

20th September 2018

Strong month for Infrastructure as award values exceed £1 billion

The value of new contracts across construction reached £6 billion in August, a monthly increase of 28.9 per cent. This sunnier outlook provides further evidence that the construction industry continues to bounce back from its poor performance in the first quarter of the 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. The residential sector continues to dominate and during August contract values were £2.2 billion, accounting for 36.2 per cent of contracts awarded. However, this is still some way behind the recent peak of March 2018 when £2.4 billion contracts - including 25% more residential units - were awarded.

The infrastructure sector saw award values exceed the £1 billion threshold for the first time in six months, with the current quarter being 6.8 per cent ahead of 2017. Boosted by a number of large utilities contracts, infrastructure led the table of the biggest value contract awards across construction with five of the top ten projects for August being from this sector (see fig. 1.1). The largest, the £1.8 billion Triton Knoll 900MW Offshore Wind Farm in the Greater Wash Basin off the Lincolnshire coast, involves 288 turbines which are scheduled to produce 900 to 1,200 MW of electricity. The award of this project, plus Project Two at the Hornsea Onshore Substation in Lincolnshire, contributed significantly to the East Midlands leading the regional position with 68.4 per cent of contracts awarded within the infrastructure sector, a 48.5 per cent increase on August 2017.

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TOP TEN BIGGEST PROJECTS BY VALUE



1	TOP PROJECT £1,800,000,000 • EAST MIDLANDS • INFRASTRUCTURE Triton Knoll 900MW Offshore Wind Farm	6	£85,000,000 • LONDON • RESIDENTIAL Kelaty House – student accommodation
2	£158,400,000 • SOUTH EAST • INFRASTRUCTURE M23 J8-10 Smart Motorway – Gatwick junctions	7	£84,200,000 • YORKSHIRE & HUMBER • INDUSTRIAL West Moor Park Armthorpe – Plots A & B
3	£100,000,000 • WEST MIDLANDS • INFRASTRUCTURE D – Jaguar Land Rover Powertrain development facility	8	£67,500,000 • SOUTH EAST • INDUSTRIAL Building A104, Cody Park, Farnborough – data centre
4	£90,000,000 • SOUTH EAST • INFRASTRUCTURE Southsea Coastal Scheme – Portsmouth	9	£66,400,000 • LONDON • COMMERCIAL & RETAIL Number One Oxford Street – over site development – Site A
5	£87,600,000 • SOUTH EAST • INFRASTRUCTURE M20 J3-5 Smart Motorway Scheme – Maidstone	10	£63,800,000 • NORTH EAST • RESIDENTIAL University of Durham, Mount Oswald – student accommodation

(Figure 1.1)

Not only taking the leading position in contract awards across Infrastructure, the East Midlands led regionally across all sectors too, with a contract award value of 28.8 per cent of the UK total. This was followed by the South East with a 14 per cent share helped largely by the second largest contract award project for August (see fig. 1.1) which was the M23 J9-J10 Smart Motorway Gatwick Junctions in Redhill in Surrey at £158.4 million.

Commenting on the figures, Michael Dall, Lead Economist at Barbour ABI, said: "It's been a positive month - every sector within construction is up month on month and it is great to see award values boosted by some big-ticket Infrastructure projects. Of course, it remains to be seen whether the better numbers are temporary as the industry continues to play catch up with the lost output from the start of the year, but these figures should still provide much-needed confidence and are hopefully a sign of a more durable upturn in demand."

-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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