

Construction struggles as housebuilding takes a tumble

The value of new construction contracts in April reached £4.9 billion, a decrease of 6.8 per cent compared to March. The decline coincides with a housebuilding slump that saw a drop of 15.3% compared to the previous month and a wavering infrastructure sector that has performed poorly so far in 2018.

The latest edition of the [Economic & Construction Market Review](#) from industry analysts [Barbour ABI](#) highlights levels of construction contract values awarded across Great Britain. The top project for the month was the ‘M1 Junction 16-13 Smart Motorway upgrade’ valued at £349 million, almost four times the value of the next biggest project (see figure 1.1).

APRIL 2018

TOP TEN BIGGEST PROJECTS BY VALUE



Barbour ABI

1	TOP PROJECT £349,000,000 • SOUTH EAST • INFRASTRUCTURE M1 Junction 16 – 13 Smart Motorway	6	£60,000,000 • LONDON • RESIDENTIAL The Old War Office, Whitehall – hotel & 88 flats – shell only
2	£90,000,000 • SOUTH EAST • RESIDENTIAL Coruna Aldershot Urban Extension – Zone B, Parcels B3 & B4	7	£58,000,000 • LONDON • RESIDENTIAL Abbey Wood & South Thamesmead – Southmere Village – 525 houses & commercial space
3	£69,000,000 • EAST MIDLANDS • INDUSTRIAL DB Symmetry, Blyth – industrial development	8	£53,000,000 • EAST MIDLANDS • INFRASTRUCTURE Lincoln Eastern Bypass
4	£65,000,000 • EAST OF ENGLAND • INDUSTRIAL Great Haddon – Super Hub South	9	£50,000,000 • NORTH EAST • INFRASTRUCTURE York Potash Project – Sirius Minerals Transportation System
5	£63,000,000 • WEST MIDLANDS • INDUSTRIAL Hall End Business Park – Core 1	10	£50,000,000 • LONDON • EDUCATION Royal College of Art – Battersea South Campus

(Figure 1.1)

Across the rest of the construction industry, medical and health construction posted the highest monthly value for projects for more than two years, at £229 million. Hotel, leisure and sport construction saw an increase in contract value for the third month in a row. Commercial and retail and education both saw declines in contract values, down 10 and 9.3 per cent respectively.

Regionally, London was the region with the largest share of contract awards value in April with 20.3% of the total, with three of the largest top ten projects across April. The capital was then followed by the East of England with 16% and the South East with 11.3%.

Commenting on the figures, Michael Dall, Lead Economist at Barbour ABI, said: “April is a reminder for the industry that when both infrastructure and in particular housebuilding falter, construction figures will by far and large decrease. Other sectors had more of a successful month, such as medical and health construction, however due to the scale and size of infrastructure and housing construction, it’s an overwhelming task for other segments of the industry to make up the sizable difference.”

-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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