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Infrastructure boosts construction new orders to a two year high

For the fourth month in a row, overall construction new orders increased in value reaching £7.4 billion in November, the highest figure for two years. This was underpinned by the commissioning of the major £2.25 billion TransPennine Upgrade from Stalybridge to Leeds project.

The latest edition of the Economic & Construction Market Review from industry analysts [Barbour ABI](#), highlights the levels of construction contract values awarded in November across Great Britain. Infrastructure was the dominant sector of the month, totalling £3.7 billion based on a three month average and is the highest post-recession figure, majorly influenced by the aforementioned TransPennine upgrade, which is more than seven times the value of the next largest infrastructure contract on the month (see figure 1.1).

Rank	Project	Value (£m)	Region	Sector
1	Transpennine Route Upgrade – West of Leeds	2250	Yorkshire & Humber	Civil Engineering
2	Lostock Energy from Waste Facility (60Mw)	300	North West	Utilities
3	Victoria Centre – Northern Extension	240	East Midlands	Commercial & Retail
4	Ince Resource Recovery Park – 35MW Waste Facility	130	North West	Infrastructure
5	The Pennybrook – Plot N17 Zone 3B	83	London	Hotel & Catering
6	Jubilee Line Escalators – TFL	76.2	London	Transport
7	University of Sussex – Life Sciences Building	70	South East	Education
8	Leamouth South – Orchard Place	62.6	London	Residential
9	Gore Street – 221 flats & hotel	60	North West	Residential
10	Selly Oak Redevelopment	50	West Midlands	Residential

Top ten biggest projects by value | Source: Barbour ABI

(Figure 1.1)

Across the industry, project numbers were up in November by 8.3% per cent when compared to the previous month, continuing the recent trend. Outside of infrastructure, only medical & health construction saw an increase in contract value on the month - albeit a small growth of 1.4 per cent. The remaining sectors struggled in November, with commercial construction producing its lowest figures for almost five years and residential building decreasing for the third month in a row, posting its lowest value total so far for 2017. The remaining sectors of industrial, education and hotel, leisure and sport construction all saw small declines in November.

Regionally, it was Yorkshire & Humber that took the top spot away from London with 38% of the total value of construction contracts in November. In second place was the North West, thanks largely to two large infrastructure projects, the Lostock Energy from Waste facility and Ince Resource Recovery Park waste facility, with a value of £300 & £130 million respectively.

Commenting on the figures, Michael Dall, Lead Economist at Barbour ABI, said: "November witnessed an increase in infrastructure figures of 177% compared to last year, providing the industry with a much needed boost for the third month in a row after a previously quiet 2017. With the residential sector continuing to decline and other sectors in an ongoing struggle, the commissioning of these large infrastructure projects have come at the right time. As the Brexit uncertainty continues to loom over construction, investors and industry figures can feel assured knowing that 'mega projects' and large value developments are still being commissioned."

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Notes to editors:

Press enquiries to:

Jonathan Touhey at Barbour ABI

e: jonathan.touhey@barbour-abi.com

t: 0151 353 3605

m: 07976 837339

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 and partner of the Government's Infrastructure and Projects Authority in providing the National Infrastructure and Construction Pipeline. 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.

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