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Housebuilding contracts worth over £2 billion in October

The value of new construction contracts in October reached £5.4 billion, a 3.8 per cent decrease compared to September, as housebuilding continues to prop up the industry with £2 billion worth of contract value.

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 in October was the £350 million Keadby 2 Power Station (see figure 1.1), over three times the value of the second largest project on the month. With three of the top five largest projects in October based in London, this greatly helped the capital account for the largest share of contracts awarded within the month, with a total of 17.2 per cent, followed by the North West and Yorkshire & Humberside with 16.6 and 16.1 per cent respectively.

OCTOBER 2018

TOP TEN BIGGEST PROJECTS BY VALUE



Barbour ABI

★ 1 TOP PROJECT	£350,000,000 • YORKSHIRE & HUMBER • INFRASTRUCTURE Keadby 2 – 840MW CCGT Power Station	6	£70,000,000 • EAST OF ENGLAND • COMMERCIAL & RETAIL Tk Maxx HQ – Watford Junction
2	£100,000,000 • LONDON • COMMERCIAL & RETAIL 1 Leadenhall – offices, shops & restaurants	7	£65,000,000 • NORTH WEST • RESIDENTIAL Liverpool Waters – The Lexington, PRS Tower – 304 flats
3	£100,000,000 • LONDON • RESIDENTIAL Battersea Power Station – Phase 4A	8	£51,400,000 • EAST OF ENGLAND • RESIDENTIAL Napier Gateway – 685 flats
4	£87,800,000 • EAST MIDLANDS • INDUSTRIAL BSH Group Distribution Centre – Midlands Logistics Park – Unit 2, Option 1	9	£50,000,000 • SOUTH EAST • MEDICAL & HEALTH Milton Keynes General Hospital – cancer centre
5	£85,000,000 • LONDON • RESIDENTIAL Roman Wall House, Crutched Friars and Emperor House	10	£46,100,000 • YORKSHIRE & HUMBER • RESIDENTIAL Carr Lodge Phase 2

(Figure 1.1)

Across the construction sector in October, medical and health projects reached £250 million, its best month statistically for more than two years and a 230 per cent increase on September. 91 per cent of these projects were for public hospitals, such as the £90 million contract awarded to Laing O'Rourke to finish the Royal Liverpool Hospital redevelopment after the collapse of Carillion. Infrastructure, traditionally one of the two largest sectors alongside residential, saw an increase in contract value by 6.9 per cent taking its monthly total to £1.3 billion. However commercial & retail, hotel, leisure & sport, industrial and education construction sectors all saw decreases across the month.

Commenting on the figures, Michael Dall, Lead Economist at Barbour ABI, said: “There is no doubt that the strength of housebuilding is substantially helping improve the overall figures for the construction industry. With a shortage of homes across Great Britain and an influx of buyers helped by schemes such as help-to-buy has propelled the sector and kept developers busy to keep up increasing expectations to build more homes. Nevertheless, as Brexit continues to be discussed and negotiated, the lack of clarity on the matter for the remaining sectors seems to have influenced the total amount and value of contracts.”

-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.

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.