

## Construction struggles continue as new work dips to a five year low

The value of new construction contracts in May reached £4.5 billion, a decrease of almost ten per cent compared to April and the lowest amount for over five years. The two largest sectors in construction; residential and infrastructure, both saw a decline as the industry continues its slump this year so far.

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 largest project by value across the month was the £130 million Wembley Stadium Station housing development (see figure 1.1). The residential sector saw a dip in activity of 5.7 per cent compared to the previous month but still managed to claim the top spot as May's largest project by value.

### MAY 2018

#### TOP TEN BIGGEST PROJECTS BY VALUE



### Barbour ABI

1	<b>TOP PROJECT</b> £130,000,000 • LONDON • RESIDENTIAL Wembley Stadium Station – Building 3B within plots SW03, SW04 & SW05	6	£50,000,000 • LONDON • RESIDENTIAL Portal West Development – 578 apartments/commercial space
2	£100,000,000 • WALES • INFRASTRUCTURE Clocaenog Forest 96MW Wind Farm Project – Denbigh	7	£50,000,000 • EAST OF ENGLAND • RESIDENTIAL Malyons Farm, Hullbridge – 500 houses and flats
3	£80,500,000 • EAST MIDLANDS • INDUSTRIAL Midlands Logistics Park – Phase 1B	8	£48,000,000 • NORTH WEST • RESIDENTIAL Liverpool Road Formby – 317 houses
4	£75,000,000 • EAST OF ENGLAND • INDUSTRIAL Aldi Regional Distribution Centre, Elstow	9	£45,000,000 • LONDON • RESIDENTIAL 1 Station Square – 128 flats/commercial unit
5	£55,000,000 • EAST OF ENGLAND • INFRASTRUCTURE European Train Control System (ETCS) – Anglia Line	10	£41,800,000 • EAST OF ENGLAND • INDUSTRIAL Alwalton Hill Development, Plot 111 A – distribution warehouse

(Figure 1.1)

Across the rest of construction, industrial and education were the only sectors in May that produced positive growth in contract values, increasing by 2.2 and 4.6 per cent respectively compared to the previous month. The biggest fall came from commercial and retail construction, which despite having the largest project of the month, fell by almost 30 per cent when compared to April figures.

Regionally, London was the region with the largest share of contract awards value in April with 18.8 per cent of the total, with four of the largest ten projects across May. The capital was then followed by the East of England with 14 per cent and the North West with 13.5 per cent.

Commenting on the figures, Michael Dall, Lead Economist at Barbour ABI, said: “Across May we continued to see the decline in housing and infrastructure construction, with the value of new work in construction reaching its lowest point since January 2013. Whilst it’s encouraging that the industrial and education sectors saw contract values increase, the deficit was too large to make up the shortfall, with both housing and infrastructure continuing in their slump.”

-ENDS-

**Notes to editors:**

**Press enquiries to:**

**Jonathan Touhey at Barbour ABI**

e: [jonathan.touhey@barbour-abi.com](mailto: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.

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.