

23<sup>rd</sup> November 2017

## Housebuilding stalls after a summer boom

After a positive summer for housebuilding with more than £7 billion of housing contracts awarded between June and August, the sector experienced a cooler autumn with figures decreasing by 10 per cent and falling for the second month in a row.

The latest edition of the Economic & Construction Market Review from industry analysts [Barbour ABI](#), highlights the levels of construction contract values awarded in October across all regions of Great Britain. The overall contract value for October was £7.1 billion based on a three month rolling average, a small increase on September but the highest total monthly construction figure for almost two years. The large HS2 contracts commissioned in September worth £7.2 billion alone are still having a major impact on overall figures, masking the slide in housing construction contract value.

Across the industry, project numbers were down in October by almost 10 per cent when compared to the same time last year, indicating that a number of larger projects were awarded within the month rather than a large succession of smaller contracts. It was a mixed bag for various sectors this month with industrial and medical & health construction joining housing as sectors that saw a drop in contract value, at 16.2 and 9.9 per cent respectively. Whereas infrastructure, commercial & retail and education all saw slight increases on the month and hotel, leisure & sport construction saw a major increase in monthly contract value of more than 50 per cent.

The highest value project in October was the 1-5 Grosvenor Place - Belgravia valued at £500 million, more than three times the value of the second highest placed project, 340 flats & commercial units on Portugal Street in Manchester. 53 per cent of the value from the top ten biggest projects was located in London (See Figure 1.1)

Rank	Project	Value (£m)	Region	Sector
1	1-5 Grosvenor Place – Belgravia	500	London	Hotel, Leisure & Sport
2	Portugal Street East Phase 1 – 340 flats & commercial units	150	North West	Residential
3	207 Old Street, The Tower – Phase 2	73	London	Commercial & Retail
4	Bridge Street Quarter, Time Square – leisure & restaurant block	60	North West	Hotel, Leisure & Sport
5	Forth Valley College – Falkirk Campus	55	Scotland	Education
6	Inverurie Academy – Scotlands School For The Future	54.1	Scotland	Education
7	Deanslade Park Project – 475 houses	47.5	West Midlands	Residential
8	Cardiff Central Development, Plots 6 & 7	47.4	Wales	Commercial & Retail
9	Southall Waterside Development – 618 apartments – Phase A	46.3	London	Residential
10	Mcarthur Glen Retail Outlet – extension	40	South East	Commercial & Retail

## CONSTRUCTION SECTOR

### Top ten biggest projects by value | Source: Barbour ABI

(Figure 1.1)

Regionally, London took back the top spot with 25% of the total construction contract value from the West Midlands, which benefited greatly in September thanks to the HS2 contracts. Joint second was the South East which contributed 14 per cent, which included the £40 million McArthurGlen Retail Outlet in Kent, alongside the North West which had the biggest residential project in October, the aforementioned Portugal Street project in Manchester.

Commenting on the figures, Michael Dall, Lead Economist at Barbour ABI, said: “It’s evident that the major HS2 projects commissioned in September are masking an underlying softening of activity in certain sectors of construction such as housebuilding. Housing has been driving overall industry growth across 2016 and parts of 2017 as infrastructure lagged behind but is now flagging. Without the HS2 developments we would be looking at a much bleaker picture in our results for October.”

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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 economics team, 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 estimates data to the Office for National Statistics, provider of the Government's Construction and Infrastructure Pipeline and provides the planning application and development data to the Department for Communities and Local Government. 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 on Twitter [@BarbourABI](https://twitter.com/BarbourABI) for all the latest construction data news.

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