the information detailed, however, no responsibility is accepted for its accuracy. Persons desiring to use any information included in this publication should verify its applicability to their circumstances.