SNAP ANALYSIS

March 2024

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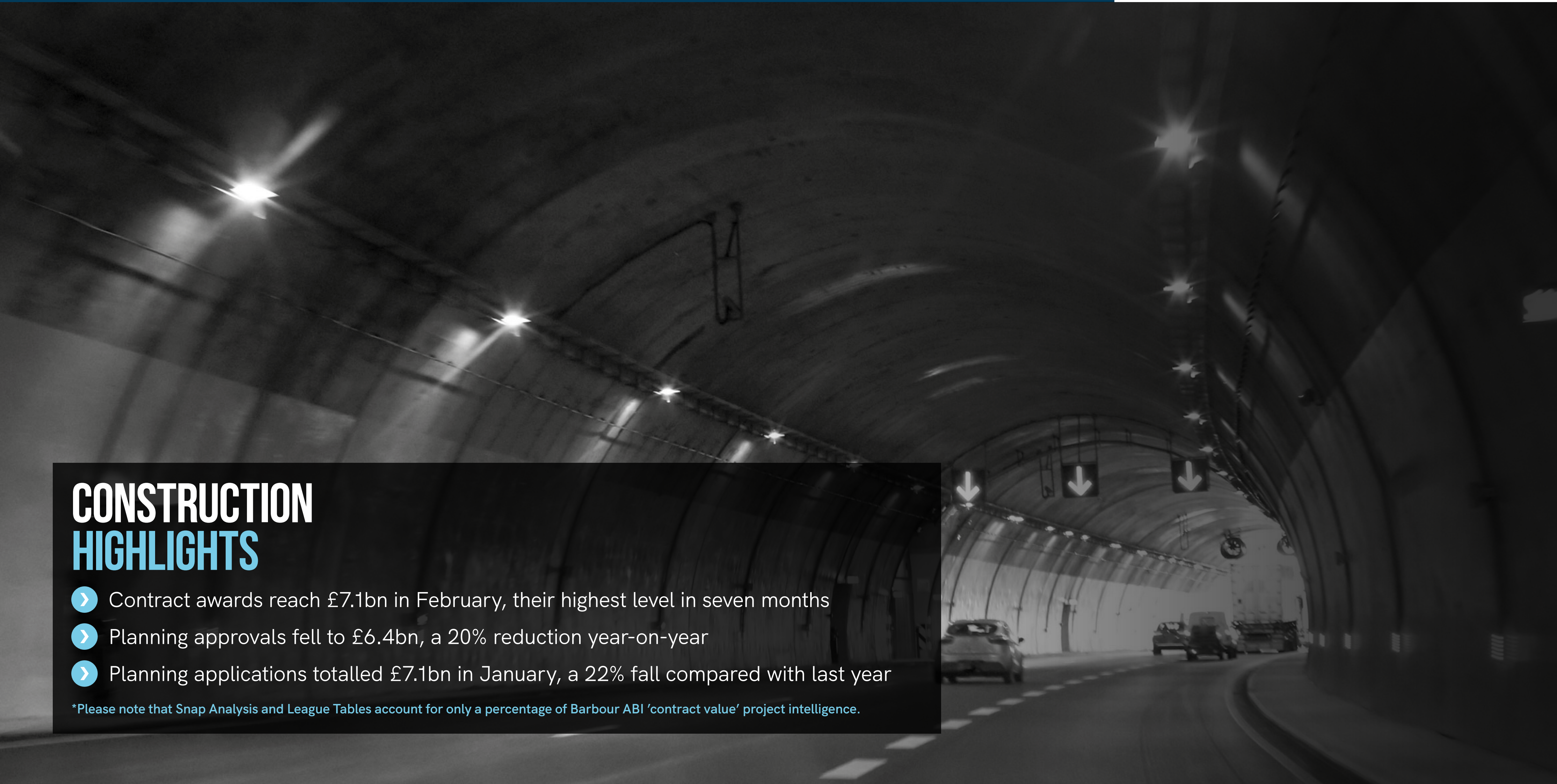
AMA Research



CONSTRUCTION HIGHLIGHTS

- Contract awards reach £7.1bn in February, their highest level in seven months
- Planning approvals fell to £6.4bn, a 20% reduction year-on-year
- Planning applications totalled £7.1bn in January, a 22% fall compared with last year

*Please note that Snap Analysis and League Tables account for only a percentage of Barbour ABI 'contract value' project intelligence.

Barbour ABI

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CONTRACT AWARDS

36% higher compared with last year and an 11% increase from January

February was a strong month for contract awards - infrastructure awards soared to £2.9bn due to the Lower Thames Crossing.

Infrastructure was the star performer. Contracts for two road tunnels under the Thames for the Lower Thames Crossing in Kent were agreed with a value of £1.3bn. Worth £1.1bn, commercial and retail awards bounced-back strongly. A particular boost came from the £330m refurbishment of 42-storey Citi Tower in Canary Wharf which finally made it into contract. Industrial awards have been lacklustre in 2024 so far but this follows the sector's exceptional strength following the pandemic. Health and education failed to match their strength in early 2023. Awards were down by 43% and 19% respectively. Headwinds from higher mortgage rates and weak consumer confidence continues to weigh on residential development. At £1.5bn in February, awards were well below average and 40% less than in January.

	Monthly value (£bn)			% change			Relative Strength Index (RSI)*				Future expectation	Risk
	Feb	Q4	2023	Feb-Jan	Q4-Q3	2023-2022	Feb	Dec	Q4	2023		
All sectors	7.1	5.1	5.8	11%	-19%	-14%	73	63	37	55	↘	
Residential	1.5	1.6	1.9	-40%	-18%	-14%	31	72	28	40	↓	
Infrastructure	2.9	1.5	1.3	108%	11%	-22%	97	58	67	51	↘	
Commercial & retail	1.1	0.4	0.7	152%	-55%	-15%	85	31	13	52	↘	
Hotel, leisure & sport	0.2	0.3	0.3	-21%	-24%	-29%	33	40	29	30	↘	
Industrial	0.6	0.7	0.9	-27%	-30%	-10%	38	54	41	68	↘	
Medical & healthcare	0.3	0.2	0.3	-43%	13%	4%	65	93	57	72	↗	
Education	0.4	0.4	0.5	-1%	-31%	20%	48	50	35	73	↗	

Contract awards 1.1

Source: Barbour ABI

Key information including sector breakdown

** The Relative Strength Index measures current activity levels relative to the last 5 years, using a 0-100 scale.*

TABLE EXPLAINED

Click here to take a look at our key to explain the colours and icons in the table above.

1,028 CONTRACT AWARDS recorded in February 2024

MONTHLY HIGHLIGHTS

- Infrastructure awards reach highest level in over four years.
- Strong bounce-back in commercial and retail due to office refurbishment.
- Lacklustre residential activity as headwinds remain strong.
- Health and education awards fall sharply.
- Conditions remain challenging for industrial and hotels, leisure and sport.

> 2024 has started strongly - contract awards in the first two month of the year rose 7% compared with last year.

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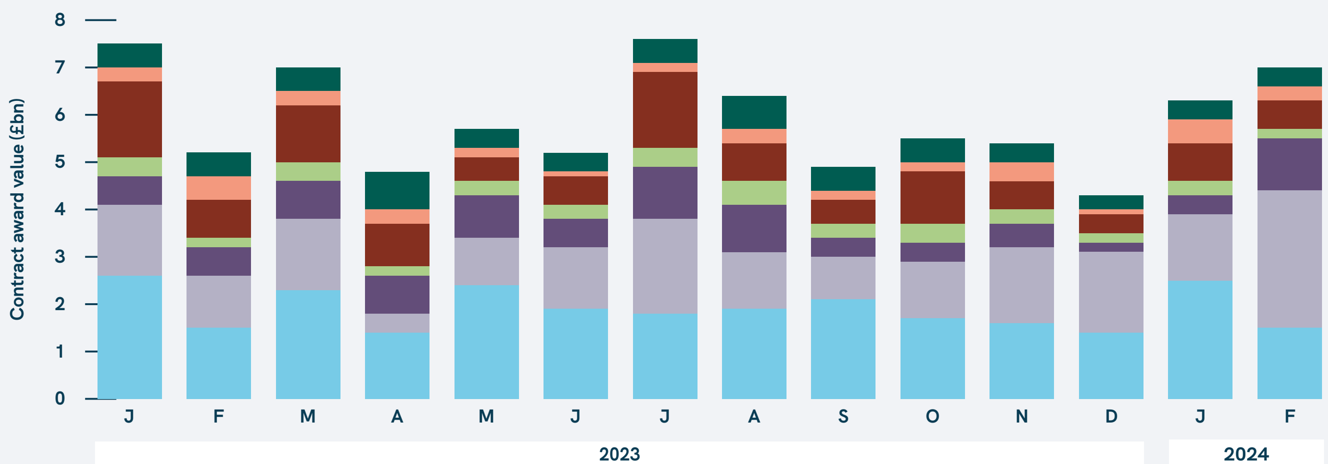
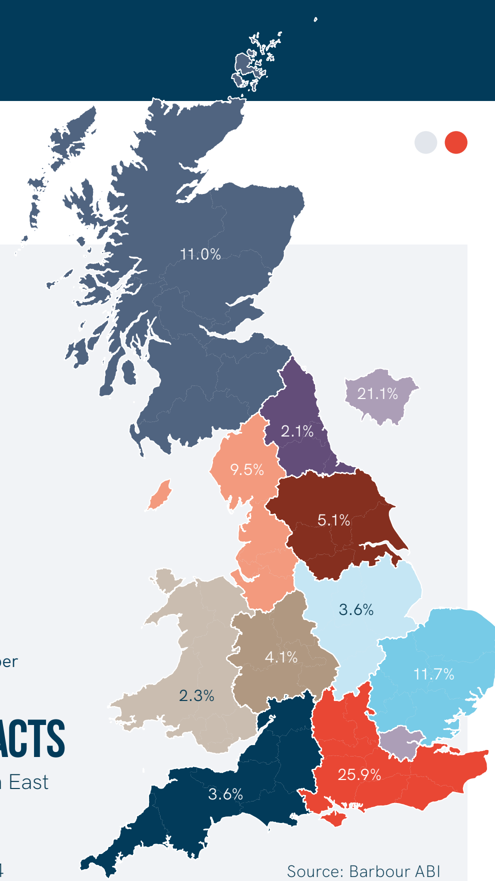


Contract awards 1.2 Source: Barbour ABI

Monthly contract awards by sector



- East Midlands
- East of England
- London
- North East
- North West
- Scotland
- South East
- South West
- Wales
- West Midlands
- Yorkshire & Humber

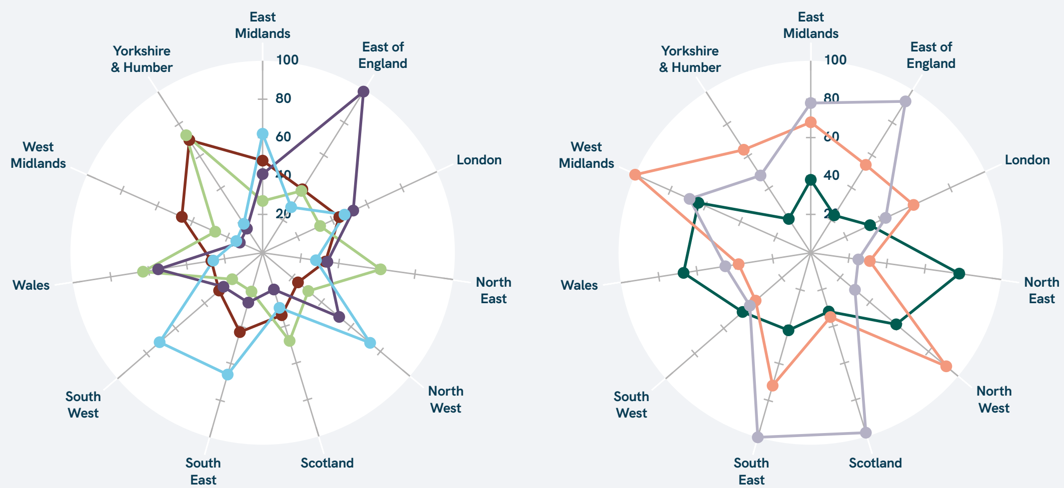
162 CONTRACTS
awarded for South East

Contract awards 1.4 Source: Barbour ABI

Regional activity

SECTOR KEY

- Residential
- Infrastructure
- Commercial & retail
- Hotel, leisure & sport
- Industrial
- Medical & healthcare
- Education



Contract awards 1.3 Source: Barbour ABI

Sector and regional hotspots – 3 month rolling average RSI*

* *The Relative Strength Index measures current activity levels relative to the last 5 years, using a 0-100 scale.*

-66%	East Midlands	+125%	South East
+122%	East of England	-48%	South West
+23%	London	+10%	Wales
-11%	North East	-65%	West Midlands
+13%	North West	-28%	Yorkshire & Humber
+47%	Scotland		

Contract awards 1.5 Source: Barbour ABI

Regional change – month on month

PLANNING APPROVALS & APPLICATIONS

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PLANNING APPROVALS

Planning approvals fell to £6.4bn in February, a 20% reduction compared with February 2023

2,349 PROJECTS approved in February 2024

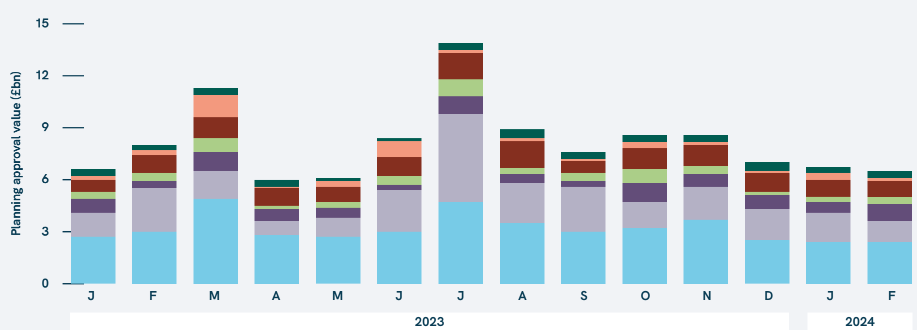
After lengthy review by the Secretary of State, redevelopment plans for ITV's former recording studio were finally approved. This £700m scheme drove an 11% increase in commercial sector approvals. Education was another bright spot, with approvals up by more than a third year-on-year. Paisley Grammer in Scotland, valued at £77m, and £46m Wigan and Leigh College boosted the numbers. Infrastructure approvals fell by a third from January to £1.2bn and, at £2.4bn, residential approvals were nearly 20% down year-on-year.

> Approval numbers rose by 11% meaning a greater number of lower value schemes got the green light.

	Monthly value (£bn)			% change	Relative Strength Index (RSI)		
	February	Q4	2023	Feb-Jan	February	Q4	2023
All sectors	6.4	8.1	8.4	-4%	28	51	72
Residential	2.4	3.2	3.3	-1%	18	28	28
Infrastructure	1.2	1.7	2.1	-32%	39	55	76
Commercial & retail	1.0	0.8	0.7	61%	55	49	24
Hotel, leisure & sport	0.4	0.5	0.5	31%	33	39	34
Industrial	0.9	1.2	1.1	-11%	48	72	70
Medical & healthcare	0.2	0.2	0.4	-51%	52	61	100
Education	0.4	0.4	0.4	66%	61	63	32

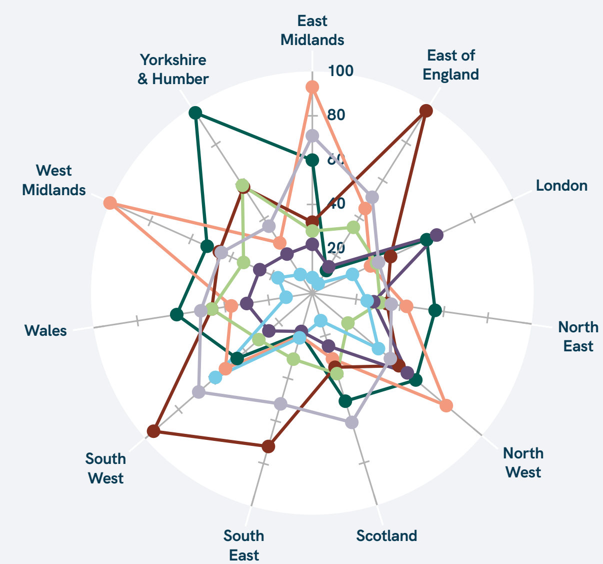
Planning approvals 2.1 Source: Barbour ABI

Key information including sector breakdown



Planning approvals 2.2 Source: Barbour ABI

Monthly planning approvals by sector



Planning approvals 2.3 Source: Barbour ABI

Sector and regional hotspots – 3 month rolling average RSI*

SECTOR KEY

- Residential
- Infrastructure
- Commercial & retail
- Hotel, leisure & sport
- Industrial
- Medical & healthcare
- Education

Note: The most recent data may change marginally in future editions as there is often a short delay between the approval date and council publication.

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PLANNING APPLICATIONS

Planning applications got off to a weak start in 2024 overall

2,903 APPLICATIONS
submitted in January 2023

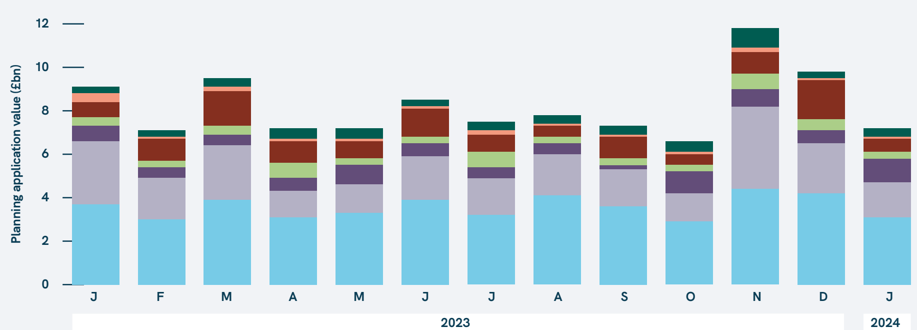
Commercial and retail applications hit £1.1bn, nearly 60% up on Janaury 2023, as Stanhope submitted revised plans for what will become the City's tallest building - 1 Undershaft. Plans to develop a number of £30m plus higher eduction projects boosted education, suggesting a positive outlook for the sector over the medium term. All other sectors saw applications fall away sharply as high financing and construction costs continue to weigh on project viability.

At £7.1bn in January, applications were 22% lower than a year ago but commercial and education bucked the declining trend.

	Monthly value (£bn)			% change	Relative Strength Index (RSI)		
	January	Q4	2023	Jan-Dec	January	Q4	2023
All sectors	7.2	9.4	8.3	-27%	23	64	39
Residential	3.1	3.8	3.6	-25%	13	29	1
Infrastructure	1.6	2.5	2.1	-31%	46	78	68
Commercial & retail	1.1	0.8	0.6	82%	71	52	23
Hotel, leisure & sport	0.3	0.5	0.4	-40%	30	47	34
Industrial	0.6	1.1	1.0	-64%	28	50	53
Medical & healthcare	0.1	0.1	0.2	-25%	38	38	44
Education	0.4	0.6	0.4	9%	47	95	52

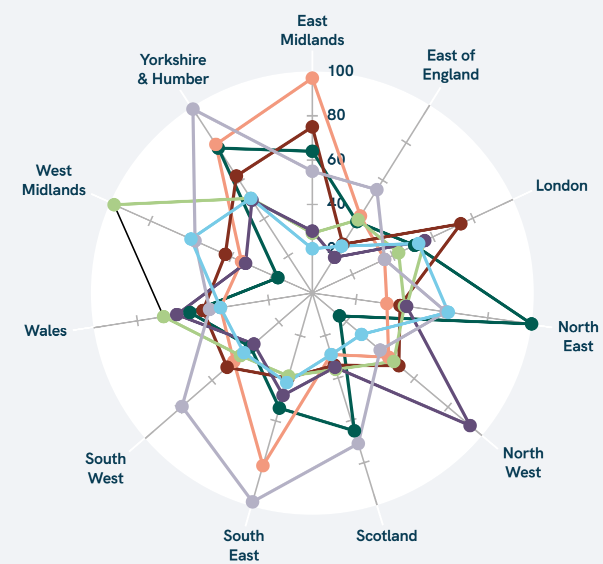
Planning applications 3.1 Source: Barbour ABI

Key information including sector breakdown



Planning applications 3.2 Source: Barbour ABI

Monthly planning applications by sector



Planning applications 3.3 Source: Barbour ABI

Sector and regional hotspots – 3 month rolling average RSI*

SECTOR KEY

- Residential
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- Medical & healthcare
- Education

Note: Planning applications are necessarily presented a month in arrears because there is a delay between the application date and council publication.

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ABOUT US

We give you the edge over your competitors

Construction intelligence from the market leader with the largest UK-based research team, keeps you better connected.

Barbour ABI

Barbour ABI delivers market-leading intelligence, insight and analysis, enabling customers to identify new business opportunities, monitor clients and competitor relationships and make smarter, more timely decisions.

Founded over 80 years ago, Barbour ABI has the largest UK-based team of construction research experts, who make over 1 million calls every single year to key decision makers involved in projects to unearth the details that give our customers the competitive edge. The power and depth of Barbour ABI information is unrivalled as we speak to more key decision makers, make more connections and add more value to project information than any other company in the UK.

Our information is trusted by the UK's governing bodies and leading organisations. The Office for National Statistics has used our data for over six years to supply the New Orders Estimates. We are also partner of the Infrastructure and Projects Authority, responsible for collecting, collating and publishing the future construction pipeline for HM government.

Barbour Product Search

Barbour Product Search is a digital product directory, and provides construction product manufacturers with the opportunity to promote their products through a content delivery service. As well as an established following of industry professionals, as part of the Barbour ABI group companies, Barbour Product Search also has access to an engaged database of decision makers at specification and procurement stages including architects, clients, contractors and installers. It's a unique way to reach a relevant audience through insightful product news, case studies and newsletters. Barbour Product Search also provides a CPD platform for product manufacturers to share the latest commentary on how their products have solved real problems the industry faces today. All of this in turn provides professionals within construction with a platform to learn about construction products, current hot topics within construction and develop their knowledge to make informed decisions.

AMA Research

AMA Research, a Barbour ABI group company is the leading specialist provider of targeted market research and industry insight to the UK building and construction industry. Publishing over 150 off-the-shelf market reports and industry forecast bulletins, the team specialise in gathering deep intelligence in sectors where data doesn't already exist. These high-quality reports are utilised by many leading UK companies as an essential tool in developing their own marketing and strategic growth policies.

AMA Research also offer bespoke research services that combine their boutique consultancy touch with the scale, depth and accuracy of Barbour ABI data to provide the most in-depth and reliable services in the construction industry. This broad range of services including commissioned market research projects as well as consumer and business surveys.

FIND OUT MORE Barbour ABI Barbour Product Search AMA Research

DOWNLOAD Snap Analysis Methodology

OUR TEAM

KELLY FORREST
CONSULTANT ECONOMIST

Kelly, founder of independent economic consultancy Kelly Forrest Research, has specialised in construction economics for the past 19 years. Working for leading industry forecasters, cost consultancies and contractors, Kelly has built a comprehensive understanding of industry dynamics across multiple sectors.

Kelly was the first person in the UK to gain membership of the RICS via a research route and is a member of industry forecasting and advisory groups.

STEVE SHELLEY
CHIEF ANALYST

Steve is Barbour ABI's Chief Analyst within our Economics Team, specialising in construction and the built environment. He leads on Barbour ABI's research and outputs on the construction sector, assessing the trends and the developments which impact on it. With over 25 years' experience, Steve sits on the CPA Forecasting Panel as well as heading up the New Orders analysis and delivery for the Office for National Statistics.

HM Government

Partner of the Infrastructure and Projects Authority in providing the National Infrastructure and Construction Pipeline

Office for National Statistics

Chosen provider of Construction New Orders estimates to the ONS

cpa construction products association

TABLE KEY

RSI

- 0-9
- 10-19
- 20-29
- 30-39
- 40-49
- 50-59
- 60-69
- 70-79
- 80-89
- 90-100

Future expectation

- Up
- Slightly up
- Flat
- Slightly down
- Down

Risk

- Very low risk
- Low risk
- High risk
- Very high risk

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