

Infrastructure construction halted in July with a 20 per cent decrease in contract value

With the first full month of post-Brexit figures in the books it was the infrastructure sector that experienced a decline, with the value of contracts for July decreasing to £1.5 billion, a drop of 20 per cent compared to June based on a three month rolling average.

According to the August edition of the [Economic & Construction Market Review](#) from industry analysts Barbour ABI, construction new orders were down to £5.8 billion in July, a month on month drop of £400 million. Along with infrastructure, the other prominent sector in construction was residential, which saw a decrease of seven per cent in contract value and a drop of 2,000 units compared to the previous month.

However it wasn't all doom and gloom for the industry, as the value of contracts for commercial office construction in July increased by 22 per cent compared with June, worth a total of £648 million on the month. £250 million of that total came from the West Midlands development Paradise Circus, an eight storey office block.

The Industrial sector also performed well in July with its value the highest it's been so far in 2016, reaching £564m, greatly helped by the commissioning of Reckitt Benckiser £100 million new global centre for scientific excellence in Kingston upon Hull.

Commenting on the figures, Michael Dall, lead economist at Barbour ABI, said: "In the first full month since the vote to leave the European Union, the value of construction projects reaching contract award stage declined in July. This is unsurprising given the uncertainty in the economy. However, it is the infrastructure sector which has performed particularly poorly this month and with the change in narrative from the current Government, it puts more emphasis on any fiscal stimulus that they may be planning to make."

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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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