

HOUSEBUILDING INCREASES ITS HOLD ON THE CONSTRUCTION INDUSTRY

Figures released today (20 August) reveal that residential construction accounted for more than a third of the total value of contracts awarded in July, on the back of record-breaking profit reports from some of the UK's biggest housebuilders.

[Barbour ABI](#), which supplies construction data to the Office for National Statistics (ONS), Cabinet Office and Treasury, has published its latest [Economic & Construction Market Review](#), which shows that residential had the highest proportion of contracts awarded by value in July with 37 per cent of the total - an increase of 7 per cent on the month before.

It follows positive reports from a number of British housebuilders recently, with Bovis and Persimmon recording an increase in pre-tax profits of 57 per cent and 166 per cent respectively compared to last year, and Bellway also announcing a record growth of 36 per cent in forward sales.

The monthly report, which is designed to give valuable insight into UK construction industry performance, revealed that the value of all new construction contracts awarded in July totalled £5.1 billion - a slight decrease of 3.2 per cent compared to June. However, construction levels were 6.2 per cent higher than the value recorded in July last year, which economists suggest is further evidence of the industry's improving performance over the long-term.

Michael Dall, lead economist at Barbour ABI, commented: "Once again, residential construction continues to dominate the industry, and it is not surprising to see housebuilders reporting record growth across profit, completions and average selling prices. This is not likely to change as long as the current economic conditions persist and demand remains strong.

"With output in the construction industry flat over the last quarter, mainly due to a very poor month in May, it's encouraging to see residential construction sustaining the industry going forward. However, growth in other key sectors such as commercial and infrastructure will also need to improve if the industry is to surpass its pre-recession size sooner rather than later."

London and the South East were the UK's hotspots for construction activity in July, each accounting for 15 per cent of the UK total. This was largely down to a handful of big ticket

projects including the £100m contract for The Corniche, a residential development as part of the regeneration of Vauxhall Nine Elms on the South Bank, and the £150 million Smart Motorway project on the M3 in Surrey.

Report highlights:

- *The total value of new UK construction contracts awarded in July was £5.1 billion based on a three-month rolling average - 3.2 per cent down on June but a 6.2 per cent increase on the value recorded in July 2013*
- *The number of construction projects within the UK in July was up 9.8 per cent from June and 19.1 per cent higher than July 2013*
- *Residential had the highest proportion of contracts awarded by value in July with 37 per cent of the UK total*
- *The majority of contracts awarded in July by value were in London and the South East, which each accounted for 15 per cent of the UK total*

-ENDS-

Notes to editors:

Press enquiries to:

Jo Hart or Ryan Gibson at Tangerine PR

e: jo.hart@tangerinepr.com / ryan.gibson@tangerinepr.com

t: 0161 817 6600 f: 0161 817 6601

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 industry data and indicators for Government bodies including the Office for National Statistics and the UK Government's Construction and Infrastructure Pipeline, which outlines 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.

About UBM:

UBM helps businesses do business, bringing the world's buyers and sellers together at events and online, as well as producing and distributing news and specialist content. Its 5,500 staff in more than 30 countries are organised into expert teams which serve commercial and professional communities, helping them to do business and their markets to work effectively and efficiently.

For more information, go to www.ubm.com or follow us on Twitter at [@UBM_plc](https://twitter.com/UBM_plc) for all the latest UBM corporate news.