

Infrastructure thwarts construction as slump continued in February

After a volatile 2017 and a poor start in January, February has not fared much better for the construction industry, with the value of new contracts awarded at £4.9 billion, which is 24 per cent lower than at the same time last year.

The latest edition of the Economic & Construction Market Review from industry analysts [Barbour ABI](#) highlights levels of construction contract values awarded across Great Britain. Residential housing dominated the construction sector across February with a total contract value of £2.1 billion, its highest figure for six months. Conversely, infrastructure contract value decreased by 48 per cent compared with last month - even with the largest overall project in February being the £350 million Hinkley Point C – Marine Works Package (see figure 1.1).

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TOP TEN BIGGEST PROJECTS BY VALUE



★ TOP PROJECT	£350,000,000 • SOUTH WEST • INFRASTRUCTURE Hinkley Point C – Marine Works Package	6	£100,000,000 • SOUTH WEST • RESIDENTIAL Bath Press, Lower Bristol Road – 244 houses & employment space
2	£196,000,000 • LONDON • COMMERCIAL & RETAIL 1 Triton Square – Office	7	£90,000,000 • LONDON • MEDICAL & HEALTH Dovehouse Street – Extra Care Facility
3	£110,000,000 • LONDON • RESIDENTIAL Perfume Factory – 736 student beds, 85 flats and offices	8	£80,000,000 • LONDON • RESIDENTIAL London Legacy – East Wick neighbourhood
4	£100,000,000 • LONDON • HOTEL, LEISURE & SPORT The Minorities Estate redevelopment – hotel & 87 flats	9	£77,000,000 • LONDON • HOTEL, LEISURE & SPORT New Hilton Curio – Olympic Park
5	£100,000,000 • YORKS & HUMBER • INDUSTRIAL McCain Foods redevelopment	10	£70,000,000 • SOUTH EAST • EDUCATION University of Sussex – Life Sciences Building

Outside of the Hinkley Point project, the three biggest projects in February were all London based, the £196 million 1 Triton Square office project, a £110 million residential development named the 'Perfume Factory' and The Minorities Estate redevelopment worth £100 million.

Across the rest of the industry, the education sector followed infrastructure as the only two sectors that saw a decrease in monthly figures. Infrastructure's decline from £1.7 billion to £875 million was too great of a loss for the rest of the industry to play catch up, even as all other sectors saw an increase in construction contract values.

Regionally, it was London that led all regions with a contract award value at 25% of the UK total, largely thanks to the aforementioned three big ticket projects, which also included the three largest hotel, leisure and sport developments in February which totalled over £200 million. This was followed by the South West with 17% of the contract award value and the North West with a 13% share.

Commenting on the figures, Michael Dall, Lead Economist at Barbour ABI, said: "Whilst the slide in Infrastructure is disappointing, it is encouraging to see the increases in value for the majority of the construction sectors, particularly commercial & retail, which was in the midst of a three month slump. With uncertainty surrounding the industry and economy in general, improvements in various sectors should instil confidence, despite the overall figure being subdued."

-ENDS-

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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 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.

For more information, go to www.barbour-abi.com or follow on Twitter [@BarbourABI](https://twitter.com/BarbourABI) for all the latest construction data news.

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