

## ***UK CONSTRUCTION ACTIVITY FALLS IN JUNE DESPITE LONG-TERM GROWTH***

Figures released today (17 July) reveal that the total value of new construction contracts fell in June, but the industry should remain optimistic about its long-term future, say construction intelligence experts Barbour ABI.

[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 the total value of all new construction contracts awarded in June totalled £5.2 billion, a marginal decrease of 0.7 per cent compared to May.

However, construction levels were 10.5 per cent higher when compared with June last year, which is further evidence of the improving performance of the industry in the long term.

Michael Dall, lead economist at Barbour ABI, commented: “While this is only the second month this year in which month-on-month values have fallen, we’re still not seeing the same high rates of growth as we did towards the end of 2013. This is an indication that the growth we’ve become used to over the last twelve months is beginning to plateau.

“Looking ahead, the long-term picture is still one of growth. Year-on-year increases are a positive indication that the industry is continuing to grow, even though this is at a slower rate. We are confident that it is a picture of moderate growth going forward but perhaps not the booming rates that the financial markets seem to be expecting.

“The Government’s updated construction pipeline released on 2 July, which represents £116 billion of work, should also be a huge boost to the industry as infrastructure output has been disappointing up until now.”

The report, available to [download here](#), also reveals that residential construction continues to hold around a third of the total value of contracts awarded in the UK. Despite this, the sector saw a 7.6 per cent decrease in the total value of contracts compared to last month, totalling £1.67 billion.

London was once again the UK’s hotspot for construction activity in June, accounting for 17 per cent of the UK total as a result of big ticket projects including the £100 million redevelopment of the International Broadcast Centre at the Olympic Park and the

residential development at North Wharf Gardens in Paddington Basin worth £70 million contract.

The Economic & Construction Market Review is a monthly report designed to give valuable insight into UK construction industry performance. It is compiled from Barbour ABI's records of construction data for every UK planning application and key indicators such as the Office for National Statistics' Construction New Orders data.

***Report highlights:***

- *The total value of new UK construction contracts awarded in June was £5.2 billion based on a three-month rolling average - 0.7 per cent down on May but a 10.5 per cent increase on the value recorded in June 2013*
- *The number of construction projects within the UK in June was up 11 per cent from May and 34.9 per cent higher than May 2013*
- *Residential had the highest proportion of contracts awarded by value in June with 30 per cent of the UK total*
- *The majority of contracts awarded in June by value were in London, which accounted for 17 per cent of the UK total*

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**Notes to editors:**

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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 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](http://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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