

## Bristol Ranks Eighth Worldwide for Building Costs, Raising Concerns Over Affordable Housing

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Bristol has been ranked the eighth most expensive city globally for new building construction, surpassing major cities such as Dublin, Hong Kong, Manchester, Birmingham, and Los Angeles. The data, compiled by Dutch consultancy Arcadis in its annual global construction index, places Geneva at the top of the list, followed by London in second place.

The findings have triggered concern among local officials and developers, who warn that soaring construction costs may significantly impact the delivery of affordable housing in the city.

The steep rise in building costs is now prompting action from Bristol City Council. A dedicated task force is being formed to examine the long-term implications of rising costs on the development of affordable homes. The update was presented to the council's Economy and Skills Policy Committee on Monday, July 28. Alex Hearn, Director of Economy of Place, explained that the housing market often moves in cycles aligned with broader economic conditions. He added that the current trends may reflect more than a temporary fluctuation, pointing instead to a structural shift driven by accelerated construction cost inflation.

Multiple factors are contributing to this inflation. A major challenge stems from stricter building safety legislation introduced following the Grenfell Tower fire. The Building Safety Act now requires tall buildings to have dual stairwells and lift shafts, adding significant costs and complexity to projects. Furthermore, developers must secure approvals from the Building Safety Regulator (BSR), which is grappling with a substantial backlog, leading to delays across the industry.

Labour shortages also continue to strain the sector. An earlier investigation by *Bristol Live* highlighted how the city's surge in high-rise housing developments has been undermined by what was described as a "perfect storm" of rising costs and planning delays. The local planning department, previously placed in special measures by the government due to staffing shortages and decision backlogs, has recently hired new staff to improve application processing times. Nonetheless, developers remain constrained by national planning rules and local delays.

Councillor Jenny Bartle of the Green Party remarked that residents are increasingly worried about housing availability and affordability, particularly as student developments appear to be prioritised. She added that long waiting lists for council housing are exacerbated by the current pressures on housing supply, noting that substantial government intervention would likely be required to resolve the issue.

Recent planning discussions revealed the financial strain developers face. Donard Homes, which plans to build 221 flats near Temple Meads, is seeking to reduce its allocation of affordable homes from 66 to 25. Meanwhile, Goram Homes, a developer owned by the

council, aims to build 166 flats at Baltic Wharf. Although it maintains a commitment to 66 affordable units, the company now has permission to fund only one off-site affordable home, which council staff insisted was a technical detail.

Jim Cliffe, Planning Obligations Manager, told the council's Development Control B Committee that high-density development in Bristol faces particular economic challenges. He explained that compliance with the Building Safety Act significantly reduces the proportion of sellable space in tall buildings, further impacting profitability and affordable housing provision. Councillors opted to return to negotiations with Donard Homes to secure a greater number of affordable units through revised Section 106 agreements, legally binding arrangements made between developers and local authorities.

As Bristol continues to rank among the world's most expensive construction markets, policymakers and developers alike face growing pressure to find viable solutions that balance financial constraints with the city's housing needs.