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Mixed bag for construction in August as housebuilding rises but other sectors fall

After more than two months since the Brexit vote, it's good news for the residential construction sector, as the value of contracts awarded reached £1.7 billion in August, an increase of 13% compared to the same time last year, based on a three month rolling average.

According to the August edition of the Economic & Construction Market Review from industry analysts Barbour ABI, it was the residential and infrastructure sector that kept the industry on a steady pace last month, delivering £3 billion of the £5.5 billion total construction contracts awarded. It should also be noted that residential construction across the first two post-Brexit months (July & August) are significantly higher figures than when compared to the same months in 2015.

However even with the strong results from the residential sector, it was not enough to mark an improvement for overall construction new orders as they were down to £5.5 billion in August, a month-on-month drop of £300 million, although this is traditionally a slower summer month.

The commercial & retail sector particularly struggled in August, experiencing a decrease of 43% compared to August 2015, which continues a poor run of performance over the long term for the sector.

Commenting on the figures, Michael Dall, lead economist at Barbour ABI, said: "The construction sector is yet to experience the full post-Brexit effects that were forecasted to occur after the result was announced. The mixed results from the residential sector has still been robust enough to keep the industry in a position to potentially grow in the near and long-term future.

"Developers are also keen to keep progressing with major projects, such as the £750 million Galloper offshore wind farm and the £150 million Greenwich Peninsula residential development commissioned this month alone, which in turn is helping to build confidence and provide a well needed boost across the industry."

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About Barbour ABI:

Barbour ABI is a leading provider of construction intelligence services. With a team of in-house research specialists and a dedicated lead economist, it provides commercially relevant insight and unique analysis of trends and developments within the building and construction industry.

Barbour ABI is the chosen provider of Construction New Orders data to the Office for National Statistics and the Government's Construction and Infrastructure Pipeline, outlining future construction and infrastructure projects where public funding is agreed. Barbour ABI also provides data for independent organisations, such as the Construction Products Association.

Barbour ABI is part of global events-led marketing services and communications company, UBM, and is headquartered in Cheshire Oaks, Cheshire.

For more information, go to www.barbour-abi.com or follow us on Twitter [@BarbourABI](https://twitter.com/BarbourABI) for all the latest construction data news.

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