



Case C-070

Construction Sector Review: Final Report

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1 Executive summary

- 1.1 This document is the Jersey Competition Regulation Authority's (the **Authority**) findings from its construction sector review.¹ It follows a public consultation on the Authority's draft findings, published in April 2025.

The rationale for the sector review

- 1.2 The Authority is responsible for promoting competition in the supply of goods and services in Jersey and undertakes a continuing programme of studies into different markets and sectors. Construction was identified as a focus because:
- The construction sector plays a significant role in the Jersey economy, impacting all Jersey consumers, and both the commercial and public sector; and
 - In addition to recent market developments, there are major construction projects underway and other large-scale developments forecasted.

The approach to the sector review

- 1.3 To develop a broad and evidence-based understanding of the construction sector the Authority conducted a sector review, as opposed to a market study. A sector review better reflects the sector's complexity and the presence of multiple, inter-related markets.
- 1.4 The sector review explored the structure and features of the entire construction sector, with a view to understanding whether there are any competition issues for the Authority to consider.

Overview of the analysis and methodology

- 1.5 While a sector review is wide in scope and necessarily high-level on certain aspects, this review analysed sector and market characteristics, the operation of areas and markets within the sector, and where relevant, employed comparative data to benchmark different measures.
- 1.6 The Authority commissioned independent research, and targeted surveys were undertaken into residential and business consumers' experience of the construction sector, providing independent data, and importantly, a view of sector practice and outcomes from the perspective of all consumers.

The approach to stakeholder engagement and consultation

- 1.7 Throughout the review the Authority engaged widely and constructively with all stakeholders, engaging directly with 15 sector stakeholders, either in the form of a

¹ All case documents can be found at: [C-070 Construction Sector Review](https://jcra.je/C-070-Construction-Sector-Review) (jcra.je)

roundtable or separately to support the draft findings. Following public consultation on the draft findings, the Authority met with key respondents to the consultation and separately with a further eight sector participants.

The findings and competition insights

- 1.8 The sector review shows that, while fundamental economic and Island-specific factors significantly influence outcomes in the construction sector, market outcomes are also driven by competition factors. Namely:
- Residential consumers expressed broad concern with the lack of competition and market outcomes (which may be contrasted with some stakeholders' comments regarding market outcomes for larger construction projects);
 - Costs and prices tend to be higher than in other jurisdictions; potentially a feature of (some) highly concentrated market structures, relative productivity levels and labour costs; and
 - The sector experiences market and efficiency constraints, with logistics and transport identified as the key constraint facing all construction sector suppliers and market participants.

Competition and market insights

- 1.9 The review gave particular attention to markets where the combination of analysis on market structure and conduct, survey data, and stakeholder input, indicated that the market is not working well.
- 1.10 These are described as markets of interest and are a focus for the Authority's future work on the construction sector:
- Scaffolding - The consumer survey reported post-storm price disparities, alongside difficulties in sourcing scaffolding contractors, while stakeholder input signalled potential risks on the scope for collaborative pricing practices among larger companies.
 - Aggregates and concrete - Engagement with stakeholders revealed that concrete prices in Jersey tend to be aligned (for concrete) and are significantly higher than in other jurisdictions. Concerns have also been raised around recent changes to the cost of inputs (notably sand).
 - Residential construction - The survey of residential consumers indicated broad dissatisfaction with pricing, a perceived lack of competition, contractor availability and process inefficiencies.

Further work

1.11 As set out at Chapter 9, there is a significant volume of further work required as a direct result of the sector review. The content of this final report and supporting documents ensure the Authority is well-placed to take forward this important work to support and encourage competition in Jersey's construction sector.

1.12 The future work, which is focused on the findings, competition insights and markets of interest arising from the review, is summarised below.

1.13 In respect of the markets of interest:

- In scaffolding, an open letter was issued to all scaffolding businesses in July 2025, which encouraged those who may be in possession of information regarding anti-competitive practices in the market to come forward.² Further market engagement is underway and the Authority will decide on the appropriate next steps in the coming months;
- In aggregates and concrete, an analysis will be carried out to establish the competition tool most appropriate to address the competition insights and challenges arising in this market;
- In freight logistics, the recommendations from the Authority's 2022 market study will be reviewed³ and, taking into account the Authority's current ongoing investigation into Jersey's logistics, transportation and storage sector⁴, the next steps in relation to this market of interest will be assessed; and
- In residential construction, consumer-focused engagement to promote and support better communication and market outcomes for consumers has commenced. This will also include engagement with industry bodies on how industry can better interact with and manage consumer expectations.

1.14 In respect of the other areas of focus:

- An updated leniency policy, which clarifies and simplifies the benefits and process for businesses willing to end their participation in an anti-competitive arrangement, has been published⁵;
- The Authority's guideline on anti-competitive arrangements⁶ is currently being updated to be more practical and helpful for businesses;

² [JULY 2025 Open Letter - Scaffolding](#)

³ [M-002 - Freight Logistics Market Study | JCRA](#)

⁴ [Competition Law Investigation - transportation, logistics and storage sector | JCRA](#)

⁵ [Leniency Policy | JCRA](#)

⁶ [Guideline 1 - Anti-Competitive Arrangements | JCRA](#)

- A new guideline to help and support businesses collaborate in a way that is fair and does not harm competition in the market is being developed⁷;
- Commencing in 2026, there will be a rolling programme of competition awareness sessions amongst construction trade associations and membership bodies;
- Stakeholder feedback, collected during the Review, regarding the planning service will be shared with the Government (in the context of the planning service consultation⁸); and
- A strategic review of island features will be conducted to assess the long term competition implications for the construction sector.

1.15 The Authority's extensive work following the construction sector review will continue throughout 2025 into 2026. Further detail on this will be available in the Authority's 2026 business plan.

1.16 While the review is complete, the construction sector faces many challenges and continues to change. The construction sector will therefore remain a focus of the Authority's ongoing market surveillance and the review does not prevent the Authority from conducting further work in the sector.

1.17 Any person or business in possession of information which indicates or demonstrates anti-competitive behaviour or competition concerns within Jersey's construction sector, is encouraged to speak with us in confidence. Such information is vital to the Authority's ability to support and improve competition in the sector, in the best interests of consumers and the economy.

⁷ Similar to the CMA's guidance: [Collaborating with other businesses - GOV.UK](https://gov.uk/cma-guidance/collaborating-with-other-businesses)

⁸ [Planning service reform](#)

2 Background to the review

- 2.1 The construction sector is not subject to any sector-specific economic regulation; however, it remains under the scope of the Competition (Jersey) Law 2005 (the **Law**), which is enforced by the Authority. The Law's objective is to promote competition in the supply of goods and services in Jersey. The construction sector review has been carried out within this framework.
- 2.2 This document builds on the Authority's Draft Findings document, that was consulted on in April 2025. It has been expanded and now includes more of the information and evidence base supporting the sector review, and additional Authority analysis following public consultation on the Draft Findings.
- 2.3 This background chapter covers the following:
- The role of the Authority;
 - The background to the sector review;
 - The scope of the sector review;
 - Government policy;
 - Current competition practice; and
 - Structure of this document.

The role of the Authority

- 2.4 The Authority is responsible for promoting competition in the supply of goods and services in Jersey, together with the economic regulation of the ports, postal and telecommunications sectors.
- 2.5 Taking account of the legal framework and the functions and duties conferred, the Purpose of the Authority is:
- 'To make markets work for everyone in Jersey'*
- 2.6 The Authority's overarching strategy is to ensure there are:
- 'Competitive, sustainable markets for all goods and services in Jersey, bringing benefits to residents, businesses and the wider economy. Businesses compete fairly and consumers are empowered.'*
- 2.7 Competition is important as it encourages businesses to improve and innovate to 'win' customers. For consumers, this can result in better quality products and services, more choice and fair prices. Fair dealing businesses will flourish in a competitive market, growing their customer base and so generating higher revenues which will in turn promote a healthy and sustainable economy.
- 2.8 As set out in the Authority's 2025 Business Plan, the Authority's work in competition has three target outcomes:

- Outcome 1: Increasing awareness of competition policy and issues;
- Outcome 2: Development and implementation of best practice; and
- Outcome 3: Improvements in outcomes for markets subject to study.

2.9 The sector review supports each of these outcomes.

The background to the sector review

2.10 The Authority's 2024 Business Plan set out an objective to study markets. It was within this context that the sector review was developed, and it formed part of the Authority's continuing programme of studies into markets/sectors.

2.11 Construction was identified as a focus because:

- The construction sector plays a key role in the Jersey economy, and the supply and demand of products and services impacts Jersey consumers and both the commercial and public sector; and
- In addition to recent market developments, there are major construction projects underway and other large-scale developments forecasted.

2.12 The Authority decided to carry out a sector review as it wanted to develop a broad, evidence-based understanding of how the construction sector is functioning. The Authority's view remains that a sector review is particularly appropriate for construction, given its relative complexity, the presence of multiple interrelated markets, and multiple supply chain stages, all of which may affect the competitive dynamic. The intention of the sector review is also to inform future competition work in this area and provide transparency to stakeholders on the performance of the sector.

2.13 To support the development of the approach to the review, in the summer of 2024 the Authority commissioned an initial piece of policy research from the Policy Centre Jersey. This was largely desk-based research, and an outline summary of the research is set out in Box 1 below. The full report has been published alongside this document.

Box 1: Policy Centre Jersey: Initial Research

The research highlighted that Jersey's construction sector contains a wide range of firms and projects undertaken, and while it has suffered from geopolitical and weather events, it has shown resilience and retained its place in the wider economy, as measured by GVA, output, labour force, labour employment status and other economic measures. It was, however, noted that key figures relating to business activity were on a downward trend (at the time of writing in March 2024).

Key features specific to Jersey that influence the construction sector were found to be higher costs faced by smaller businesses, and, in general, high input costs (including staff costs) and higher transport costs. Alongside this, planning was identified as an area where

improvements could be made. Being a small island, and a separate legal jurisdiction, were identified as more general differences.

Issues in the construction sector that are not specific to Jersey were found around large projects, which are not always predictable, as well as pressures on small and medium builders, that must expend time and resources to adapt to any policy changes. Moreover, a high level of risk is a feature of construction.

In general, there appeared to be many similarities between larger jurisdictions and Jersey. The mix of companies (as well as their sizes) was considered similar to the UK. Activities are also similar, though Jersey firms may face additional pressures regarding land/permissions and getting materials to the Island on a timely basis. The contractual nature of construction work is also varied in Jersey.

The report identified property owners as the largest category of clients for the construction sector, and the Government of Jersey as the commissioner of major projects, being the source of significant repair, maintenance and new infrastructure work. The report noted that the largest component of construction demand relates to capital improvements by homeowners.

In terms of key differences, Jersey needs to provide infrastructure that would not normally exist for a population of Jersey's size, including a port, an airport, a hospital and all utility services.

- 2.14 Previous work carried out by the Authority and other bodies into the construction sector was also considered. This helped frame the key elements of the case opening statement - see the next subsection.

Scope of the sector review

- 2.15 The term sector refers to a part of the economy made up of businesses and organisations that produce and supply similar types of goods or services – in this case construction goods and services.
- 2.16 A sector review explores whether a sector is working well for businesses and consumers. Broadly, it considers the relationship between consumer behaviour in a sector, the behaviour of businesses in that sector, and the structure and other factors relevant to the performance and operation of a sector. The purpose of a sector review is to identify whether there are any areas of focus for competition policy which will inform the Authority's next steps.
- 2.17 A sector review can be contrasted to a market study, with the latter being a more in-depth look at a specific market within a sector and would be narrower in focus than the sector review. The purpose of a market study is to identify whether actions are needed

to address competition issues, and this could include making recommendations to businesses, the Government or consumers to improve market performance.

- 2.18 While the Authority will seek to apply a consistent approach and ‘template’ to each of its sector reviews, it is not a formal competition investigation, and the Authority has wide discretion in how it frames a review and the analytical framework it chooses to apply.
- 2.19 The scope of the review was set out in the case opening statement issued in August 2024. For ease of reference, this is reproduced in Box 2.

Box 2: Construction Sector Review: Case Opening Statement

The Jersey Competition Regulatory Authority (the Authority) will be carrying out a sector review of Construction in Jersey. The review will explore the structure and features of the sector, with a view to understanding whether there are any competition issues for the Authority to consider. This will include consideration of market characteristics and the operation of the market for consumers and businesses, and where relevant, comparative data and information will be used to benchmark the industry.

In particular, the review will consider:

- Recent and future demand and sector outcomes.
- Market structure and the nature of competition across the construction supply chain.
- Market characteristics, features or otherwise, which potentially impact competition.
- Comparative information and data, to inform cost, price and other potential benchmarks.
- Consumer and business experiences of the local construction sector.

For the purposes of the review, construction encompasses building-related activities, planning processes, supply and demand for materials and resources, and processes related to the development, construction, refurbishment, maintenance and installation of buildings, facilities and services.

Subject to completion of the above, the Authority will develop draft findings setting out potential areas of focus for competition policy. This will inform the Authority’s next steps, which are likely to take the form of separate follow up projects such as targeted market studies, or advocacy work. Note, if as part of the review, evidence was found of breaches of the competition law, the Authority may consider competition enforcement.

Government policy

- 2.20 The Government of Jersey is a key stakeholder in the Island's construction industry, playing several important roles that influence construction sector outcomes.
- 2.21 Government is concerned with the development and management of legal frameworks and best practice policies. Among the most significant of these, both from an industry and consumer perspective, are the planning and building control frameworks, overseen by the Regulation Directorate within the Infrastructure and Environment Department.
- 2.22 Through its planning policies and processes, the Government aims to balance the needs of industry participants and consumers with its overarching responsibility to protect the local community and environment. A central element of this is the Island Plan, approved by the States Assembly, which provides a long-term policy framework for land use and development.
- 2.23 Building control laws and regulations shape construction practices by defining requirements, monitoring compliance and enforcing standards across a range of areas. These include building obligations related to structural safety, energy efficiency and accessibility for people with disabilities. The Government is also responsible for setting and enforcing workplace health and safety standards, through the Health and Safety Inspectorate, based on legal frameworks and recognised best practice.
- 2.24 The sector is also affected by wider Government policies not directly related to construction, for example employment legislation and policies such as the minimum wage. On the minimum wage, in August 2025 the Government announced its intention to re-introduce the trainee wage (for apprentices).⁹ The possible application of the minimum wage to apprenticeships had been identified as a key area of concern by stakeholders (see Box 7 for example).
- 2.25 Government policy and activity also significantly affects the construction sector in several ways. The Government is a major consumer of construction services – both directly through its departments and indirectly through state-owned or majority-controlled entities such as Ports of Jersey, Andium Homes and Jersey Electricity. Managing and meeting demand from Government and related entities, while also serving private sector clients, is a critical challenge for the sector.
- 2.26 To address this, the Government is developing an Island Construction and Engineering programme, aimed at giving the sector greater visibility and certainty around future public sector demand – see Box 3.

⁹ [Government reintroduces Trainee Minimum Wage Rates to support access to skills training](#)

Box 3: The Island Construction and Engineering programme

The Island Construction and Engineering Programme is a strategic planning initiative designed to provide a snapshot of future works (and high-level indicative cost estimates), address the Island's growing infrastructure needs and foster a sustainable, modern construction and engineering sector. Through collaboration with Government bodies, private companies and industry professionals, it focuses on:

- **Workforce development:** Delivering targeted training, education, and apprenticeships to ensure the Island possesses a skilled workforce capable of meeting diverse project demands.
- **Sustainable building and materials** to create environmentally responsible developments built to withstand climate challenges.
- **Local construction projects:** Guiding large-scale endeavours, from housing and commercial and infrastructure, promoting energy-efficient practices builds to transport systems and public facilities, that cater to Jersey's population growth and evolving requirements.
- **Collaboration with industry leaders:** Encouraging knowledge-sharing and joint problem-solving to improve construction and engineering quality on the Island.
- **Innovation in construction:** Supporting the adoption of modern technologies, such as Building Information Modelling (**BIM**), to optimise efficiency, safety and long-term resilience.

2.27 This is further supported by the recent announcement of the creation of a Jersey Capital Investment Fund.¹⁰ This will allow for the required annual funding for infrastructure, housing and regeneration to be ringfenced (with spending plans subject to States Assembly approval). The Government also notes that it will also help facilitate long-term project planning and delivery, by smoothing out year-to-year budget pressures.

Current competition practice

2.28 The construction sector is often the subject of attention by competition and regulatory authorities. Recent competition practice in the construction sector comprises market studies and investigations by the Competition and Markets Authority in the UK (**CMA**), the New Zealand Commerce Commission, as well as work by the EU Commission.

2.29 Construction and building materials have been a focus of enforcement work for the UK's CMA, involving potential cartels and anti-competitive conduct. A number of cases have

¹⁰ [Government launches Investing In Jersey programme](#) and the Government's full report is available here: [Investing in Jersey Document and Capital Investment Fund.pdf](#)

been undertaken by the CMA in recent years, covering chemicals for use in construction materials, the supply of roofing and other construction services, as well as general construction and, most recently, housebuilding. These are briefly summarised below:

- The study into the supply of roofing remains open (since 2024). Initial concerns revolved around bid-rigging by roofing firms when supplying schools eligible for funding from the Department for Education. Unannounced inspections were carried out at several business premises to gather evidence. Initial findings further noted that public procurement represents around a third of public expenditure (in the UK) and evidence from around the world suggests it is vulnerable to anti-competitive behaviour.¹¹
- In early 2024, the CMA also launched an investigation¹² into suspected breaches of competition law by eight housebuilders, relating to concerns that they may have exchanged competitively sensitive information (colluded). In the summer of 2025, a consultation on commitments from seven of the housebuilding firms concerned was launched. Such commitments include not sharing sensitive information, supporting the writing of guidance on information exchange and the payment of £100 million to support affordable housing.
- The above investigation followed a previous market study into housebuilding in England, Scotland and Wales.¹³ The study looked at the overall nature of the market, including factors that determine what types of homes are being built and the key market players. It concluded that while prices of homes are strongly influenced by wider factors (such as interest rates and demographic change) there were recommendations to be made regarding policy, and the behaviour of housebuilders that could improve outcomes in this market.

2.30 In other parts of the world, the Commerce Commission in New Zealand recently undertook a market study into residential building supplies (input materials).¹⁴ This considered competition for the supply or acquisition of key building supplies used to build the major components of residential buildings. It concluded that competition for the supply and acquisition of key building supplies is not working as well as it could. Recommendations were made around rebate schemes, reducing brand specifications, governmental strategies and updated compliance.

2.31 The EU Commission has previously investigated or inspected certain building supplies and raw materials, such as styrene¹⁵, and cement suppliers.¹⁶ In styrene, market

¹¹ [CMA probes possible bid-rigging in relation to school improvement fund - GOV.UK](#)

¹² [Investigation into suspected anti-competitive conduct by housebuilders - GOV.UK](#)

¹³ [Housebuilding market study - GOV.UK](#)

¹⁴ [Commerce Commission - Market study into residential building supplies](#)

¹⁵ [Antitrust: Commission confirms unannounced inspections in the styrene monomer purchasing sector](#) and [EU Commission fines styrene purchasers 157 million euros](#)

¹⁶ [EU deepens investigation into Holcim/Cemex Spanish deal - KHL Group](#)

participants were fined, while in cement, the investigation was discontinued as it was no longer considered a priority case. Presently, the EU Commission is investigating Irish data centre builders for potentially engaging in illegal market sharing agreements.¹⁷

2.32 In Guernsey, the Guernsey Competition and Regulatory Authority (**GCRA**) is undertaking a market study into aggregate and concrete products.¹⁸ Construction generates approximately 4.5% of Guernsey's GVA, and is an important sector to Guernsey, where housing is a key priority. The study will seek to understand the reasons why the price of manufactured concrete in Guernsey is substantially higher than that of concrete manufactured in the UK.

Structure of this document

2.33 The rest of the document is structured as follows:

- Chapter 3 sets out an overview of construction demand/supply and challenges;
- Chapter 4 contains a discussion on market characteristics;
- Chapter 5 sets out a comparative analysis of GVA, employment, productivity and costs;
- Chapter 6 provides a summary of independent consumer and business research;
- Chapter 7 recaps the Authority's Draft Findings (published in April 2025) and key stakeholder observations;
- Chapter 8 provides an overview of the sector context, before presenting the Authority's overall findings, competition and market insights, alongside markets of interest; and
- Chapter 9 sets out the Authority's further work in construction, formulated through considering the evidence collected in the sector review.

2.34 As noted above, this document builds on the Draft Findings and incorporates key content, while also presenting further information. For example chapters 3-6 bring together analysis first presented in the Supporting Analysis (which supported the Draft Findings). Later chapters bring together the analysis and evidence collected, alongside reflections on stakeholder feedback.

2.35 This document also has four annexes:

- Annex A is a glossary;
- Annex B provides an overview of stakeholder engagement;
- Annex C provides an overview of the data sources and limitations; and

¹⁷ [Unannounced antitrust inspections in data centre construction](#)

¹⁸ [Concerns over cost of aggregate and concrete in Guernsey leads to commissioned Market Study with the GCRA - States of Guernsey](#)

- Annex D provides an overview of the wider points raised in the consultation and Authority responses.

2.36 Alongside this document, the Authority has also published:

- Policy Centre Jersey - The Construction Industry in Jersey Report;
- 4insight - Residential Construction Sector Review - Research Report;
- 4insight - SME Experiences - (Research Report Addendum); and
- Public versions of the responses to Draft Findings (where available).

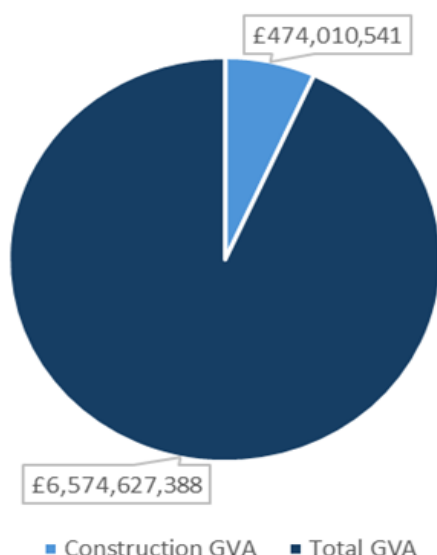
3 Construction: demand and supply

- 3.1 This chapter provides an overview of Jersey's construction sector, highlighting its economic significance and role. It explores the value contributed by the sector through looking at demand and supply and then provides an overview of some of the issues and challenges facing the sector. It builds and expands on the supporting analysis published alongside the Authority's consultation on the draft findings.

Construction demand

- 3.2 Jersey's construction sector is a significant contributor to the local economy, contributing £400m – 7% of total GVA in 2023. This is illustrated in Figure 1 below. Sector GVA closely follows the economy trends in GVA.
- 3.3 Approximately 40-50% of construction activity is driven by public sector spending or state-owned enterprises, higher than the 20-30% observed in the UK and other advanced economies.¹⁹ Despite this, some evidence suggests that overall public investment 'would be double' its current rate if Jersey were to keep pace with average OECD investment.²⁰
- 3.4 Government involvement in public housing, infrastructure, commercial real estate, and the maintenance of owned properties means its footprint is broad across demand and supply in the sector (this is discussed in more detail further below). A significant proportion of activity is also fuelled by household expenditure, highlighting the sector's reliance on private demand.

Figure 1: Construction sector GVA in Jersey (2023 data)



¹⁹Office for National Statistics, [Annual gross fixed capital formation by industry and asset](#)

²⁰Dr Andrew McLaughlin, [FOCUS: CEO's call to 'Make Jersey 'Jersey' again'](#)

3.5 Construction demand can be grouped into five demand-side market elements, each with their own distinct needs and priorities:

- Households - Homeowners seeking construction and renovation services.
- Commercial developers - Businesses / investors developing offices, commercial units, retail outlets or mixed-use buildings.
- Public sector - Public bodies commissioning infrastructure projects, housing, etc.
- Utilities - Companies in the energy, water, telecoms sectors, etc.
- Contractors - Construction firms and tradespeople procuring from other parts of the industry.

3.6 Across each of these elements, the sector delivers a blend of new housing, business premises and key infrastructure assets, as well as repair and maintenance.

3.7 While specific Jersey data was not available, Table 1 provides an estimate of average spend on these segments in the UK between 1997-2022. In the Jersey context, given the structure of the economy, as noted above a greater proportion of construction activity is driven by public sector spending or state-owned enterprises; for example, public housing will represent a higher percentage.

Table 1: Average construction output (value), 1997-2022 (UK data²¹)

Category	Project type	Percentage
New housing	Public housing	5%
	Private housing	15%
New works - other	Industrial and commercial	25%
	Infrastructure	10%
	Public (other works)	5%
Repair and maintenance	Public (housing)	5%
	Private housing	15%
	Other non-housing	20%

3.8 Jersey's Household Spending report (2021/22) notes that, on average, £8 per week was spent on materials and services for maintenance and repair of dwellings, with £57 per week being spent on capital improvements.²²

²¹ Office for National Statistics, UK averages between 1997 – 2022 [Output in the construction industry](#)

²² [Household Spending 2021 / 2022 report published](#)

- 3.9 The Authority’s research with consumers and engagement with stakeholders identified mixed sentiments about capacity utilisation and market efficiency; some noting that recent declines in capacity utilisation and activity may signal a slow down in the market. Nevertheless, 2024 data suggests capacity utilisation in the construction sector is above the ten-year average²³, implying that the sector has a tight labour market (with little slack).
- 3.10 An illustrative view of forward public sector demand for construction over the next 10–20 years can be seen in the Government’s recent announcement of its long-term plan for renewing and maintaining Jersey’s infrastructure and public assets. This will be supported by the creation of a Jersey Capital Investment Fund. The creation of the Fund will allow for the required annual funding for infrastructure, housing and regeneration to be ringfenced (with spending plans subject to States Assembly approval). The Government report notes that it will also help facilitate long-term project planning and delivery, by smoothing out year-to-year budget pressures.

Construction supply

- 3.11 The construction sector can be grouped into five supply-side areas (Develop, Construct, Distribute, Service and Produce). These serve as an overarching framework for analysing competition issues and market characteristics – as shown in Figure 2 below.

Figure 2: Construction sector areas



- 3.12 Across these areas, market participants can be further grouped into ‘Tiers’, from Tier 1 to Tier 3, with Tier 1 being the largest companies and Tier 3 the smallest. This is illustrated in Table 2.

²³ Statistics Jersey, [Business Tendency Survey](#)

Table 2: Classification of construction companies

Tier	Description	Example
Tier 1	Designers and constructors that have a direct contract with the end client. Contract size typically £10m+.	Major developers and design-build firms.
Tier 2	Designers, constructors and suppliers sub-contracted by Tier 1 contractors. Contract size approximately £1m - £10m.	Design consultants; sub-contractors; manufacturers and material distributors; suppliers of major plant and equipment such as tower cranes.
Tier 3	Designers, constructors and suppliers with a sub-contract with a Tier 2 subcontractor. Contract size typically below £1m.	Designers providing working details; Specialist sub-contractors; manufacturers and material distributors; plant and equipment supply and hire firms.

Area 1 Develop

- 3.13 Developers are responsible for commissioning and overseeing construction projects, ensuring that they meet the required standards and specifications. They coordinate and manage various stakeholders, including architects, engineers, contractors and subcontractors. For example, Jersey Development Company, Dandara and GR Langlois operate in this area in Jersey.
- 3.14 Developments include residential, commercial, retail and logistics projects. These projects often vary in scale and complexity, with larger plots prioritised for economies of scale. Buyers include private developers, social housing providers and Government entities commissioning large infrastructure projects.
- 3.15 A small number of large developers play a significant role in the market. Many also act as contractors, managing the construction of their developments. There are also smaller operators and developers.

Authority observation: At Tier 1 level, there is relative market concentration (few suppliers), and potential entry barriers given the scale of Tier 1 projects. There is greater market fragmentation and a larger number of suppliers in lower Tiers (2 and 3).

Area 2 Construct

- 3.16 Contractors are the entities that physically construct the developments, bringing the architectural plans to life through skilled labour and project management. They are essential in executing the construction plans and ensuring the project adheres to

timelines and budgets. For example, ROK Construct, Ashbe and Group Legendre operate in the 'Construct' area in Jersey.

- 3.17 Services include project execution, ranging from small-scale renovations to large-scale infrastructure. Purchasers of construction services are homeowners, landlords and Government bodies. Homeowners dominate small projects, while the Government accounts for the majority of large-scale construction projects.
- 3.18 Tier 1 (and some Tier 2) contractors oversee large projects, while Tier 2 and Tier 3 contractors focus on specialised and smaller-scale tasks. This area has many small firms servicing residential work.

Authority observation: Construct resembles an inverted pyramid: fewer suppliers at Tiers 1 and 2, many at Tier 3 and 'below'. Despite this, stakeholder input indicated that developers and large projects are generally well served by suppliers.

Area 3 Distribute

- 3.19 Retailers and wholesalers supply the raw materials and manufactured goods necessary for construction projects, including activities related to leasing equipment and materials. They handle logistics and inventory management to ensure a steady supply of materials. For example, Pentagon, Romerils and Quantum operate as distributors in the Jersey market.
- 3.20 Distribution of construction materials, including raw materials, specialist equipment and tools.
- 3.21 Purchasers of Distribute are contractors (Tier 1, 2, and 3), as well as individual consumers and small firms. In terms of the market, this comprises a wide range of suppliers, including larger providers, supplemented by specialist suppliers.

Authority observation: Stakeholder input indicates the market is relatively fragmented with a range of suppliers. Prices are heavily influenced by transport and logistics.

Area 4 Service

- 3.22 Professional services encompass roles such as architects, quantity surveyors, and planners who provide expert advice and planning to ensure the successful execution of construction projects. For example, Hartigans, RGA and Axis Mason are active in this area of the Jersey market.
- 3.23 The purchasers of professional services are developers and contractors across all tiers, as well as private and Government clients. The professional services market is a mix of small, specialised firms and larger multidisciplinary practices.

Authority observation: Includes niche market segments and certain services, and main architectural, surveyor and related services. Larger projects may sometimes be sourced off-Island.

Area 5 Produce

- 3.24 Manufacturers produce the essential building materials, such as wood, concrete, sand and nails, which are fundamental to the construction process. This sector covers a wide range of construction materials, from basic raw materials to advanced building products. For example, Ronez, Granite Products and AAL Recycling are active in this area in the Jersey market.
- 3.25 The products are raw materials (e.g., granite, concrete) and specialist construction products (e.g., timber frames). The purchasers of produce are developers, contractors, and distributors, and the market comprises a small number of local producer-suppliers (with additional reliance on imports).

Authority observation: High concentration of the market via a small number of suppliers, e.g., for sand and concrete. However, supply activity may also be constrained by import logistics and other factors (e.g. scale).

Challenges facing the construction sector in Jersey

- 3.26 The construction sector is reliant on credit which makes it sensitive to changing interest rates and wider business confidence. As such, the sector will likely face pressure from a combination of several local and international economic factors, including:
- The impact of slowing global economic growth;
 - The impact of higher interest rates, albeit there have been recent reductions in these²⁴;
 - Inflation uncertainty and volatility; and
 - A constrained labour market.
- 3.27 These challenges mirror trends observed in neighbouring economies, such as France and the UK.²⁵ Historic data from the UK, particularly around the 2008–2009 crisis and the 2020 pandemic, demonstrate that construction output, employment and new project starts contract more sharply (and often recover more unevenly) than the broader UK economy.²⁶

²⁴ Bank of England, [Bank Rate reduced to 4% - August 2025](#) |

²⁵ S&P Global, [S&P Global UK Manufacturing PMI](#)

²⁶ Office for National Statistics, [Economic output and activity of the UK](#)

3.28 Stakeholder engagement and insights, set out in more detail in Chapter 4, suggests construction output pressures are particularly pronounced in Jersey, as they are compounded by the sector's reliance on:

- Imported goods;
- A form of 'just-in-time' logistics network; and
- The predominance of small and microbusinesses (84% of companies employ fewer than six employees²⁷ and more than a quarter of businesses in the sector are sole traders).

3.29 Further, stakeholders noted concerns about the sustainability of the workforce, with an ageing population leading to retirements of key industry leaders. The average age for a construction and quarrying sector worker is 40-44.²⁸ The retirement of experienced professionals may leave the sector exposed to knowledge gaps, reducing efficiency and stability. However, it was noted that entrepreneurship appears to be strong in areas like solar panel installation.

²⁷ Statistics Jersey, [Labour Market Statistics](#)

²⁸ Statistics Jersey, [Employment Statistics](#)

4 Construction: market characteristics

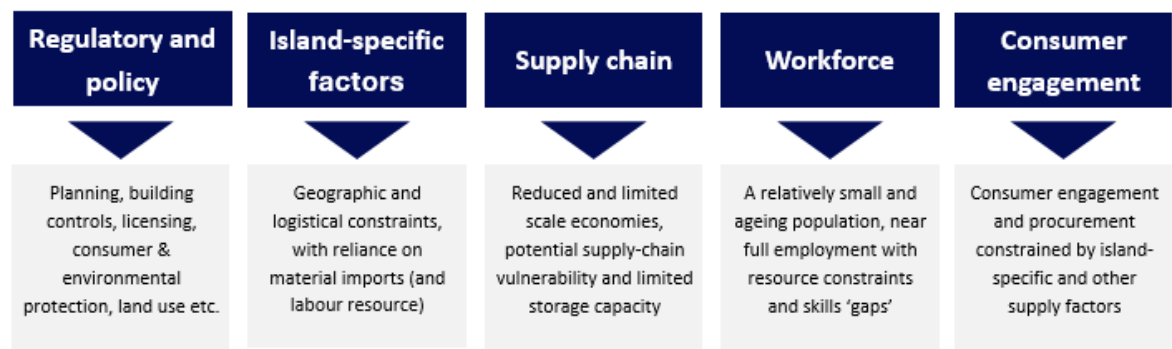
4.1 This chapter sets out the market characteristics and has two sections: the first discusses the role of economic fundamentals and the second provides observations on market drivers. It builds on the supporting analysis published alongside the Authority’s draft findings in April 2025.

Economic fundamentals

4.2 The wider construction sector context is a key influence on the sector and market characteristics. Island-specific logistics and transport, and a small island economy, impose constraints on the construction supply chain and impact market outcomes. These factors, combined with cyclical construction demand and significant public sector involvement (in planning, land use, and demand), also shape the competitive environment.

4.3 Figure 3 illustrates some of the underlying factors influencing market outcomes, which are driven by Island specific economics and geographic constraints. These can be seen as economic fundamentals and are considered in the context of sector outcomes.

Figure 3: Economic fundamentals of market outcomes



4.4 These underlying factors have potential impacts on market outcomes – for example, a small island economy with transport and logistics constraints, and an inability to bulk-purchase at scale may impede cost efficiencies and inflate prices.

4.5 Reliance on off-Island materials is required given the lack of natural resource on-Island, limited on-Island storage, and restricted port capacity, all of which impact supply-chain costs and create vulnerability to disruptions.

4.6 In some instances, the market appears to respond to scale challenges by forming informal market arrangements to increase buying power, particularly for building materials – as observed through stakeholder engagement - in aggregates.

4.7 Some features may be driven by policy decisions, e.g., approach to work and housing permissions may impact on competition and wage levels in the sector. The sector has an

ageing workforce and skills gaps, which affects long-term sector viability and limits innovation.

- 4.8 For smaller residential projects, on-Island contractors regularly engage in multiple projects, and this contributes to delays, budget overruns and inefficiencies. Contractor shortages and capacity constraints also drive inconsistent project pricing for residential projects.
- 4.9 Finally, planning processes and associated matters can have a significant impact on market outcomes (the role of planning and related matters is further discussed in the next section).

Observations on market drivers

- 4.10 In the context of the section above, the review also considered the wider environment to identify and assess other characteristics and market drivers that may be shaping the construction landscape. This sub-section explores five general areas that are also likely to have an influence on construction sector outcomes, namely:
- Regulatory environment;
 - Land assembly and Island features;
 - Supply chain;
 - Workforce; and
 - Residential consumer preferences and behaviours of market participants.

- 4.11 These observations are predominantly informed through stakeholder input and engagement. In some areas, Authority commentary has been added to help clarify the observation.

Regulatory environment

- 4.12 Jersey's construction sector may be hindered by planning delays and regulatory burdens, especially for small firms. While evolving rules can generate innovation, overly strict regulations may have a negative impact on investment and competition.

Observations	Summary explanation
Uncertain planning environment	Stakeholders referenced confusing land-use policies, broad third-party appeal rights, political involvement and past property size limits may cause investor uncertainty, project delays, higher costs and reduced confidence in planning decisions.
Misaligned and potentially	It was noted that complex planning controls may drive up costs, while movement restrictions and compliance-heavy requirements

Observations	Summary explanation
burdensome regulations	potentially hinder small firms. These factors may deter investment, constrain competition and create further barriers.
Legal protections and transparency	Jersey's construction sector does not have an overarching legislative and policy framework, e.g., the UK Construction Act and an Ombudsman ²⁹ , which might help to frame key issues like procurement rules, consumer redress, financing and business licensing, etc.
Impact and other regulatory assessments	Impact and other regulatory assessments often delay projects due to complexity, and unclear and/or changing criteria.

Land assembly and Island features

4.13 Jersey's housing market faces considerable pressure. Land constraints, fragmented plots, and outdated infrastructure may limit development, increase prices, and restrict construction methods, despite strong demand and opportunities for more efficient building practices.

Observations	Summary explanation
Constrained land supply and high costs	<p>Governed by the Island Plan, the scarcity of developable land leads to fierce competition and high prices – sometimes double the perceived fair value. The perception by industry participants is that the Island Plan and subsequent Bridging Island Plan do not fully consider the long-term infrastructure needs of the Island. Additionally, the approach may encourage 'land banking'. Behaviours by market participants, as well as limited rezoning of land, influences land sale prices.</p> <p>Elevated tipping fees (particularly for rock waste) inflate demolition and disposal costs, restricting potential development opportunities.</p>

²⁹ For example, in the UK The Construction Act came into effect in 1998. Its primary purpose is to improve payment practices in the construction industry, ensuring that contractors and subcontractors receive timely payments and have access to a fair dispute resolution process through Statutory Adjudication. See: [Housing Grants, Construction and Regeneration Act 1996](#)

Observations	Summary explanation
Logistical and scale challenges	Jersey construction projects face potential delays from limited on-site storage and reliance on imports. Transportation complexity and under-utilised heavy machinery also impact costs.
Elevated risk	Jersey's construction market incurs off-Island contractor premiums (project uncertainty heightens risk and associated premiums).
Modern Methods of Construction (MMC)	<p>While MMC adoption is seen by many stakeholders as a positive development, it may not be implemented widely enough to significantly improve efficiency or address systemic delays. The adoption of MMC has the potential to reduce construction time and costs, but its limited application means that overall sector performance remains constrained by inefficiencies.</p> <p>Stakeholders recognised the Government's and State-owned enterprises (SOE)'s efforts to promote innovation, but concerns remained about existing structural challenges, such as supply chain delays and material shortages. Market participants noted that the adoption of MMC may be constrained by the availability of contractors with the experience and capabilities to deliver MMC projects at scale.</p>

Supply chain

4.14 Jersey's construction supply chain is relatively fragile, e.g., key supplier closures can cause wider market disruption. Some local suppliers offer flexible terms and (limited) storage, potentially helping to offset inflation and manage contractor risk.

Observations	Summary explanation
High transport and shipping costs	Freight costs from the UK to Jersey are relatively high, possibly also due to low shipment volumes and limited routes (and the risk of major delays from single-point disruptions).
Limited market scale and stock availability	<p>Jersey's small market limits bulk purchasing and storage capacity, leading to lower stock levels and a just-in-time strategy. This may cause price volatility, material shortages, and a supply-led approach that hinders design innovation and quality.</p> <p>Stakeholders reported frustration with limited product availability and higher costs (and also referenced 'exclusivity agreements' by</p>

Observations	Summary explanation
	<p>local distributors), and reliance on imports. Restricted supply chains and distribution agreements can influence market outcomes, e.g., by reducing market efficiency. Additionally, the breadth of materials available on-Island may be more limited than in the UK, impacting overall project designs.</p>
On-Island storage	<p>Stakeholders highlight the difficulty of maintaining adequate supplies due to limited storage capacity, often resulting in costly project delays or issues with product/stock availability. Insufficient storage facilities contribute to logistical inefficiencies and higher construction costs, exacerbating supply chain vulnerabilities. Market participants noted fixed price contracts becoming unviable due to material prices increasing during the build, which were not protected with a hedge (e.g. buying up front and held in storage until needed).</p>
Maintenance and equipment constraints	<p>Specialist machinery often requires off-Island servicing, adding repeated transport costs. Equipment typically scaled for larger markets remains under-utilised (and not cost-effective).</p>
Small on-Island production capacity	<p>Jersey's limited manufacturing forces dependence on imported materials, increasing vulnerability to supply chain disruptions. This reliance raises costs and reduces flexibility, making project planning and execution more challenging across the construction sector.</p> <p>Stakeholders understand that Jersey's unique geographic and economic context leads to higher costs and limited supply chain flexibility. However, many consumers and businesses express frustration with the increased costs that arise from reliance on external suppliers.</p> <p>Residential consumer feedback highlighted the frequency of delays in the supply of materials for construction project, and the lack of options and frustration at stock levels. Suppliers cited off-Island ongoing servicing and maintenance as another restriction to their supply chain.</p>

Observations	Summary explanation
Contagion risk	Increased financial transparency may lower overall credit and sector risk. Construction sector financing is also complex; a single company failure can result in financial issues throughout the supply chain.

Workforce

4.15 Jersey's construction sector faces labour challenges due to work permission requirements, an ageing population and global competition for skills. Increases in labour costs will likely result in additional financial risk and cost pressures.

Observations	Summary explanation
Local recruitment constraints and skills gaps	Jersey has an ageing population and a relatively small workforce, and recruitment is often costly and slow. Limited on-Island training due to scale prevents offering the diverse courses observed in larger markets.
Reliance on off-Island labour	Skills gaps in Jersey require firms to offer higher wages, also potentially impacted by housing policies for registered workers. Contractors import labour, raising travel and accommodation expenses. Industry stakeholders report that the current work permissions system in Jersey may be a constraint on labour expansion in the construction sector. Jersey's work permissions system was said to create obstacles for overseas workers and companies looking to enter the market. These include complexities around recruitment, business licensing, and other regulatory requirements.
Rising labour costs	Planned minimum wage policies, including for apprentices, will likely raise overall wage levels, increasing costs and straining workforce dynamics (this may drive up project expenses and construction costs). ³⁰

Residential consumer preferences and behaviours of market participants

4.16 Residential consumer behaviour shapes competition in the construction sector. For example, more knowledgeable consumers would measurably improve market

³⁰ Note, Trainee Minimum Wage Rates has been reintroduced as of 1 September 2025.

communication, resulting in more informed decisions. This would help to boost competitive pressure and improve project delivery and market outcomes.

Observations	Summary explanation
Consumer awareness and knowledge	Many homeowners and landlords do not have the experience to evaluate contractors, compare quotes, or manage projects effectively. This may lead to uninformed decisions.
Limited transparency of contractors	Absent platforms like 'Check-a-Trader,' consumers may struggle to assess contractor quality and pricing, etc. ³¹ This reduces consumer engagement with the market (and accountability and trust), with increasing reliance on word of mouth to source a supplier.
General and peak demand	<p>Surge events like Storm Ciarán drive up prices significantly as contractors face heightened demand (within a limited supplier market). Supplier scarcity can lead to poorer outcomes for most consumers.³²</p> <p>Many homeowners and landlords noted difficulty finding a single contractor to handle entire projects, often relying on multiple contractors. This is likely to increase project complexity, prolong timelines and inflate costs due to additional coordination challenges.</p> <p>Consumer research showed that 56% of home owners used multiple contractors, while 62% of landlords/small businesses used multiple contractors. 39% of respondents to the survey obtained just one quote before selecting a contractor, while over a third found it difficult or very difficult to obtain quotes for their project.</p>

³¹ Further commentary on this is provided in Annex D under role of role of an online rating system

³² Chapter 8 discusses the issue of supplier scarcity and related factors in more detail.

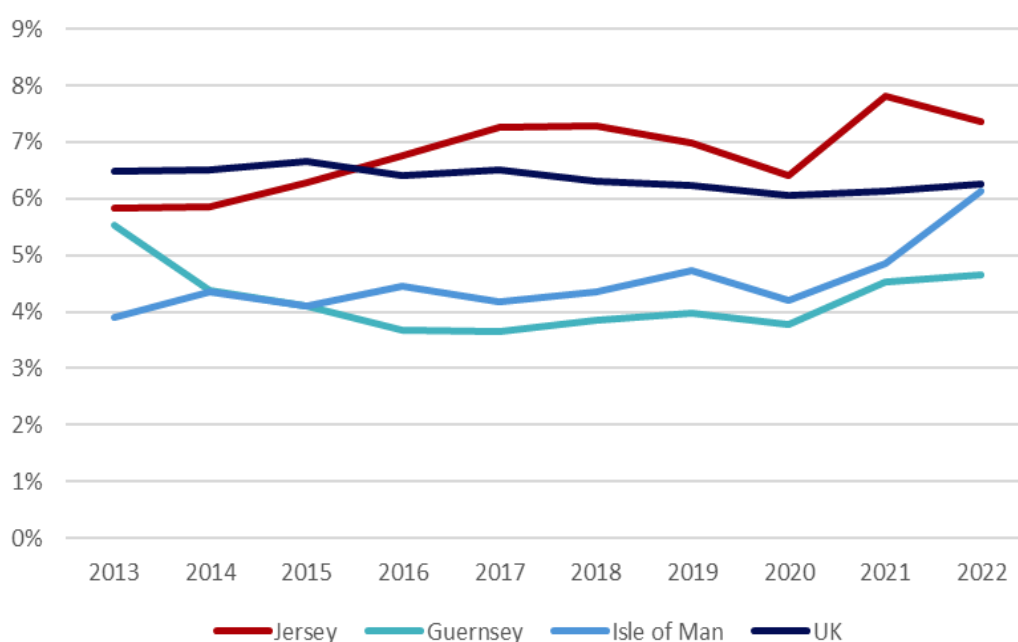
5 Comparative analysis and market statistics

- 5.1 This chapter provides an overview of how Jersey's construction sector compares to similar jurisdictions in terms of economic value, employment and productivity.
- 5.2 To better understand the performance of the Jersey construction sector, a comparative analysis was undertaken to assess how Jersey performs relative to other jurisdictions. Jersey has been compared to similar economies, such as Guernsey, the Isle of Man and the UK.
- 5.3 This chapter builds and expands on the supporting analysis initially published alongside the Authority's draft findings in April 2025.

Gross Value Added and productivity

- 5.4 Productivity is often measured through Gross Value Added (**GVA**), which is a measure of the value of economic activity taking place in Jersey and permits a breakdown by each sector of the economy. It is often used in international comparisons, as a proxy for productivity differences between countries, while also useful when comparing economic sectors to each other.
- 5.5 Figure 4 highlights that the Jersey construction sector exhibits relative volatility, when measured by GVA, a trend shared by Guernsey and the Isle of Man when compared to the UK.

Figure 4: Construction as a percentage of GVA through time, for Jersey and key comparators



5.6 Table 3 presents the comparative size of the construction industry, relative to Guernsey, Isle of Man and the UK. Jersey employs the highest percentage of people in construction, and also has the highest share of construction GVA as a proportion of total GDP. Further, the average salary in Jersey's construction sector is £52,000, compared to £44,002 in the UK and £38,116 in the Isle of Man, and £41,918 in Guernsey.^{33,34}

Table 3: Comparative size of the construction industry in Jersey, Guernsey, the Isle of Man and the UK³⁵

Jurisdiction	Share of GVA/GDP	Share of labour force
Jersey	7.3%	9.9%
Guernsey	4%	8.9%
Isle of Man	4.9%	9.7%
UK	5.8%	6.3%

5.7 Productivity was further examined from a labour perspective. Labour productivity is defined in terms of output (GVA) per Full Time Employee (FTE), and describes the value added by one employee. In 2023, GVA per FTE in construction was estimated to be £75,000, a 5.2% increase on 2022. While this is relatively high, it is lower than the Jersey economy average (£98,000), a figure uplifted by the financial sector.³⁶

5.8 However, Jersey's productivity is estimated to be 34% lower than the UK (adjusted for purchasing power parity). Part of the reason behind this gap is Jersey's scale, as productivity in construction is often higher in large countries because of major infrastructure projects, which allow labour, equipment and materials to be deployed continuously over long periods and large areas, creating significant economies of scale. In smaller jurisdictions, projects are generally shorter and smaller in scope, leading to less opportunity for process optimisation, and lower measured productivity.

Construction costs

³³ There are some minor discrepancies in how data is collected across jurisdictions, where some industries are grouped differently. For instance, in Jersey quarrying is captured within the Construction sector, which may not be the case in other jurisdictions.

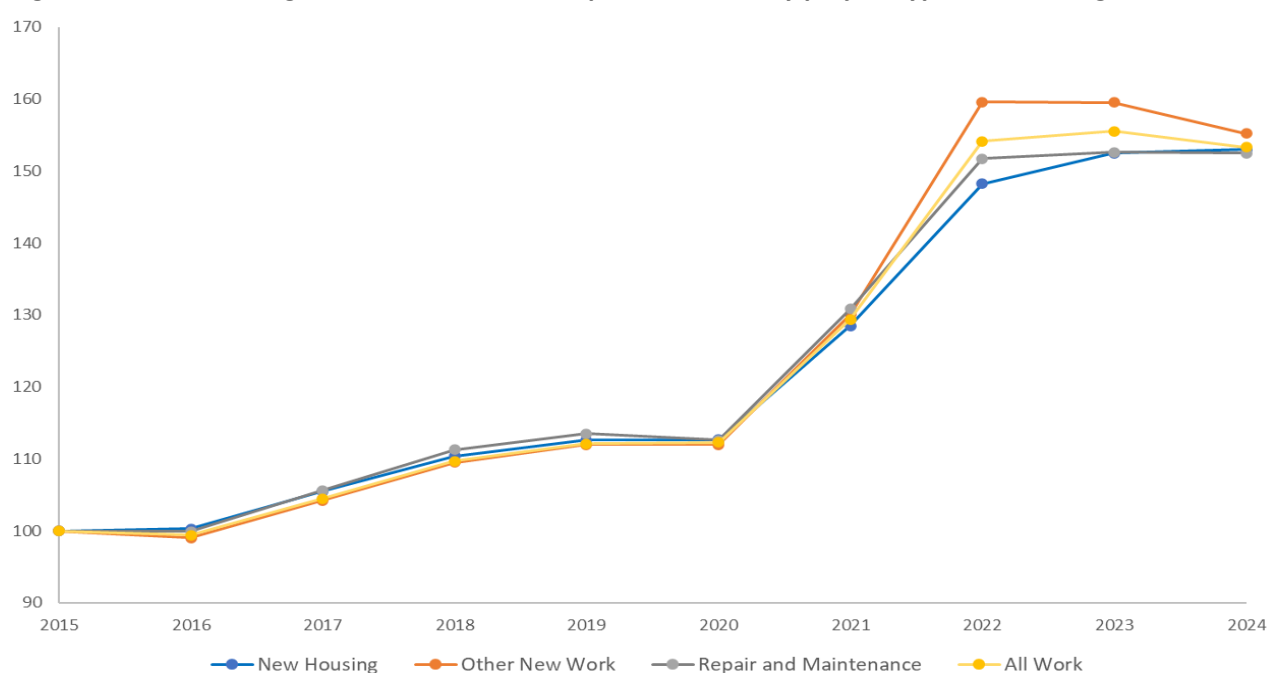
³⁴ To note, the 2025 Index of Average Earnings statistic shows that the combined construction and quarrying sector recorded a decrease in average earnings (decreased 0.2% on an annual basis). The latest report can be accessed here: [Statistics Jersey Average Earnings Index 2025 08 22](#)

³⁵ Statistics Jersey, [GDP and GVA 2023](#); Isle of Man National Accounts, Guernsey data from [Archive of publications: Gross Value Added \(GVA\) and Gross Domestic Product \(GDP\) - States of Guernsey](#); Isle of Man Government [Open Data](#); and UK data from [Gross Value Added \(GVA\) - Office for National Statistics](#)

³⁶ Policy Centre Jersey analysis – see the documentation published alongside the Final Findings report

- 5.9 In terms of construction costs, there is limited publicly available information on construction prices in Jersey. There is a BCIS³⁷ Channel Island Index, however stakeholders have indicated its usefulness is limited as only a small number of companies submit cost and price data.
- 5.10 Further, stakeholder engagement indicated that build costs in Jersey have increased through time. Costs vary widely based on quality, site access and ease of building. For instance, renovating old buildings is usually more complex and expensive than building new.
- 5.11 Given Jersey imports a significant proportion of raw and other materials from the UK (some of which are sourced from Europe), understanding pricing trends in the UK can provide a good overview of the impact of cost changes on Jersey.
- 5.12 Figure 5 below highlights the significant cost increases in recent years for materials across all types of building work. Across different project types, material costs have broadly increased by 50% since 2015. Stakeholder input further suggests there is an additional 'Jersey premium' in the inflation faced in construction.

Figure 4: Annual average construction material price indices – by project type, United Kingdom³⁸



- 5.13 With respect to materials, stakeholder engagement also indicates that the cost of Jersey material is 10-30% higher than the UK, with some goods being up to 100% higher.

³⁷ [BCIS | Building Cost Information Service Construction Data](#) – BCIS is an established UK-based company that aggregates and disseminates construction data, including price indices.

³⁸ Annual average construction material price indices – by project type, United Kingdom. Available from: <https://www.ons.gov.uk/businessindustryandtrade/constructionindustry/datasets/interimconstructionoutputpriceindices>

- 5.14 Costs will also vary according to the type of building under construction, with anecdotal evidence/stakeholder engagement suggesting that construction costs in Jersey are potentially more comparable to those in the Southeast of England.
- 5.15 To test this, the Authority compared the average cost of building a hypothetical 200 sqm house in both locations. Analysis was carried out to compare the cost of building a 200 sqm house in Jersey and the Southeast of England, by grouping costs into materials, labour and land.³⁹ It was found that building in Jersey is approximately 25% more expensive, due to higher costs across all input categories – Table 4 below lists the price differential across key input categories.⁴⁰

Table 4: Comparison of costs relative to the UK of key inputs to the construction of a house

Key input	Prices relative to Southeast England	Estimated contribution to price differential
Materials	22% higher	10%
Labour	20% higher	5%
Land acquisition ⁴¹	50% higher	10%
Contingency allowance	50% higher	Varies by project type and size

- 5.16 These findings suggest that while Jersey and the Southeast may appear similar, the cumulative effect of cost premiums in each of the components leads to a notable overall difference in construction costs, with the total cost in Jersey being significantly higher.
- 5.17 This also has an impact on property prices which in Jersey are higher than in the Southeast of England^{42, 43} and Isle of Man by approximately 30%⁴⁴, but less than Guernsey by approximately 5%.⁴⁵ However, the same data sources indicate that price growth in Jersey has been slower than Guernsey and the Southeast of England over the past decade (albeit from a higher starting point).

³⁹ Standard 200sqm house based on Royal Institution of Chartered Surveyors (RICS) specifications; in 2024 prices – see data sources annex.

⁴⁰ Industry feedback validated by Subject Matter Experts using proprietary data. Supplemented by Building Cost Information Service (BCIS) data.

⁴¹ Land value – average of advertised prices for Jersey agricultural land vs. South-East of England agricultural land vs. Jersey greenfield

⁴² Statistics Jersey, [House Price Index](#)

⁴³ HM Land Registry, [UK House price Index](#)

⁴⁴ Statistics Isle of Man, [Isle of Man Housing Market Review](#)

⁴⁵ States of Guernsey Data and Analysis, [Guernsey Quarterly Residential Property Prices Bulletin](#)

- 5.18 Note, at this stage, the Authority has not undertaken product-by-product or material-by-material comparisons. That level of analysis would form part of more detailed follow-on work, where the Authority would examine specific products, suppliers and technical specifications in more depth. For the purposes of the sector review, analysis is presented at a high level, enabling a cross-sector view.

6 Independent consumer and business research

- 6.1 To help inform and develop the findings, between September 2024 and August 2025, the Authority, supported by 4insight, a local Jersey research agency, also undertook the following key workstreams:
- A residential consumer survey; and
 - Qualitative research into SME Experiences.
- 6.2 To note that, while the residential survey informed our draft findings, the SME Experiences research was conducted following the consultation and in response to stakeholder feedback.

Residential consumer survey

- 6.3 The residential consumer survey research set out to explore the experiences of local consumers in the residential construction sector. The survey focused on homeowners, including landlords.⁴⁶ The focus groups were conducted on 30 October, 31 October, 5 November and 6 November 2024. The online survey went live to 4insight's online panel on the 22 November and was closed on 16 December 2024.
- 6.4 The research aim was to explore the experiences of local consumers (including landlords and some small businesses) with the Jersey residential construction sector. To generate a greater level of insight, the research involved both qualitative and quantitative information and data.
- 6.5 Specific objectives included:
- Identifying experiences by project type;
 - Understanding if the sector has experienced a large cost variation to end customers;
 - Exploring any potential blockers to delivering construction work;
 - Identifying if there are any issues leading to competition concerns by different market segments; and
 - Understanding whether the supply chain functions well from a competition and consumer perspective.
- 6.6 The residential consumer survey and research had two components:
- Component 1: Qualitative - Four focus groups, two with renters/homeowners, two with landlords/small business owners.
 - Component 2: Quantitative - Structured survey (which received 301 responses).

⁴⁶ Larger projects and corporates were excluded from these surveys as these types of customers were addressed directly through stakeholder engagement and wider Authority analysis.

- 6.7 Box 4 and Box 5 below describe the core insights obtained from the residential consumer survey and research. The full survey results, including a description of the approach and methodology are published alongside this document.

Box 4: Residential consumer survey core insights (Component 1: Qualitative)

For residential consumers, participants showed 82.5% negative sentiment. Most frequent associations were 'expensive' (x24) and 'hard to find contractors' (x19).

Consumers were generally satisfied with the quality of finished work, however there were many challenges noted:

- Challenges in contractor availability: shortages across the board in key trades (particularly scaffolding, roofing and plumbing).
- Overpricing concerns: many feel overcharged, inconsistent quotes, lack of transparency in pricing. Difficulty in securing quotes, particularly for smaller projects.
- Delays more common than not. Extraordinary delays noted. Issues with contractors taking on too much work, leading to 'backlogs'.
- Trust issues and reliance on word of mouth and established networks for finding contractors, even harder for those who are newer to the Island. Those who had identified contractors they trusted (often landlords, business owners) held on to them.
- Frustrations with planning processes, which were seen as inconsistent, overly bureaucratic and adding to cost.

Respondents' views were that there is a lack of healthy competition, no consistency in pricing/quotes and calls for standards and consumer assistance.

Post-storm market paradox: despite a huge increased demand after Storm Ciarán, participants note that some businesses have closed.

- 6.8 The quantitative aspect of the residential consumer survey also revealed interesting observations and insights. Box 5 below firstly summarises the scope, sampling size and methodology, and then sets out core insights on some of the quantitative aspects of the survey.

Box 5: Residential consumer survey core insights (Component 2: Quantitative)

Sample size was 301, 88% had work done as a customer in the last three years, 78% live in an 'owner-occupied house', 9% 'owner-occupied flat', 10% private rental and 20% landlords.

The online survey contained screening questions to enable profiling and cross tabulation of results, this included demographics, socio-economic and market segments.

The research captured a mix of projects:

- Home refurbishment and maintenance were most common, 21% had applied for planning permission.
- Range of budgets, £1-5k had the largest share, 15% of projects had budgets >£100k.
- Majority of projects (58%) were not covered by insurance, 17% covered, 14% partly covered.
- Nearly a third of projects exceeded the initial budget.

Projects involving structural changes, applying for planning permission, building control and home extensions were more likely to exceed initial budget.

Most respondents (63%) said the cost of construction has increased significantly compared to previous years.

The majority (58%) had delays in their most recent project, with most delays caused by contractor availability.

25% said there were not enough main contractors to choose from, with roofing and scaffolding specifically identified.

While quality was noted, most respondents found the work unaffordable and the range of options limited.

76% disagreed that residential construction in Jersey is reasonably priced given the quality.

75% disagree that there is sufficient competition among contractors in Jersey to ensure fair pricing.

82% agree – ‘Storm Ciarán has significantly disrupted the residential construction sector in Jersey’.

High costs (x40), of both materials and labour were most mentioned in open-ended questions (Question was If you could change one thing about residential construction in Jersey....). Followed by planning issues (x27).

SME Experiences

- 6.9 After the consultation on the draft findings, the Authority commissioned an addendum to the consumer research. This focused on the experiences of small and medium business owners in commissioning/procuring construction work and was carried out in August 2025.

- 6.10 To secure an in depth understanding a qualitative approach was adopted, with ten interviews carried out. The qualitative interviews enabled the collection of in-depth perspectives on construction practices, offering a comprehensive understanding of SME experiences and expectations.
- 6.11 Participants included local SME owners and senior managers from a range of sectors including retail, hospitality, private healthcare and professional services. They had recently undertaken a wide range of projects including refurbishments, shop fit-outs, new builds and major conversions. Most had relied on a main contractor, or project manager to manage the work and coordinate subcontractors.
- 6.12 In terms of key themes raised, Box 6 below provides an overview of the key findings. The full research report addendum has been published alongside this document.

Box 6: SME Experiences (Research Report Addendum)

Key findings of the interviews included:

- High and unpredictable costs: Although most opted for fixed-price contracts, which helped projects stay on budget, costs were much higher than initially expected and unexpected extra costs often arose. Material costs were perceived as particularly high, thought to be driven by Jersey's reliance on imports and freight.
- Limited contractor availability: A key driver of delays to project timelines with participants describing long lead times, cancelled commitments and difficulties getting skilled labour on site. Communication of delays was often found to be lacking, which was a particular issue when trying to continue business operations around ongoing construction work.
- Planning: Similarly to the residential survey findings, there were multiple negative experiences with planning permissions. These added significant cost and delays to project timelines.
- Quality of finished work remained a clear strength: SMEs across the board praised individual contractors and tradespeople for the quality. Scoring an average of 8.8/10 for the quality of the finished work.
- Mixed views on competition in Jersey: Some thought there was increased competition recently with smaller, independent contractors following the closure of some of the larger construction companies. While others noted difficulties in finding contractors, particularly for what they perceived as 'smaller jobs' and in specialist trades where pricing variation in quotes was questioned.

Distinct SME experiences included:

- Additional costs and delays due to regulatory compliance requirements, particularly in private healthcare and hospitality (e.g. fresh air ventilation, air flow rates, disabled access, fire ratings etc.).
- Extra disruption during projects when trying to continue day to day business operations, added financial strain, compounded delays and heightened the importance of communication.

Overall, the core challenges faced by SMEs mirrored those from the residential survey findings. SMEs with more established networks in construction or prior experience of projects tended to have better experiences. Despite the challenges faced during projects, overall satisfaction with the finished quality of work remained high.

7 Consultation on the draft findings

- 7.1 The draft findings were an important step in the sector review process. Their publication and the subsequent consultation provided a foundation for further analysis, input from stakeholders and wider industry discussion. This chapter provides an overview of the draft findings and key stakeholder observations.
- 7.2 The Authority's draft findings set out three questions:
- Question 1. Do you agree with the Authority's analysis and assessment of the construction sector?
 - Question 2. Do you agree with the Authority's draft findings and do the draft findings capture all the competition issues in the construction sector?
 - Question 3. Do you have any other input or comments on any of the matters raised in the Authority's construction sector review?
- 7.3 Respondents to the consultation adopted a range of different approaches to their responses. Therefore, the comments received have been consolidated into the key stakeholder observations set out in this chapter, with further Authority commentary on wider points raised by stakeholders addressed in Annex D. Note, where factual errors have been identified in the draft findings these have been corrected.

Summary of draft findings

- 7.4 The draft findings were framed by a consideration of demand, supply and the role of economic fundamentals. These are summarised in Figure 6 overleaf.

Figure 5: The framing of the draft findings



- 7.5 The Authority's draft findings set out the sector context and identified Island-specific constraints. It was noted that Jersey's small island economy, limited natural resources and reliance on imported materials, along with geographic and logistical constraints, raise costs across the construction supply chain. These factors, combined with cyclical construction demand and significant public-sector involvement (especially in planning, land use and demand), all shape the competitive environment.
- 7.6 Drawing on this, there were three draft findings. The draft findings effectively capture all the above high-level observations. When combined with the Authority's wider underlying analysis and stakeholder input, the draft findings presented a consolidated assessment, focused on three overarching areas:
- **Draft finding 1: Residential consumer choice and competition** - Survey and stakeholder feedback indicated that consumers consider that competition within

the construction sector is weak. Consumers expressed concern about limited choice and affordability and cost increases over recent years. This suggests competition may not be functioning as well as it could.

- **Draft finding 2: Cost, price and productivity** - While several cost drivers stem from Island-specific structural constraints (e.g., transport, labour), the draft findings also identified issues such as the high price of materials, which exceed benchmarks in comparable jurisdictions like the UK, and relatively low sector productivity. Labour shortages and elevated wages further exacerbate build and wider construction costs.
- **Draft finding 3: Market constraints/efficiency** – The draft findings identified several constraints that could undermine competition. This includes logistics and transport, with freight estimated to add 10–15% to material costs. Further, stakeholder and survey information referenced inconsistencies and delays in the planning process, increasing uncertainty and project costs. These are also geopolitical and financial pressures. Indeed, several firms have exited the market due to pandemic after-effects, cyclical demand shifts and ongoing cost inflation.

7.7 The draft findings document was complemented by the Supporting Analysis and consumer research. The Supporting Analysis covered the key areas identified in the case opening statement, and for ease of reference, was cross referenced throughout the draft findings. Based on these findings, and subject to detailed consideration of stakeholder responses, the Authority stated in the draft findings that it was minded to carry out further work in the construction sector.

Key stakeholder observations

Observation 1: Residential consumer sentiment not representative of wider sector outcomes

Overview

7.8 It was suggested that the analysis was overly focused on the residential consumer segment. As a result, stakeholders suggested that the draft findings did not present a balanced view of the construction sector. It was noted that while the analysis and assessment were generally reasonable, the findings failed to emphasise - in a balanced way - the positive contribution of the construction sector to Jersey. A distinction was also drawn between residential projects and the delivery of larger-scale projects by Tier 1 contractors. Respondents also raised a number of queries about the consumer research methodology.

Authority response

7.9 The Authority recognises that construction services are complex, and require careful consideration of wider factors, like market constraints alongside competition. Technical

expertise, professional judgment and the relationships between contractors, clients, and stakeholders all play vital roles in the successful delivery of construction projects.

- 7.10 The consumer survey was deliberately focused on residential consumers. This is reflected in the research aim: ‘(...) to explore the experiences of local consumers with the Jersey residential construction sector’. The research was carried out by an independent firm (4insight). It combined qualitative and quantitative methodologies to generate a greater level of insight, achieve the research objectives and ensure confidence in the research findings.
- 7.11 In light of the feedback of the draft findings, and to expand the Authority’s understanding, a second round of targeted stakeholder engagement has been carried out. This has helped to widen the Authority’s understanding of the broader construction market. This is also complemented by further research into SMEs. Key insights from this are presented in Box 6 in the previous chapter.
- 7.12 In light of this further work, the Authority notes stakeholder concerns around the negative consumer sentiment, and that this may not be wholly reflective of experiences across the whole construction sector. To address this, the findings have been amended and clarified that negative consumer sentiment arises in the context of the consumer survey (focused on residential consumers). A distinction is also made between the residential market and the experiences of larger developers, which stakeholder engagement indicated tends to be more positive.
- 7.13 With respect to stakeholder comments on the survey methodology, these are addressed in full in Annex D.

Observation 2: Insufficient stakeholder engagement

Overview

- 7.14 It was suggested that the Authority had not engaged widely enough with the sector, both across the construction areas identified (Develop, Construct, Distribute, Service, Produce) and within each of the areas. It was further stated that there was a lack of clarity on who had been engaged, and that the relationship between the consumer research and stakeholder engagement remained unclear.

Authority response

- 7.15 The Authority does not accept that it has not engaged sufficiently with the construction sector. As described in Annex B, to inform the draft findings, direct engagement was undertaken with 15 industry stakeholders, either in the form of a roundtable or bilaterally. Twenty further construction industry stakeholders were invited to participate in the review but declined the opportunity to contribute or comment.
- 7.16 The Authority also carried out a public consultation on the draft findings to secure wider industry input and comment.

- 7.17 After receipt of responses to the draft findings, the Authority, with the support of the Jersey Construction Council, carried out a second round of targeted stakeholder engagement to ensure a wide set of industry stakeholders had a further opportunity to respond and provide input. Key insights from this are presented in Box 7 below.

Box 7: Insights from the second round of stakeholder engagement

Among the most notable themes to emerge were those concerning the Government's role in the construction sector. While the planning process has previously been subject to considerable criticism, views on this important Government function were broadly positive.⁴⁷ Changes in policies and practices appear to have reduced friction from the industry's perspective, improving consistency and greater certainty.

The Government's procurement programme also attracted a lot of comments. The Island Construction and Engineering programme was seen as a positive development in principle, but stakeholders reported that it had not yet delivered the level of pipeline certainty initially expected. Government procurement processes were also consistently described as challenging, with concerns about duplicated effort and a lack of clarity around assessment criteria.

There is widespread – though not universal – concern about the impact of the recent States Assembly decision to extend minimum wage requirements to apprenticeships. While the intention behind the policy is widely regarded as commendable, most industry stakeholders opposed its implementation, citing financial pressures that they believe outweigh the intended benefits. Some construction sector organisations indicated they would stop taking on apprentices as a result, with recognised implications for the future availability of local talent.⁴⁸

More broadly, most stakeholders highlighted staffing challenges as a continuing concern. Attracting and retaining skilled employees remains a key focus for organisations across the industry. A shortage of available local talent has reportedly led to rising wages, as firms compete for workers – exacerbated by the already high cost of living. However, many stakeholders felt that the local construction workforce is highly skilled, capable, and, in many areas, considered superior to its UK equivalent. Stakeholders also noted that Jersey-based organisations can, and do, address specialised skills gaps by partnering with overseas companies.

⁴⁷ This reflected improvements in the planning process and recent changes. For example, the [Planning Performance Statistics 2024 Q4](#) highlighted planning approval rates are currently at 80%, with a lower number of applications (18%) being overturned by the Planning Committee.

⁴⁸ Note, Trainee Minimum Wage Rates has been reintroduced as of 1 September 2025.

Stakeholders also expressed generally positive views on the level of competition. Several examples were cited where multiple suppliers and competitive tendering helped meet customer demand. However, this was also acknowledged as a challenge. Smaller local organisations are often invited to compete alongside UK firms, which – while beneficial from the buyer’s perspective – requires significant administrative effort. These smaller firms often face uncertainty around how their bids will be assessed.

There was broad recognition that facilities for transporting construction materials and supplies to the Island is limited and adds cost to projects. However, some stakeholders noted that these transport expenses are understandable given Jersey’s island status, and not disproportionately impactful on overall construction costs.

- 7.18 While the Authority, supported by a delivery partner, engaged directly with stakeholders, residential consumer research was undertaken by an independent third party. The residential consumer research was carried out alongside, but separate to, stakeholder engagement. Consistent with the stated research aims, the research was not open to construction sector employees.
- 7.19 The Authority further notes that, to support its findings, qualitative research into the experience of SMEs has now also been completed – see Chapter 6. This helps ensure there is wide coverage across the different types of consumers of construction services.

Observation 3: Role of Government and logistics

Overview

- 7.20 There were two consistent areas that were referenced in the responses. The first was Government, the second was logistics.
- 7.21 On Government, it was noted there are impending major capital expenditure projects, and that the importance of Government in supporting the sector through security of funding and delivery of projects is not analysed in detail in the review. Further, the impact of Government interventions in Jersey is more significant to the sector, given its relative size and therefore greater importance to Jersey’s overall economic success.
- 7.22 The Government’s Island Construction and Engineering Programme was also subject to comment, with delays noted and its relative limited scope, which may omit key projects. Nevertheless, it was seen as essential to allow the industry to plan and ensure it is adequately resourced.
- 7.23 On logistics, it was noted there are multiple transfers of goods in the supply chain, e.g. from the supplier to the UK distributor, to the export port, to the shipper, to St Helier port, through import processes, to local distributors etc., and that products were often sourced in Europe (with additional steps required). Stakeholders noted that these extra steps added cost, and that the concept of shipping needs to be understood more broadly in that context.

- 7.24 In the same context, sand (as a raw material input) was given as an example, where freight costs can be several multiples of the cost of the product (at source). Stakeholders also commented that freight rates add between 10% to over 100% to the cost of some items, while also noting the limited number of freight logistics providers.

Authority response

- 7.25 The Authority's draft findings identified both areas as having a significant role in the construction sector. The role of Government was also a consistent theme of the second round of stakeholder engagement (see Box 7 above). The findings again provide a detailed discussion on the role and importance of Government - see paragraphs 8.5-8.7.
- 7.26 With respect to strategic planning, the Authority's draft findings and supporting analysis emphasised the role of the Island Construction and Engineering Programme as an enabler. While noting the potential limitations in scope, the Authority again encourages the progression of this project. The Authority notes that such an approach is in line with best practice. For example, in the UK the National Infrastructure Pipeline has recently been launched, see Box 8 below.

Box 8: The UK Infrastructure Pipeline

The UK has recently launched an outlook of investment into major UK capital infrastructure. Released by the National Infrastructure & Service Transformation Authority, the Infrastructure Pipeline is published alongside a national infrastructure strategy, and forms part of the UK Government's growth agenda.

The Pipeline covers both private and public sector projects, reflecting around £700 billion of planned public projects and approximately 50 confirmed private sector investment projects. It covers a ten-year horizon and is developed using data from over 40 different organisations, providing details of approximately 780 planned infrastructure construction and maintenance projects.

The Pipeline has been established to provide business clarity, boost jobs, ensuring coherence in public spending and policy (including for regulatory policy and price controls), as well as encouraging innovative technology.

Further information about this programme can be accessed at: [UK Infrastructure Pipeline](https://www.gov.uk/government/publications/uk-infrastructure-pipeline) (gov.uk)

- 7.27 In terms of an illustrative view of forward public sector demand for construction over the next 10-20 years, the Authority notes the Government's recent announcement regarding the long-term plan for renewing and maintaining Jersey's infrastructure and public assets.
- 7.28 This outlines the Government's long-term plan for capital investment and details how this will be supported by the creation of a Jersey Capital Investment Fund. The creation

of the fund will allow for the required annual funding for infrastructure, housing and regeneration to be ringfenced (with spending plans subject to States Assembly approval). The Government report also notes that it will also help facilitate long-term project planning and delivery, by smoothing out year-to-year budget pressures.

7.29 The Authority fully supports the report's other stated purposes for the creation of the fund, to:

- Support consistency in Government investment (especially across changes in political priorities); and
- Create confidence for industry, by maintaining a pipeline of capital works that supports the construction sector and related jobs.

7.30 With respect to logistics, the Authority's draft findings emphasised the importance of transport and logistics on the construction sector. The explanatory text in this document has been refined and further highlights the importance of transport and logistics and related supply chains (see for example paragraphs 8.18-8.19).

7.31 The Authority notes the comments with respect to freight logistics, an area which was considered by the Authority in the 2021 (Freight Logistics Market Study). This study set out recommendations to promote more competition and help improve the price, quality and range of freight logistics services available to Jersey businesses. A reduction in the level of freight costs may help to reduce cost pressures in the construction sector. Chapter 9 outlines how the Authority intends to further progress work in this area.

8 Overall Findings

8.1 The Authority's overall findings are consistent with its draft findings and are again framed in the context of the sector. This chapter:

- Provides an overview of economic fundamentals and sector context;
- Sets out the findings;
- Outlines the competition and market insights ; and
- Identifies markets of interest.

Overview of economic fundamentals and sector context

8.2 Construction activity often includes large-scale infrastructure developments requiring corresponding levels of labour resource and materials. Moreover, construction is cyclical, and large-scale developments within the context of a small island economy will be subject to capacity constraints and additional logistical challenges. Therefore, Island-specific factors have a significant impact on the operation of the construction sector and sector outcomes.

8.3 Moreover, external factors and weather events can also have a significant influence on market outcomes. For example, Storm Ciarán resulted in large increases in demand for some services across the construction sector, leading to supply scarcity and higher prices.

8.4 Jersey's relatively small island economy and geographic constraints impose logistical and transport overheads, while a reduced ability to acquire bulk-construction purchases influences cost levels and efficiency.⁴⁹ Further, given the lack of natural resources and the limited on-Island, production capacity, the construction sector is almost wholly reliant on off-Island raw material imports. Relatedly, limited on-Island storage and logistics capacity constraints impact on supply chain costs (and may also create vulnerability to disruptions).

8.5 The Government plays a key role in the construction sector. As a market participant on the supply-side, it determines and manages the regulatory and policy framework in respect of planning, land use, building regulations, licensing, workforce policy and other factors. It is also a key determinant of demand, with public sector construction activity accounting for a large proportion of total demand and the forward pipeline.

8.6 Future economic growth and construction activity is also subject to Government strategy, planning and demand. In that context, progressing the Government's strategic

⁴⁹ Similarly, stakeholder feedback and engagement on the draft findings suggested that, within a small economy it may not be economic to invest in certain types of heavy machinery (e.g., in the context of aggregates and asphalt), and that inert waste disposal presents additional challenges.

planning programme⁵⁰ and providing an overview of future demand, will be a key enabler for the construction sector.

- 8.7 In addition to the Government's work in respect of the Island Construction and Engineering Programme, the Government's more recent announcement concerning the creation of a fund is also aimed at developing greater certainty for the construction sector, e.g., establishing a clearer view of proposed future public sector demand.
- 8.8 All evidence the Authority has received reinforces the same message: **fundamental economic and Island-specific factors significantly influence and affect competition in the construction sector**. The combined effect of Island-specific factors, the cyclical nature of construction and on-Island supply-side conditions, can be difficult to de-couple from the effect of competition and market practices.
- 8.9 The Authority's findings set out below present a consolidated view of the potential competition issues arising in the construction sector. This is to aid understanding, ensure that all the issues are captured and to provide the appropriate basis for future work.
- 8.10 Similarly, the Authority's findings in respect of cost and price and market constraints capture several important issues and observations. The Authority's findings also show the interconnected nature of many of the competition issues, that is, structural market factors impacting cost and price may also be related to, or a result of, certain market constraints.

Finding 1: Residential consumer choice

- 8.11 While the demand and supply of construction are influenced by Island-specific factors, outcomes in the sector are not wholly determined by these factors. For example, when viewed from the residential consumer perspective, it is evident that competition is a concern. Based on survey data, residential consumers expressed broad concern with the lack of competition, 75% of respondents disagree that there is sufficient effective competition among contractors in Jersey to ensure fair pricing (see chapter 6). This is the case even though the residential construction market is served by a large number of Tier 3 contractors.⁵¹
- 8.12 In terms of cost and affordability, residential consumer survey data indicated prices are the most significant consumer issue in the construction sector. This is possibly a result of the pronounced cost increases in recent years. In general, consumer sentiment toward the construction industry is broadly negative.
- 8.13 Residential consumer concerns may be in part attributable to poor communications between supplier and consumer. Improving education and awareness, for example on

⁵⁰ This is the *Island Construction Engineering Programme*, see Chapter 2.

⁵¹ Paragraphs 8.31-8.37 provide an outline summary of some of the observations on market structure, conduct and performance.

obtaining quotes and acquiring and managing project-contracts, would improve consumers' engagement with the market. Greater awareness and transparency, combined with a more structured approach, would reduce uncertainty and likely improve consumers' experience of the sector and also the suppliers' reputation.

- 8.14 The outcomes in the residential market are echoed by the experiences of SMEs as seen in the additional research carried out since the draft findings (see chapter 6). However, SMEs with more established networks in construction or prior experience of projects tended to have better experiences.
- 8.15 These may be contrasted with the experiences of larger developers (generally serviced by the larger construction companies, so-called Tier 1 and 2 suppliers). For larger projects, stakeholder responses to the draft findings indicated that there was a range of companies available to service large projects, with fewer difficulties in obtaining competitive quotes and fewer concerns with the competitive process. There is also a range of providers in different areas, including for example, a range of specialised service resource to help deliver projects. In some cases, larger projects may be supported or delivered by off-Island providers.

Finding 2: Costs and price

- 8.16 In respect of the supply-side, Island-specific factors are clearly a driver of sector outcomes, for example geographic constraints will impose a higher underlying base-cost. However, similar to other jurisdictions like the UK, certain markets within the construction supply chain are also highly concentrated, and price competition on-Island may be muted. For example, stakeholder feedback indicates that prices of materials and inputs are somewhat higher than in other jurisdictions (UK and France).
- 8.17 More generally, construction sector productivity is lower than the UK. Efficiency in construction in Jersey would appear to lag other sectors of the economy (and other jurisdictions); possibly driven by labour and skills gaps and other structural factors (such as the relative scale of projects). Labour costs are also higher than in comparable jurisdictions, resulting in relatively higher build costs. Stakeholder feedback has further indicated future challenges with respect to the workforce, including its ageing demographic and securing future labour resource (for example apprenticeships).

Finding 3: Market constraints/efficiency

- 8.18 The construction sector in Jersey also faces several market constraints. One of the key constraints relates to a primary Island-specific factor – logistics and transport. The logistics of transporting building materials to Jersey is a cost driver and a key determinant in sector outcomes; stakeholders indicate that transport fees add between

10% and 15% to material costs, and according to stakeholder feedback, for some products the increase can be up to 100%.⁵²

- 8.19 The Authority recognises the importance of freight transport and logistics to the construction – and all other – sectors in Jersey. The Authority has previously completed a market study into freight logistics. This market study set out a series of recommendations designed to improve market operations, efficiency and overall market outcomes.
- 8.20 A frequent theme in the residential consumer survey and stakeholder engagement was planning and approvals (for small and large building projects). This is perceived to be a market constraint, and it was indicated that the planning process can be inconsistent and may add to overall costs. More widely, the residential consumer survey highlighted general uncertainty in the planning process and potential inconsistencies in planning decision-making.
- 8.21 However, other stakeholder feedback indicated there has been significant improvement in planning processes and related matters.⁵³ In addition, Government is presently undertaking a public consultation on the planning service, aimed at reforming the Island’s planning service to make it more efficient and effective.
- 8.22 Consistent with the experience of many other sectors of the Jersey economy, construction has also been subject to geopolitical and financial challenges. The output of the construction sector increased in the year 2022 to 2023 (by 5.3%), however, there have also been several business closures in the sector over the previous two years, including recent market exits (namely the Style Group) and the operating and commercial conditions in construction remain uncertain.⁵⁴

Competition and market insights

- 8.23 A key stage in the Authority’s sector review related to reviewing potential areas of competition concern, using both qualitative and quantitative methods. The general approach is framed and summarised in Figure 7.
- 8.24 The construction sector also illustrates the importance of considering different forms of competition, the competitive process and the operation of markets. For example, given

⁵² The majority of the stakeholder engagement and analysis was carried out ahead of the change in ferry provider. The Authority notes that given the relevance of logistics and freight the introduction of alternative or flat rates may have an influence on downstream markets, though stakeholders met after the draft findings indicated at this stage the full impact is not yet clear.

⁵³ The most recently published [Planning Performance Report](#) shows that planning approval rates are currently at 80%, with a lower number of applications (18%) being overturned by the Planning Committee.

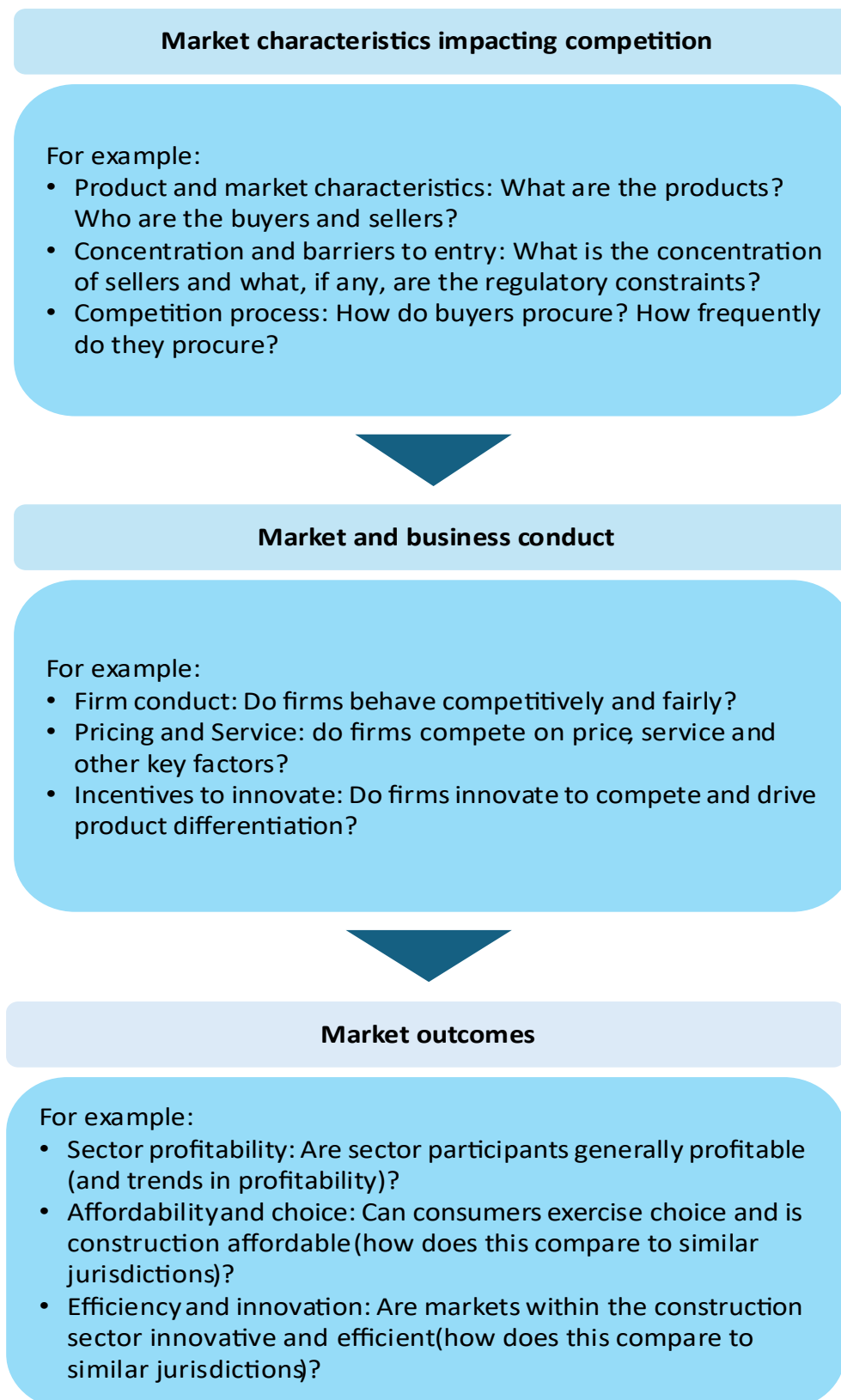
⁵⁴ Business closures appear to be a result, and possibly a combination, of different factors. For example, challenging sector conditions stemming from the pandemic, ongoing geopolitical and economic events, cyclical and uncertain market demand, persistent financial challenges and cost pressures, and issues specific to certain on-Island business.

the volume of construction related suppliers on-island, the perception may be that it is effectively competitive. However, competitive outcomes are not only driven by market structure and the number of suppliers, but also by the underlying competitive process and the operation of markets.

- 8.25 The sector encompasses different competitive processes across the value chain, and markets within the construction sector operate differently. In residential construction, word of mouth recommendations may inform consumer demand, whereas formal contract tendering is characteristic of larger and government procurements. In some cases, despite the presence of multiple suppliers, the market may not be operating as well as it could. This is evidenced in the results of the residential consumer survey.
- 8.26 By contrast, stakeholder feedback regarding market operations at Tier 1 level; with a much smaller number of suppliers, suggests the market is working more effectively. Therefore, it is important to note that competition and market outcomes, particularly in the construction sector, are determined by several factors and not simply the total number of suppliers.
- 8.27 The Authority is particularly cognisant of the likely influence of economic fundamentals on the operation of markets within the sector and the competitive process. For example, a common dependency on imported materials and certain input costs, the proximity of competitors (and familiarity with competitors' strategies and pricing) and the commercial and other connections between construction businesses within a small jurisdiction.
- 8.28 Further, does the market structure (characteristics) – and business conduct – at Tier 1 level, impact the outcome of Government and other larger procurement exercises? This might be the case where there is a small number of repeat procurements and competing suppliers, each having participated in previous similar tender exercises and where each has an insight into a competitor's likely bidding strategy.⁵⁵

⁵⁵ Government procurement is used as an example only. The Authority notes the Government employs a robust and transparent procurement process and practice.

Figure 6: Summary approach to competition and market insights



- 8.29 The Authority's findings present a consolidated view of the potential competition issues arising in the construction sector. As noted, it can sometimes be difficult to de-couple the combined effect of Island-specific factors on sector outcomes, from the effects of market operations and the competitive process itself.
- 8.30 Therefore, to better understand the effect of market operations and competition on sector outcomes, each of the findings has also been considered in the context of the framing set out in Figure 7 above, alongside survey and research data and stakeholder input. This process enabled a more in-depth review of relevant areas, and further exploration of the consolidated findings with a view to identifying any specific competition factors impacting market outcomes.
- 8.31 Based on a combination of market insights and stakeholder feedback, evidence suggests that market structures and practices vary considerably across the construction sector. These factors also appear to be influential on the market outcomes observed in each of the five areas explored in the review (Develop, Construct, Distribute, Service, Produce). An outline summary of some of the observations on market structure, conduct and performance is set out below.
- 8.32 Stakeholder input indicates that, in construct, competition for large-scale projects may be relatively limited, as only few contractors have the necessary capacity. This was viewed as a contrast to the UK, where such projects are viewed as more achievable by established and larger contractors. By contrast, the residential construction market is characterised by multiple and varied suppliers.
- 8.33 The market structure in construct might therefore be described as an 'inverted pyramid' – Tier 3 (smaller) contractors representing the largest number of suppliers, with increasingly fewer contractors further up the value-chain at the Tier 2 and Tier 1 level as markets become more concentrated. This form of market structure is also illustrated in the earlier preliminary research conducted by the Policy Centre.
- 8.34 In terms of market conduct, stakeholder input and residential consumer research provided very different insights into market practice. The residential construction market is served by a large number of Tier 3 contractors, yet consumers highlighted several different issues, e.g., difficulty in obtaining and comparing quotes, unclear pricing and potential hidden costs, etc. By contrast, industry stakeholders contend that where the market is more concentrated (e.g., Tier 1), there were limited difficulties in obtaining competitive quotes and fewer concerns with the competitive process.
- 8.35 In the area Produce, stakeholders viewed markets as highly concentrated (as might be expected of an area focused on the production of raw materials within a small economy). For example there are limited suppliers of concrete (and aggregates), with two accounting for a large proportion of the market. The remainder of the market is serviced by smaller suppliers.

- 8.36 Stakeholder input and research also highlighted the dependency of this area on imports, not least sand. Production processes were described by stakeholders as largely static, relying on traditional methods of mixing raw components for concrete, potentially limiting the opportunities for innovation and efficiency. However, in terms of market conduct, stakeholders also commented on apparent price alignment between the suppliers of concrete and referenced informal cooperatives concerning the importation of sand.
- 8.37 In further exploring the consolidated findings with a view to developing competition insights, particular attention has been given to markets where the combination of analysis on market structure (characteristics) and conduct, survey and other data (and stakeholder inputs), indicate the market may not be working as well as it could. These markets are described as markets of interest and are discussed in more detail immediately below.

Markets of interest

- 8.38 Following on from the above work, the Authority has identified four markets of interest where further follow on work is required. Set out in Table 5 below is a summary overview of each of the markets of interest, with observations on the potential competition challenges which warrant further investigation.

Table 5: Competition in relevant markets - summary

Market	Structure and Features ⁵⁶	Stakeholder input and Authority observations	Competition challenges
Scaffolding	The market comprises five larger suppliers (all of whom are members of the Jersey Associate of Scaffold Contractors) and approximately six smaller firms. Scaffolding employs >100 people, with five	Stakeholder feedback suggests that the market now comprises more suppliers (relative to 10-20 years ago). However, demand spikes - illustrated by Storm Ciarán - reveal significant capacity constraints (resulting in material price increases). (See Annex B for a list of stakeholders engaged in the review).	It is not yet clear whether - and how quickly - pricing reverted to a 'competitive level' (post-Storm Ciarán). Further, stakeholder input signalled potential risks on the scope for collaborative pricing practices among

⁵⁶ Information and analysis on the factors and issues likely affecting market structure and supply conditions are described elsewhere in this report.

	Tier 1 firms and six Tier 2 firms.	Consumer survey reported price disparities post-storm, alongside difficulties in sourcing scaffolding contractors. A lack of clear pricing standards and transparency may exacerbate consumer frustration. (See Chapter 6 and the 4Insight consumer research report published alongside this document).	larger companies (also creating barriers for smaller operators).
Aggregates and concrete	There are a limited number of participants in these markets, two of which supply a sizeable percentage of the market (in concrete). These markets employ >100 people, with two Tier 1 firms and a range of smaller firms.	Engagement with stakeholders revealed that concrete prices in Jersey are significantly higher than in other jurisdictions. Stakeholders also noted price alignment. However, stakeholders also noted that jurisdictional differences stem from limited local production, logistical constraints and recent changes in the cost of inputs (notably sand). Given the nature of the products, it was also noted that there is limited scope for differentiation and innovation. (See Annex B, and Chapters 3 and 5).	These markets are by their nature concentrated, with high entry barriers and suppliers generally facing similar cost conditions. However, ensuring effective competition is even more important in these markets, not least to ensure that any price alignment between suppliers is reflective of the economic fundamentals and the result of a competitive process.
Residential construction	The market for residential construction can be viewed as	The survey of residential consumers indicated broad dissatisfaction with pricing, contractor availability and	Given the fragmentation of supply at this level, the competition

	<p>distinct from Tier 1 and most Tier 2 construction projects. Residential demand for construction services is served by many firms and sole traders (> 1,000 firms and sole traders).</p>	<p>delays in Jersey's construction sector. While the quality of work is generally satisfactory, inefficiencies in the process, a perceived lack of competition (by residential consumers) and frustrations with planning processes significantly impact consumer experiences. (See Chapter 6 and the 4Insight consumer research published alongside this document).</p>	<p>challenge is how to ensure consumers have access to good quality information and reliable supply, and how to enhance consumer trust to aid the competitive process. In that context, competition advocacy to industry trade associations, and consumer education on competition and procurement can help improve the operation of markets.</p>
Freight Logistics	<p>The logistics of transporting construction materials to Jersey is a significant cost driver, and an influence on the operation of all markets within the construction sector. Stakeholder input indicates that transport and logistics add approximately 10–15% onto all material costs (and is sometimes considerably greater).</p>		<p>The recommendations from the Authority's 2022 market study will be reviewed and, taking into account the Authority's current ongoing investigation into Jersey's logistics, transportation and storage sector, the next steps in relation to this market of interest will be assessed.</p>

9 Further work

- 9.1 When the Authority launched the sector review, it had two overarching objectives. The first objective was to gain an evidenced-based understanding of Jersey's construction sector, including its structure, characteristics and the nature of competition across the construction supply chain, and a better understanding of the component markets. The second objective was to identify any competition issues within the sector or any areas where competition issues may be more likely to occur.
- 9.2 Publishing this final report represents a key step toward achieving these objectives. It also marks the end of the construction sector review. However, with consideration to the findings and competition insights identified by the review, further work remains to be done to encourage and improve competition in the sector.
- 9.3 This chapter first provides an overview of the Authority's approach to upholding the Law and its competition toolkit, before setting out the further work to be undertaken following the sector review. It concludes by closing the sector review.

Approach to upholding the Law

- 9.4 The Law provides the Authority with a wide range of powers to investigate businesses suspected of breaching the Law. Where breaches are identified, it can order offending agreements and/or conduct to be stopped and issue financial penalties to businesses. However, the Authority's preferred approach to upholding the Law is to prevent competition issues from arising rather than punishing those that have already occurred. This approach focuses on preventing harm to consumers and other businesses from anti-competitive behaviours taking into account the Authority's limited resources.
- 9.5 Therefore, through its administration and enforcement of the Law, as set out in the 2025 Business Plan, the Authority sets out to achieve the following outcomes:

- **Outcome 1: Increase awareness of competition law in Jersey**

The aim is to increase awareness of the benefits of competition (including compliance with competition law) through increased engagement with consumers, businesses and Government.

- **Outcome 2: Implementation of best practice**

Continued alignment of competition guidelines and operational practices with international best practice, to provide a recognisable and consistent (competition) framework for companies looking to do business in and with Jersey.

- **Outcome 3: Improvements in outcomes for markets in Jersey**

Competition in markets will improve through focussed advocacy and outreach. The Authority will continue to use a variety of tools to encourage and ensure compliance with the Law.

- 9.6 Notwithstanding these outcomes, where information received suggests a breach of the Law has occurred, the Authority will investigate and, where appropriate, take enforcement action.

Competition toolkit

- 9.7 The Authority recognises that to uphold the Law most efficiently and effectively, different actions will be appropriate in different circumstances. The Authority is therefore going to use a range of tools to administer and enforce the Law. These tools are collectively referred to as the ‘competition toolkit.’
- 9.8 As set out in Table 6 below, the tools in the Authority’s toolkit range from market studies, which consider how well a market is working for Jersey consumers, through to an investigation, and possible enforcement action where a business has been found to have breached the Law.

Table 6: Overview of competition toolkit

Market-wide tools
<p>Open letter: a public letter to a market or sector to raise awareness of and encourage compliance with the Law.</p> <p>Market studies: to assess how well markets are working and make recommendations to Government and firms for improvements to competition in a market.</p> <p>Awareness and engagement: the delivery of competition awareness sessions and engagement with businesses and consumers. This includes the publication of competition guidelines.</p>
Business-specific tools
<p>Advisory letters: a private letter issued to a specific business or businesses to raise concerns that its/their business practices could be harming competition in the market or sector.</p> <p>Warning letters: similar to an advisory letter but requires a business to review its business practices, assess and determine its compliance with the Law and demonstrate this to the Authority.</p> <p>Investigations: where the Authority has reasonable cause to suspect a breach of the Law, it will investigate. The purpose of the investigation is to establish all relevant facts to determine whether a breach of the Law has occurred.</p> <p>Enforcement: where a breach of the Law is evidenced through an investigation, the Authority may take enforcement action. This may include financial penalties and/or issuing</p>

directions, which orders businesses to cease the offending conduct or take specific action(s).

How the competition toolkit is used

- 9.9 The Authority regularly obtains information or receives concerns, suspicions or information from third parties which suggests or alleges the presence of anti-competitive behaviours by a particular business or business(es). More generally, information may raise concerns about how well competition in a market may be working or identify significant market changes which may impact competition. Central to the information obtained by the Authority is market surveillance, described in Box 9.

Box 9: Market surveillance

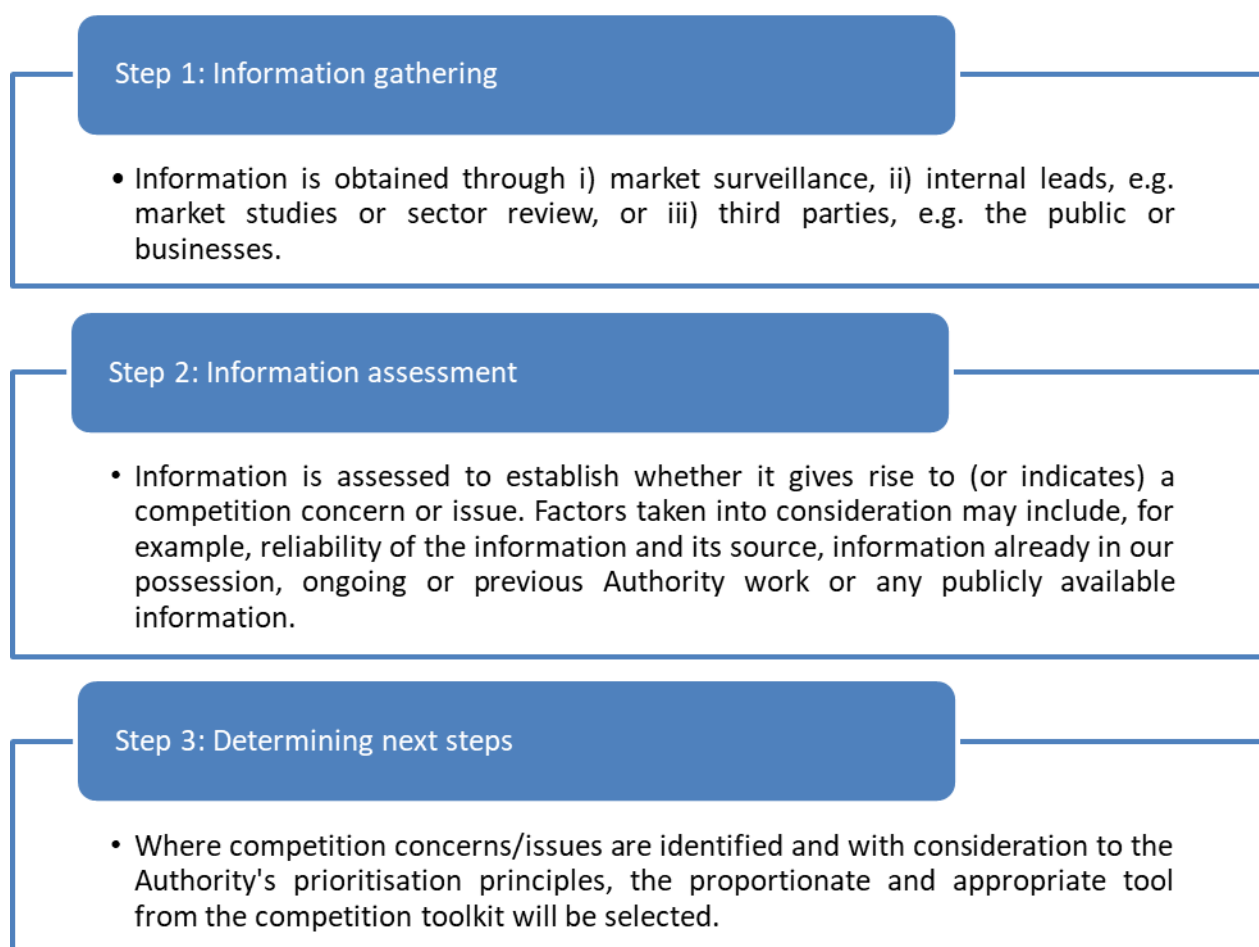
Market surveillance refers to the Authority's ongoing practice of monitoring and analysing Jersey's markets. It is a structured, systematic and comprehensive approach to gathering information regarding business and consumer activity in Jersey. The Authority works with the Government, other regulatory bodies, the business community and consumers to enhance the effectiveness of its surveillance.

Market surveillance enhances the Authority's understanding of Jersey's markets. It enables changes and trends in consumer or business behaviour and activity to be identified and monitored. This allows for the identification of markets or sectors of 'interest' which may not be working efficiently for consumers and businesses and/or may be at heightened risk of anti-competitive behaviours occurring.

Market surveillance is fundamental to the Authority's preferred approach to prevent competition issues from arising or, where competition issues are already present, their early identification. Where information gathered through market surveillance indicates a competition issue, the Authority will consider which of its competition tools is best to effectively address that issue.

- 9.10 The Authority cannot prioritise all information obtained or received for investigation. The competition toolkit provides options which allows for identified competition concerns or issues to be addressed proportionately and appropriately. An illustration of how the competition toolkit is used is available in the Figure overleaf.

Figure 7 - How the competition toolkit is used



Application to the outcomes of the construction sector review

- 9.11 With consideration to the review findings, competition insights and markets of interest, the Authority has identified several further areas of work required (see below). The next stage will be to assess the underlying information and, with consideration to the Authority's prioritisation principles⁵⁷, determine how to best use the competition toolkit to address the issues arising.
- 9.12 As set out below, in some cases, this assessment has taken place and is underway. In other areas, the work will be built into the Authority's future competition work programme and the assessment conducted at a later date. The rationale for this staged approach is discussed in the 'next steps' section below.

Markets of interest

- 9.13 As described in chapter 8, the sector review highlighted some markets of interest. The following section explains the actions which have been taken or are under consideration in relation to each of those markets.

⁵⁷ [Prioritisation Principles | JCRA](#)

Scaffolding

- 9.14 Information received through the review raised concerns regarding how businesses may be operating within the scaffolding market, particularly regarding price setting.
- 9.15 To progress this, on 22 July 2025, an open letter was issued to all scaffolding businesses. The purpose of the letter was to raise awareness of and encourage compliance with the Law. Additionally, the letter encouraged those who may be in possession of information regarding anti-competitive practices in the scaffolding market to come forward. The open letter generated significant engagement from the market participants and members of the public. In addition to the letter, a series of meetings are being held with a number of participants in Jersey's construction sector to obtain further information.
- 9.16 Taking into account the additional information received through this process, the Authority will decide on the appropriate competition tool to use, if any, in the coming months.

Aggregates and concrete

- 9.17 Finding 2 of the review identified that highly concentrated markets can demonstrate muted price competition. Noting this, the competition insights explain the aggregates and concrete markets are characteristically concentrated, with significant entry barriers and with suppliers facing similar cost conditions. Further, stakeholder comments highlighted that prices are significantly higher than in other jurisdictions, noting concerns around price alignment (for concrete). Additionally, stakeholders referenced informal cooperatives concerning the importation of sand.
- 9.18 An analysis into these areas will be carried out to establish the competition tool most appropriate to address the competition insights and challenges arising in this market.
- 9.19 The Authority is in communication with the GCRA in relation to its current market study into Guernsey's aggregates and concrete market. Noting the similarities between the island economies, there will be many learnings from this study that the Authority will take into account when assessing these areas. This assessment and any resultant action(s) will be built into the Authority's future competition work programme.

Residential construction

- 9.20 Through engagement with residential consumers, the review identified concerns with the lack of competition (Finding 1) within the residential construction market. More particularly, the concerns related to pricing, contractor availability, and process inefficiencies. The review considered this may be a result of poor communication between customer and suppliers.
- 9.21 With this in mind, the Authority is focused on engaging with consumers and suppliers alike to promote and support better communication and market outcomes for

consumers. The Authority considers this engagement will also assist suppliers, as consumers will be better informed and prepared. The Authority:

- Engaged with a significant number of consumers at the Jersey Consumer Fair on 19-20 September.⁵⁸ The information provided by the Authority focused on what to consider, review and check when hiring a trade and how to make the process more efficient.
- Published information on its website to support consumers in hiring a trade.⁵⁹
- Will engage further with industry bodies on how industry can better interact with and manage consumer expectations.

Freight logistics

9.22 Throughout the review, freight and transportation were identified as key cost drivers and also a market constraint (Finding 3).

9.23 The Authority has previously carried out a significant volume of work in relation to freight logistics in Jersey. For example, the Authority carried out a market study into the sector in 2021. While this work was general in nature, not construction focused, a review of the recommendations arising from this market study will be carried out and, within this context, the outcomes of the sector review will be taken into account.

9.24 Following this review, and, taking into account the Authority's current ongoing investigation into Jersey's logistics, transportation and storage sector, the next steps in relation to this market of interest will be assessed.

Other areas of focus

9.25 Outside the markets of interest, the Authority considers the findings and competition insights give rise to further work in other areas. This work, which is either in train, or to be built into the future competition work programme, is set out within this section.

Collaboration between businesses

9.26 Jersey's small island economy and the resultant characteristics of certain markets requires collaboration between businesses. Information received suggests close links between construction firms, with sub-contracting being common. This results in regular communication, contact and engagement between businesses.

9.27 The Authority recognises the desire for collaboration when businesses are working towards a common goal, e.g. completing a project for a customer. However, it is important businesses are aware of the Law, to ensure they remain on the right side of it. To support businesses, the Authority:

⁵⁸ [Jersey Consumer Fair - Jersey Consumer Council](#)

⁵⁹ [Consumer Guidance | JCRA](#)

- Has, in July 2025, updated its Leniency Policy, which sets out the benefits and process for businesses willing to end their participation in an anti-competitive arrangement;
- Is currently updating its guideline on anti-competitive arrangements to be more practical and helpful for businesses;
- Will develop a new guideline to help businesses collaborate in way that is fair and does not harm competition in the market. The new guideline will also help businesses identify if they are at risk of breaking the Law and what to do about it;
- Will initiate a rolling programme of competition awareness session amongst construction trade associations and membership bodies. The focus of these sessions will be raising awareness of the Law and providing practical information in relation to the new and updated guidelines.

Focus on Island features

9.28 Outside of those mentioned above, the review identified features present in or impacting Jersey's construction sector which are caused by Jersey specific factors. These include:

- Jersey's planning and associated regulatory environment which stakeholder feedback suggests creates barriers to entry and challenges for existing firms; and
- The construction workforce, including its ageing demographic and securing future labour resource (for example apprenticeships).

9.29 Further consideration will be given to these areas and, if it is determined these areas may have implications for competition in Jersey's construction sector going forward, the Authority will determine what next steps it should take.

Planning services

9.30 The review identified Jersey's planning service (for small and large building projects) as a market constraint (Finding 3). Whilst outside of the scope of the review, the planning and approvals process was a frequent theme through the residential consumer survey and stakeholder engagement. Considering these views may be helpful in the context of the changes under consideration to the legal framework governing the Island's planning system, this feedback has been provided to Government.

Closing the sector review

9.31 Through the sector review, the Authority has built a comprehensive understanding of Jersey's construction sector and the structure, features and characteristics of its underlying markets. The content of this final report and supporting annexes and documents ensure the Authority is well-placed to take forward the further important work to support and encourage competition in Jersey's construction sector.

- 9.32 The Authority would like to thank the many stakeholders that have cooperated with the sector review which has enabled us to achieve this positive outcome.
- 9.33 Whilst the review has concluded, subject to budget and resource availability, the further work will continue into 2026 and beyond. Additionally, the construction sector faces many challenges and continues to change, and therefore will remain a focus of the Authority's market surveillance. Further detail on further work in the sector will be available in the Authority's 2026 business plan.
- 9.34 If you have any concerns about anti-competitive behaviours within Jersey's construction sector, please contact us in confidence via email: competition@jcra.je.

Annex A – Glossary

This glossary covers the key acronyms and terms used in this paper.

4Insight	A Jersey-based research agency engaged to provide consumer and business research into the construction sector.
Aggregates	Materials like sand, gravel, or crushed stone used in construction for strength and stability.
ALO	Arms Length Organisation – an entity funded or overseen by government that has been established for a specific purpose, and which operates separately from government.
BCIS Channel Island Index	A construction cost index tailored to reflect building costs in Jersey and Guernsey that tracks changes in labour, materials, and construction expenses specific to the Channel Islands to allow accurate budgeting.
BIM	Building Information Modelling – a collaborative digital process that involves creating and managing a 3D model of a building or infrastructure.
Capacity utilisation	A measure of how much of a business’s available production capacity is being effectively used.
CMA	Competition and Markets Authority - the UK regulator ensuring fair competition and preventing anti-competitive business practices.
Contractors	Construction Sector entities that physically construct the developments.
Developers	Construction Sector entities that are responsible for commissioning and overseeing construction projects.
Draft Findings Report	A provisional report on the local Construction Sector produced by the Authority and issued for consultation in April 2025.
EU Commission	The executive body of the European Union, proposing legislation and enforcing EU laws.
Freight Logistics Market Study	A 2021 study carried out by the Authority that set out recommendations to promote more competition and help improve the price, quality and range of freight logistics services available to Jersey businesses.
FTE	Full Time Employee/Equivalent - This is a unit of measurement that indicates the workload of an employed person. FTE can be used to

	quantify how many employees produced a certain output, or to produce statistics. An FTE of 1 is equivalent to a full-time worker.
GCRA	Guernsey Competition and Regulatory Authority - Guernsey's independent regulator promoting fair competition and consumer protection.
GVA	Gross Value Added - an economic measure that represents the value of goods and services produced in an economy, industry or sector, after deducting the cost of intermediate goods and services used in production.
Health and Safety Inspectorate	A government entity that enforces workplace safety laws by inspecting sites, investigating incidents, and advising on risk management.
Island Plan	This and the Bridging Island Plan are approved by the States Assembly to provide a long-term policy framework for land use and development.
JCT Home Buyers Contract	A standard agreement offering legal protection for homeowners hiring contractors for building work.
Jersey Construction Council	Local industry body promoting professionalism, safety, and growth in construction.
Logistics and transport	Refers to planning, managing, and moving goods efficiently across supply chains and transportation networks.
Manufacturers	Construction sector entities that produce the essential building materials, such as wood, concrete, sand and nails.
Market Efficiency	Refers to how well prices reflect all available information, enabling optimal resource allocation and fair trading.
MMC	Modern Methods of Construction – innovative building techniques and technologies that aim to improve the efficiency, speed, and quality of construction while reducing costs and environmental impact.
OECD	Organisation for Economic Co-operation and Development - is an international body promoting policies to improve global economic and social well-being.

Open Letter	A competition tool used to remind industry participants of their competition law obligations.
Professional Services	Professional services encompass roles such as architects, engineers, quantity surveyors, and planners.
Purchasing power parity	Compares currencies by evaluating the relative cost of identical goods across countries.
Retailers and Wholesalers	Construction sector participants that supply the raw materials and manufactured goods necessary for construction projects.
SME	Small to Medium Enterprise - businesses with limited staff and turnover, driving innovation, employment, and economic growth.
SOEs	States Owned Enterprises - government-owned businesses that provide public services or operate in strategic economic sectors.
Storm Ciarán	A deadly European windstorm in 2023, causing severe damage, flooding, tornadoes, and widespread disruption across multiple countries.
Supply chain	The network of organisations, people, activities, and resources involved in producing and delivering goods.
Supporting Analysis	Supplementary information provided by the Authority alongside its draft findings report in April 2025.
Tier 1, 2, 3 companies	Tier 1 – larger contractor typically dealing with contract sizes of £10+, Tier 2 – medium contractors typically dealing with contract sizes of £1m - £10m, Tier 3 – small contractors typically dealing with contract sizes below £1m.

Annex B – Overview of Stakeholder Engagement

In addition to the independent consumer and business research discussed in Chapter 6, to support the Draft Findings direct engagement was carried out with 15 construction sector stakeholders, either in the form of a roundtable or through bilateral meetings. A further 20 construction sector stakeholders were invited to participate in the review but declined the opportunity to contribute or comment. In carrying out the structured stakeholder engagement, the Authority was supported by a delivery partner.

Participants included:

- Major local developers;
- Medium construction contractors;
- Scaffolding services provider;
- Civil engineering services provider;
- Major buyers of construction services;
- Construction materials manufacturer;
- Plumbing and heating services providers;
- Utility services supplier; and
- Industry trade association.

Views of several Government departments were also sought during the review, these are listed below. Given the Government's strong connection with, and influence over, the construction sector, it was important to understand relevant policy development and implementation, as well as procurement plans and practices.

- Department of the Economy;
- Infrastructure and Environment; and
- Treasury and Exchequer.

The Authority also carried out a public consultation on its draft findings, even though this was not required by Law. This was to secure wider industry input, and stakeholder comments on the draft findings. The Authority received five formal responses to the consultation from the following:

- Andium Homes;
- Chamber of Commerce (Building, Housing and Environment Sub-Committee);
- Jersey Construction Council;
- A local business owner; and
- A member of the public.

Where available, public versions of the responses can be found on the Authority website and further discussion on the responses is set out in Chapter 7 and Annex D.

After the consultation closed, the Authority held separate engagement sessions with:

- Andium Homes;
- Chamber of Commerce (Building, Housing and Environment Sub-Committee);
- Jersey Construction Council.

These meetings allowed these key stakeholders to discuss their written submissions and raise any additional points, such as market developments or relevant context not previously covered.

Further, with the support of the Jersey Construction Council, the Authority also carried out a second round of targeted stakeholder engagement. This was to ensure as wide a set of industry stakeholders as possible had the opportunity to respond. This second round of engagement included:

- Ashbe;
- Aston;
- Geomarine;
- Hartigan;
- Morris Architects;
- Pentagon;
- Romerils; and
- Waddington.

An overview of the insights gained from this process is set out in Box 7 in Chapter 7. The Authority thanks all stakeholders for their participation and contributions to the sector review.

Annex C – Data sources and limitations

This annex lists the data sources that have been used as part of the Authority's analysis. To note, the annex does not include information gathered as part of stakeholder engagement, and as part of the 4insight consumer and business research pieces – these are covered separately within the report.

Table 7: List of data sources

List of sources
Annual average construction material price indices – by project type, United Kingdom. Available from: Construction output price indices - Office for National Statistics
Antitrust: Commission confirms unannounced inspections in the styrene monomer purchasing sector and EU Commission fines styrene purchasers 157 million euros for cartel FXEmpire
BCIS Building Cost Information Service Construction Data – BCIS is an established UK-based company that aggregates and disseminates construction data, including price indices.
CMA probes possible bid-rigging in relation to school improvement fund - GOV.UK
Commerce Commission - Market study into residential building supplies
Concerns over cost of aggregate and concrete in Guernsey leads to commissioned Market Study with the GCRA - States of Guernsey
C-070 Construction Sector Review (jcra.je)
Dr Andrew McLaughlin, FOCUS: CEO's call to 'Make Jersey 'Jersey' again'
EU deepens investigation into Holcim/Cemex Spanish deal - KHL Group
Eurostat - Gross value added and income by detailed industry (2021) , and Statistics Jersey, https://www.gov.je/SiteCollectionDocuments/Government and administration/GDP and GVA 2023.pdf
Government reintroduces Trainee Minimum Wage Rates to support access to skills training - Trainee Minimum Wage Rates has been reintroduced as of August 2025
Government launches Investing In Jersey programme and the Government's full report is available here: Investing in Jersey Document and Capital Investment Fund.pdf
Guernsey data from Archive of publications: Gross Value Added (GVA) and Gross Domestic Product (GDP) - States of Guernsey Also Data & Analysis Service , online and by specific request
HM Land Registry, UK House price Index
Household Spending 2021 / 2022 report published
Housebuilding market study - GOV.UK
Island Construction and Engineering Programme
Investigation into suspected anti-competitive conduct by housebuilders - GOV.UK
Industry feedback validated by Subject Matter Experts using proprietary data. Supplemented by Building Cost Information Service (BCIS) data.
Isle of Man Government Open Data

JCRA past reports – cited throughout
Jersey Household Spending Report - Household Spending 2021 / 2022 report published
JULY 2025 Open Letter - Scaffolding
Land value – average of advertised prices for Jersey agricultural land vs. South-East of England agricultural land vs. Jersey greenfield
M-002 - Freight Logistics Market Study JCRA
Office for National Statistics, Annual gross fixed capital formation by industry and asset
Office for National Statistics, Economic output and activity of the UK and other various datasets
Office for National Statistics, Gross value added data tables
Office for National Statistics, UK averages between 1997 – 2022 Output in the construction industry
Opendata national accounts (historic), in real terms, https://opendata.gov.je/dataset/national-accounts-historic-measures/resource/40fc9369-5d9e-4fb7-8f9d-d18fcf7a1230 ;
On-and off-Island quantity surveyor data, BCIS data, and information obtained from local developers
Planning Performance Report – Planning Performance Statistics 2024 Q4 Further on planning, the most recently published Planning Performance Report shows that planning approval rates are currently at 80%, with a lower number of applications (18%) being overturned by the Planning Committee. See also Planning service reform
Policy Centre Jersey: Initial Research
Question Submitted On Monday 7th October 2024 Answer To Be Tabled On Monday 14th October 2024 - States Assembly WQ.336/2024
Standard 200sqm house based on Royal Institution of Chartered Surveyors (RICS) specifications; in 2024 prices. Additional information from the ONS Employment and labour market statistics , and from Cost modelling - https://costmodelling.com/regional-variations
States of Guernsey Data and Analysis, Guernsey Quarterly Residential Property Prices Bulletin
Statistics Jersey, House Price Index and other data by request
Statistics Jersey, National accounts (gov.je)
Statistics Jersey - Opendata national accounts (historic), in real terms, https://opendata.gov.je/dataset/national-accounts-historic-measures/resource/40fc9369-5d9e-4fb7-8f9d-d18fcf7a1230 ;
Statistics Jersey, GDP and GVA 2023
Statistics Jersey, Labour Market Statistics
Statistics Isle of Man, Isle of Man Housing Market Review
Statistics Jersey, Business Tendency Survey
Statistics Jersey, Employment Statistics
Statistics Isle of Man – National Income Report
S&P Global, S&P Global UK Manufacturing PMI

Unannounced antitrust inspections
UK averages between 1997 – 2022 Output in the construction industry - Office for National Statistics
4insight - Residential Consumer Research
4insight – Small and Medium Businesses Research (Addendum to Residential Consumer Research)
2023 McKinnon Report Jersey Planning Review report
2025 Business Plan , Section 2, Page 5

Table 8: Data limitations

Data point	Limitation(s)
Headcount and businesses population	Due to issues of disclosure and identification, Statistics Jersey were unable to share firm specific data. Therefore, data points on headcount and business population largely based on aggregate sector information across the five industry areas (develop, construct, distribute, produce and service).
Planning	The Infrastructure and Environment Department was unable to provide data due to self-reported issues regarding data quality and consistency.
Individual company accounts	The absence of publicly available company accounts prevented analysis of specific profit margins and the overall financial health of individual businesses.
International comparators	Variations in international data collection methods hinder cross-country comparability. For example, development costs in France are reported per square meter (m ²), whereas other jurisdictions report them per average house. Additionally, differences in definitions of ‘average house’ or housing mix across jurisdictions complicate exact comparisons. Thus, these figures should be considered indicative.
Contractor/stakeholder sample	Given the nature of a sector review, engagement was focused on a sample of firms across the construction supply chain who were interviewed as part of the engagement process. This also applied to purchasers of construction services and other stakeholders (such as Government representatives). Where required, this engagement was also complemented by additional research, for example in the experiences of individual residential consumers and SMEs.

Annex D – Wider points raised in the consultation responses

The consultation responses reflect a broad range of views and approaches. In addition to addressing the issues raised in the consultation, respondents also identified further points for the Authority's consideration or areas that require updating. The table below summarises the themes and comments raised in the responses and the Authority's high-level response. While not every individual comment is included, all submissions have been carefully reviewed and considered in formulating the Authority's findings. The comments are presented in alphabetical order by consultation area.

Consultation area	Overview of respondents' comments	Authority's response
BCIS index – Channel Islands	A respondent noted that it is one of the few companies that provide data to the BCIS Channel Island cost index. If more companies contributed to the cost index, it would be a useful Channel Islands price indicator. It was suggested the Authority should recommend that all public bodies in Jersey report cost outturns confidentially to the index.	Chapter 5 discusses the BCIS Channel Islands cost index and the Authority encourages all public bodies in Jersey to report cost outturns to this index. This will allow a better understanding of the Jersey construction market and provide for ongoing insights.
Challenges for residential consumers	<p>A respondent noted that greater customer awareness in procuring repair, refurbishment or capital works would better control unrealistic expectations around cost and timescales – with considerable information available online to inform customers. The JCT Home Buyers Contract was also noted as an example for medium sized projects over £100k.</p> <p>The respondent also cautioned against any increased direct regulation, such as consumer standards, as this would be likely to increase the cost of delivery and that other interventions may be preferable in the first instance.</p>	<p>The Authority welcomes respondents' helpful contributions and comments with respect to residential consumers. As highlighted in the findings, steps which improve consumer awareness and overall market transparency will help drive better market outcomes.</p> <p>The Authority's future work in construction will consider the extent to which it can help improve market outcomes for residential consumers – see Chapter 9.</p>

Competition, effectiveness and productivity	<p>A respondent noted that there may be areas where less competition improves effectiveness and value for customers, for example through economies of scale, sustainability of a business and/or ability to fund innovation. This is linked to consideration of productivity, which is compared to the UK and the respondent notes in the UK the data is skewed by large infrastructure projects/economies of scale.</p> <p>Another respondent notes that productivity is lower, but this relates largely to scale and a local pipeline of work for investments to be made privately or publicly.</p>	<p>The Authority's analysis in the draft findings acknowledged that industry characteristics can also be a determinant of market structure and outcomes (see paragraphs 3.2 and 3.3 of the draft findings).</p> <p>With respect to productivity, this is used as a benchmark as it provides a standard measure that can be compared across economies.</p> <p>The role of large projects and economies of scale is also recognised. The impact of large projects relative to Jersey's size is discussed in Chapter 5, see paragraph 5.8.</p>
Construct	<p>Respondents noted that the characterisation of this area was generalised and may be inaccurate. For example, it was noted that the firms identified as examples in the Supporting Analysis are involved in larger projects and not the small projects which were the subject of the consumer research. Further, a respondent also noted that, in their experience, this area of the construction sector is not fragmented (when viewed across different tiers).</p>	<p>The Authority notes the potential misinterpretation of this area and recognises the distinction between residential projects and larger developments. The example companies listed in the draft findings Supporting Analysis were not the ones subject to residential consumer feedback.</p> <p>Clarifications to reflect the comments received and stakeholder feedback, have been made in this document, see for example Chapter 8.</p>
Construction costs	<p>A respondent requested further detail on the summary table on slide 11 of the draft findings Supporting Analysis in order to understand how it has been derived and how it might differ across a variety of types of projects, e.g., what percentage is land, planning, fees, developer profit, etc. It was also suggested the cost estimates presented lacked comparable benchmark data.</p>	<p>The analysis in Chapter 5 has been updated to provide further information on the estimates. The Authority notes this analysis remains illustrative only, consistent with the scope of the sector review.</p> <p>The Authority notes stakeholder feedback on the 'Jersey Premium' with respect to inflation and notes that inflation is</p>

	A 'Jersey Premium' with respect to inflation was also noted by respondents, with respondents suggesting this was driven by the finance sector.	typically higher than that experienced in the UK, this has also been reflected in Chapter 5.
Construction demand	A respondent noted that Table 1 (slide 4 of the draft findings Supporting Analysis) appears to understate Repair and Maintenance on Public Housing. Another respondent noted that Repair and Maintenance appeared to be too high (at 40%) and sought further clarity on the data.	Table 1, which is now in Chapter 3, provides an illustrative view of the construction sector output and is based on UK information and statistics. Further commentary has been provided around this table to reflect stakeholder feedback.
Consumer research methodology	<p>Respondents raised a number of queries about the consumer research methodology:</p> <ul style="list-style-type: none"> • It was noted that the geographic location of the respondents had not been included in the survey, which limited the insight available with respect to issues with access to properties in St Helier; • There was no definition on the costs relating to quote priced works and whether they were estimates or hourly day works; • The timing of the survey, in the aftermath of Storm Ciarán, has unduly influenced the results (to the negative); • The offering of a cash prize slanted the research to be negative; and • It was challenged whether the quantitative research methodology for views on the sector was sufficiently neutral and in that asking about general feeling 	<p>The research was undertaken by an independent firm (4insight) and was carried out in line with best practice. It combined qualitative and quantitative methodologies to generate a greater level of insight, achieve the research objectives, and to ensure confidence in the research findings.</p> <p>With respect to the specific points raised, the Authority notes:</p> <ul style="list-style-type: none"> • In line with best practice, the survey demographics have been included. This showed 23% of respondents lived in St Helier. • The residential consumer research report included a discussion of the role of quotes, costs and budgets (see page 13 of the research report); • With respect to Storm Ciarán, the impact of this was explored explicitly through the survey and discussed in the residential consumer research report (see page 14 of the research report);

	rather than actual experience resulted in a higher level of negative findings.	<ul style="list-style-type: none"> Offering a cash prize for consumer research is a common and ethically compliant method to encourage participation, boost response rates, and to help secure a diverse and representative sample in line with research standards. The research questions were structured in line with best practice, including different types of statements to limit any potential for bias.
Cost of living/labour	A respondent suggested that while the draft findings recognised the geographical constraints, the findings also needed to recognise that cost of living/labour expenses are significantly higher than in the UK and France.	The Authority's draft findings (see paragraph 3.9 of the draft findings) included discussion on the absolute and relative cost of labour. The discussion on labour costs has been expanded in this Final Report, see for example Chapter 4, Chapter 5 and Chapter 8.
Develop	<p>A respondent noted the Authority's characterisation of this area underplayed the fragmentation and competition among small developers, e.g., those developing single house projects or small estates. The respondent's view is this is significant and while there is concentration among the larger developers, there is more choice at the smaller developer end.</p> <p>Another respondent noted it had no concerns about competition for its projects in this area. This respondent was aware of three Tier 1 companies and two new entrant Tier 2 companies that are keen to work at the Tier 1 level.</p>	The Authority notes stakeholder comments on this matter, and the evidence provided on the wide range of companies operating in this area (develop). This has been further validated by additional engagement with stakeholders in this area. This is reflected in the findings - see Chapter 8.

Distribute	<p>Some respondents disagreed with the Authority's outline description of the Distribute area of the construction sector (it was described in the draft findings as being relatively concentrated). Stakeholders' submissions identified a wide range of providers within the Distribute area of the sector, suggesting that Jersey is well served, and that the market is fragmented (not concentrated).</p> <p>It was also noted that, given Jersey's scale, there is an underlying weakness in buyer power. This arises in respect of scale, and the premium applied to servicing an offshore customer.</p>	<p>The Authority notes stakeholders' comments on this matter, and the evidence provided on the wide range of companies operating in this area (Distribute). This has been further validated by additional engagement with stakeholders in the Distribute area.</p> <p>With respect to buyer power, the Authority's draft findings recognised the role of scale and scope (economies) across the construction sector and this been retained (see Chapter 8); this encompasses the likely constraints faced by on-Island buyers of raw materials and other inputs.</p>
Employment statistics	<p>A respondent noted that as employment is higher in Jersey than in the UK/France, this is one factor that conclusively indicates a competitive market with a wide range of choice for clients.</p>	<p>The Authority notes that relative employment does not necessarily indicate the presence of competitive markets. Employment levels can be influenced by factors such as public investment, housing demand, labour intensity, or regulatory and institutional differences like labour laws or tax incentives.</p>
Fragmentation and consolidation	<p>A respondent noted that the draft findings identified the sector is heavily fragmented and alongside this there was also a perceived lack of competition and poor value. The respondent asked for the final findings to reach conclusions on where fragmentation is helpful, and where consolidation is beneficial in driving efficiency, value and business sustainability.</p>	<p>The Authority notes that it is outside the scope of a sector review to reach conclusions on market structure/fragmentation. This would require a detailed analysis of supply - including cost structures - alongside a more detailed consideration of demand and other factors. The sector review provides a high-level view of the construction sector and its relative performance, with a focus on identifying potential areas for the Authority to carry out further work.</p>

Impact of external factors	<p>Some respondents stated that the industry had faced several significant events including Covid-19, war in Ukraine, Storm Ciarán and other geopolitical factors. These events have different impacts, for example Storm Ciarán resulted in a large increase in demand in specific sectors like scaffolding and roofing.</p> <p>Respondents also noted that it was important to disentangle the effects of recent events from underlying structural issues which may exist in the sector over a longer period.</p>	<p>The Authority's draft findings specifically referenced geopolitical and other factors (see paragraph 3.13 of the draft findings), and both the consumer research and broader engagement noted the potential effects of Storm Ciaran.</p> <p>The Authority's discussion of sector context in this document has been expanded to include explicit reference to the potential effects of Storm Ciarán.</p> <p>The Authority's draft findings also discussed the complex interaction between external events and effects, and market structure and practice. This has been retained in Chapter 8.</p>
Price comparisons	<p>A respondent suggested that the comparisons made with respect to UK and France were inappropriate, as they were not geographically or economically similar. The respondent's view was a comparison should be made with Guernsey, Isle of Man, London and Switzerland, as other similar financial jurisdictions.</p>	<p>The Authority notes the challenges in benchmarking and comparisons with other jurisdictions, and that variations in international data collection methods hinder cross-country comparability.⁶⁰ In Chapter 5 Jersey is compared to the Isle of Man and Guernsey. It is also noted that it would not be appropriate to compare with a wider UK metric, and therefore, the cost analysis is focused on the Southeast of the England, including London.</p>
Produce	<p>A respondent noted that the diseconomy of scale in this area has not been captured. For example, the requirement to invest in heavy equipment for small scale production is a cyclical market.</p>	<p>With respect to buyer power, the Authority's draft findings recognised the role of scale and scope (economies) across the construction sector (for example, paragraphs 3.2 and 3.3 of the draft findings) - this encompasses the likely constraints faced by on-Island buyers of raw materials and other inputs. Additional clarity on heavy equipment has also been</p>

⁶⁰ For example, development costs in France are reported per square meter (m²), whereas other jurisdictions report them per average house.

	Another respondent noted that there are only two companies producing aggregates and identified challenges with inert waste disposal.	provided, alongside the comments on market structure in aggregates and inert waste. The challenges with inert waste disposal are also discussed (see footnote 49).
Project and contractor processes	One respondent queried the Authority's observation that contractors working on multiple projects can lead to project delays. This respondent's view is that contracting on multiple projects offers opportunities for efficiencies, learning, greater (pipeline) certainty and reduced risk.	The Authority's draft findings observed that project delays stemming from contractors working on multiple projects simultaneously generally arose in the context of the residential consumer sector. The Authority notes the stakeholder's comments that this may not be the case across the whole construction sector and has clarified the references to this issue in Chapter 7.
Role of an online rating system	A respondent noted that an online rating system (e.g. check-a-trade) would help facilitate both quality and competition in the market.	The Authority acknowledges the suggestion that an online rating system could help promote both quality and competition in the market. While such platforms can improve transparency and assist consumers in making informed choices, their effectiveness depends on factors such as the reliability of reviews, coverage across the sector, and accessibility. ⁶¹
Scaffolding costs	One respondent indicated that scaffolding prices increased significantly post-Storm Ciarán but have not yet come down.	The Authority notes the observations with respect to the scaffolding market and notes this was also an area identified in the residential consumer research and wider work in the sector review. Reflecting this, on 22 July 2025, an open letter was issued to scaffolding businesses and chapter 9 sets out the next steps in this area.

⁶¹ As an example, <https://jobbler.ie/>, could provide a mechanism to improve how residential consumers interact with the market. This service provides ratings, and also allows consumers to secure quotes for jobs.

Service	<p>A respondent noted that the observation around sourcing services off-Island only really applies to high end or very large projects, given the skills available on the Island.</p> <p>This was echoed by another respondent, who noted the skills are available locally, but the cycle of projects disadvantages local providers.</p>	The Authority notes stakeholder feedback on the range of service providers in the Island, this has been reflected in this document. With respect to the project cycle, the importance of this has also been brought out in the findings (Chapter 8).
UK contractors	One respondent noted that competition could be improved by allowing greater access to UK contractors.	The Authority notes the potential value of off-Island firms, to the extent it may help improve long term outcomes. It is noted there are broader regulatory and licensing issues around this, and it will be important to balance support for the local sector with capacity and demand.