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HS2 Sparking Wider Regeneration

Phase 1 of the HS2 project is set to play a key role in parts of Great Britain where HS2 hubs will be built, unlocking an enormous rise in wider regeneration and investment in residential, commercial and infrastructure projects. Five GB regions are reaping the benefits of £7.2 billion of work awarded contracts, including West Northamptonshire which had a 200% increase in construction contracts awarded in 2017.

The latest data has come from the 'Regional Construction Hotspots in Great Britain 2018' report from industry analysts Barbour ABI and the Construction Products Association, which highlights the levels of construction contract values awarded in 2017 across all regions of Great Britain. Hotspots and coldspots identify the areas where contract awards were significantly above or below previous years, highlighting pockets of activity or contraction.

Haringey and Islington, Hounslow and Richmond upon Thames, Birmingham, Warwickshire and West Northamptonshire are the regions that have been awarded contracts for five new or redeveloped railway lines and tunnels. The new sites and related infrastructure such as stations will be used as a tool to unlock development in wider housing and commercial projects, falling particularly in plan with the government's strategic objectives in the Housing White Paper to increase housing provision around key transport hubs.

HS2 Hubs – gross value added (GVA)	GVA per head	Construction Growth (2016)	Contracts Awards Growth (2017)
UK Average	26,584	6.0%	4.3%
Haringey and Islington	46,295	5.0%	178.5%
Hounslow and Richmond upon Thames	41,089	13.5%	147.5%
Birmingham	23,300	-5.5%	92.8%
Warwickshire	30,609	8.0%	118.4%
West Northamptonshire	25,936	10.9%	197.9%

Source: Barbour ABI, CPA, ONS

City centres on the route are already taking advantage of the new connectivity. The scale of which saw two residential contracts in 2017 for £77 million and £50 million for the Bristol Street and Selly Oak developments respectively. Birmingham also received the highest commercial investment compared to the other regions on the route, as well as coming top for infrastructure investment with over £2.8 billion of work awarded.

Similarly, the transport hubs have triggered housing hotspots in Haringey and Islington and Hounslow and Richmond upon Thames in 2017, with the regions awarded £100 million and £76.5 million of housing

contracts respectively. Commercial investors have also been attracted to Northampton with a £30 million contract awarded for Four Waterside, which will form part of the region's new enterprise zone.

Michael Dall, Lead Economist at Barbour ABI commented: "The sheer size of the HS2 contracts will have a transformational impact on the amount of infrastructure work over the coming years, and will also create associated residential and commercial construction opportunities. The commercial sector in particular has been challenged since Brexit so it will be interesting to see whether the HS2 development provides a boost to this sector."

Rebecca Larkin, Construction Products Association Senior Economist said: "The first contract awards for work on HS2, a project costing £55.7 billion in total, will shore up confidence for investment into the long-term regeneration of towns and cities along its route. As the first city stop on the route from London, Birmingham has been a construction hotspot for two years, and illustrates the potential for infrastructure improvements to unlock projects in the residential and commercial sectors as well."

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NOTE TO EDITORS:

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 or follow on Twitter [@BarbourABI](https://twitter.com/BarbourABI) for all the latest construction data news.

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About The Construction Products Association:

The [Construction Products Association](http://www.constructionproductsassociation.co.uk) represents the UK's manufacturers and distributors of construction products and materials. We are committed to raising the profile of our industry and members' businesses, helping grow the market and reducing regulatory risk. The sector directly

provides jobs for 333,000 people across 23,000 companies and has an annual turnover of more than £56.5 billion. The CPA is the leading voice to promote and campaign for this vital UK industry.

The CPA produces a range of economic reports including the quarterly Construction Industry Forecasts, Construction Trade Surveys and the State of Trade Surveys. All are available to members or subscribers via our website.

Much of the CPA's work is focused on serving as the first point of contact for politicians and policy makers requiring advice and information about matters that affect construction products or the wider construction industry. This includes understanding the need for investment into manufacturing or the built environment, new housing and energy-saving retrofitting of the existing housing stock; helping to develop effective, UK and EU legislation, regulations and product standards; and promoting the role of manufacturers in delivering a resource efficient built environment.

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