

19<sup>th</sup> April 2018

## Infrastructure construction reaches a record low

The value of new construction contracts in March reached £5.3 billion, a monthly increase of 8.7 per cent. However the overall positivity cannot be shared across all sectors of construction, as infrastructure figures reached their lowest point in March since Barbour ABI began tracking the series.

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 continues to dominate the construction sector and across March had a total contract value of £2.4 billion, its highest figure for seven months. Conversely, infrastructure contract value decreased by 26 per cent compared with last month, its lowest overall figure since 2010.

The two biggest projects by value in March were both residential developments, including the Longridge neighbourhood centre which includes 256 houses and valued at over £160 million (see figure 1.1). There was a distinct lack of infrastructure projects across the top ten biggest projects by value in March, with the sole development the £45 million enabling works of Phase 2 for Pinewood Studios, awarded to Sir Robert McAlpine.

## MARCH 2018 TOP TEN BIGGEST PROJECTS BY VALUE



<b>1</b> <b>TOP PROJECT</b>	<b>£159,700,000 • NORTH WEST • RESIDENTIAL</b> Preston Road, Longridge – 256 houses, neighbourhood centre & retail units	<b>6</b>	<b>£68,000,000 • LONDON • RESIDENTIAL</b> Hounslow House – 279 flats/14 houses/commercial
<b>2</b>	<b>£100,000,000 • LONDON • RESIDENTIAL</b> Hale Wharf, Tottenham Hale – mixed development	<b>7</b>	<b>£50,500,000 • EAST OF ENGLAND • INDUSTRIAL</b> DP World London Gateway – Project Halo
<b>3</b>	<b>£96,000,000 • YORKS &amp; HUMBER • EDUCATION</b> University of Leeds – North East Quarter Project (ICEPS)	<b>8</b>	<b>£50,000,000 • NORTH WEST • COMMERCIAL &amp; RETAIL</b> 100 Embankment – office building
<b>4</b>	<b>£70,000,000 • EAST MIDLANDS • INDUSTRIAL</b> East Midlands Gateway, Plot 1 – Amazon Distribution Centre	<b>9</b>	<b>£45,000,000 • SOUTH EAST • INFRASTRUCTURE</b> Pinewood Studios, Iver Heath – Phase 2
<b>5</b>	<b>£70,000,000 • SOUTH EAST • RESIDENTIAL</b> Cumberland Place – student accommodation	<b>10</b>	<b>£40,900,000 • LONDON • RESIDENTIAL</b> Taberner House & Queens Gardens redevelopment

(Figure 1.1)

Looking across the rest of the industry, outside of infrastructure every other sector saw an increase in March for contract values compared with February. The biggest increase came in medical and health construction, which reached £200 million in March, a significantly higher figure for the sector compared to any other month over the last two years.

Regionally, it was the South East that led all regions with contract award value at 18.5 per cent of the UK total, largely thanks to the £70 million Cumberland Place student accommodation project and the aforementioned Pinewood Studios project. This was followed by the North West with 15.9 per cent of the contract award value and London with a 14.6 per cent share.

Commenting on the figures, Michael Dall, Lead Economist at Barbour ABI, said: “The continuous decline of infrastructure construction contracts and in particular big ticket infrastructure projects will not help to repair the sliding confidence across the industry, which is masking better growth across the other sectors of the industry, in particular the encouraging figures coming from medical and health construction and the strong growth from residential construction.”

-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](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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