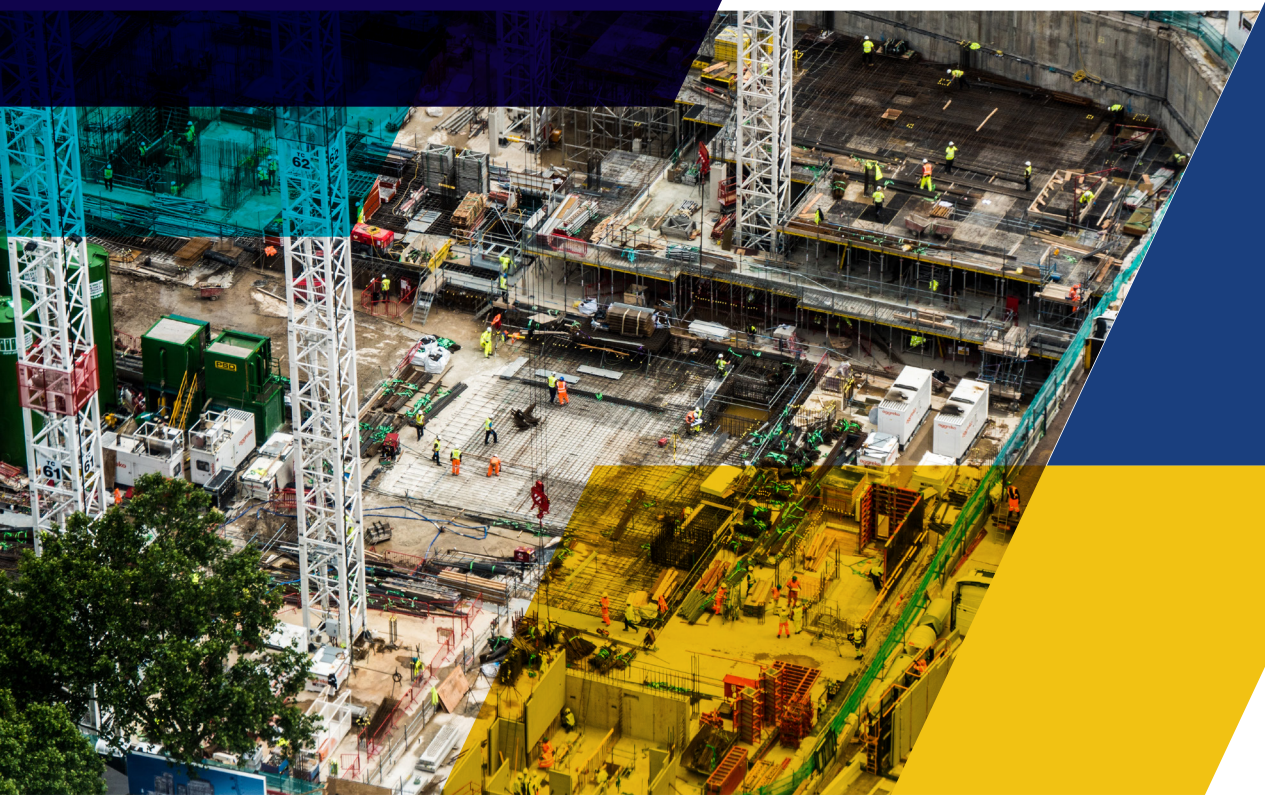
BUILDERS' CONFERENCE
DATA • PROJECTS • NETWORKING

REMARKABLY POSITIVE

FIRST QUARTER 2019 CONTRACT PERFORMANCE REPORT



BUILDERS' CONFERENCE
www.buildersconference.co.uk
info@buildersconf.co.uk

BUILDUK
Leading the Construction Industry

@BuildUK

"Build UK is pleased to announce a new partnership with @builderscon f - we look forward to working together over the coming months! #construction #data"

REMARKABLY POSITIVE
EXECUTIVE SUMMARY

If 2018 was defined by an unprecedented degree of stability within the UK construction sector for new contracts, then the beginning of 2019 can be best described as almost remarkably positive.

For twelve consecutive months during 2018, according to data collected by Builders' Conference the sector delivered new contract awards valued at upwards of £4.0 billion. January 2019 marked a notable increase on this value with the monthly total topping £7.424 billion an increase in value of just over 50% compared to December 2018.

But even the most optimistic of market watchers could not have predicted the results in February and March which delivered totals of £10.754 and £6.77 billion respectively to make the total value for Q1 2019 of £25.006 billion up 32.5 % from Q4 2018. The number of new construction projects starting also increasing by 9% in the quarter to 2,250.

Going forward, what may affect construction durability, is the period between submission of bid and start on site, which, according to recent Builders' Conference research, currently runs on average at around 24 weeks. If this period extends due to the lack of clarity from negotiations in Europe, this may have a significant impact on how the UK construction sector finishes 2019.

Build UK contractor members contributed over £9.1 billion (36%) of all new construction contracts in the quarter. These included a £300 million mixed use regeneration scheme in Blossom Street on the edge of Spitalfields Market in London for British Land and a £98 million new hospital specialising in non-emergency procedures for Frimley Health NHS Foundation in Ascot, Berkshire.

For the sector to deliver such results at any time would be notable. But to do so when the UK's future in Europe hangs in the balance, when the nation is gripped by economic uncertainty and when several of the sector's biggest and best-known names have been forced to restructure and refinance, Q1 2019 performance truly is impressive. Furthermore, based upon the prevalence of forward bidding that would see contract awards extend beyond whichever date Brexit might finally take place, it seems that this positivity is set to continue.

Research by Builders' Conference of their members indicates that what might impact upon that positivity is resourcing adequate materials & personnel to meet demands, particularly as a number of key issues have yet to be determined with Brexit negotiations over customs & borders.

This report was produced by Builders' Conference on behalf of Build UK.

The housing sector consistently tops the monthly contract awards charts generated by Builders' Conference.

MARKET SECTORS

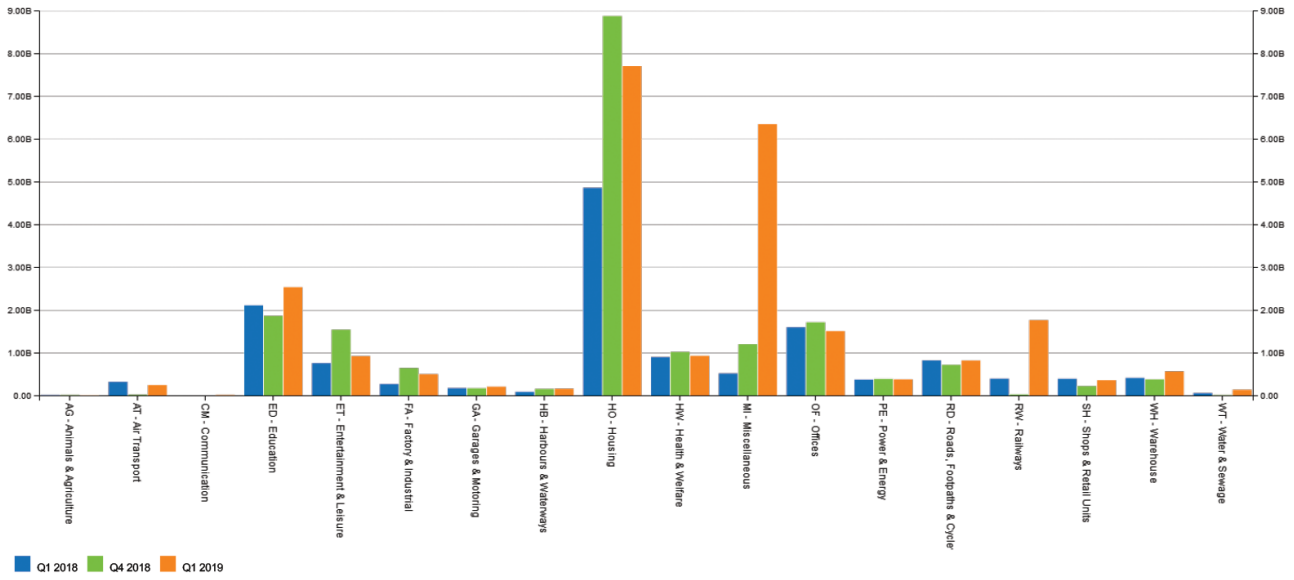
Although the disparity between the Government's housing targets and the industry's ability to deliver the required housing stock still remains an issue, public/private housing sector continues to be the mainstay of the UK construction sector.

The housing sector consistently tops the monthly contract awards charts generated by Builders' Conference for January, February and March with totals of £2.75, £3.10 and £1.85 billion respectively giving an overall total of £7.70 billion by value (31%) of all new contracts in the quarter and 793 by number (35%).

Quarterly analysis of contracts awarded
Analysis by Project Category

BUILDERS' CONFERENCE
DATA • PROJECTS • NETWORKING

Quarterly analysis of Contracts Awarded by Project Category for Q1 2019



The chart above is taken from the data platform Builders' Conference has developed called Serino which accurately analyses all tender and contract award information from verified sources across the sector.

MARKET SECTORS

The miscellaneous sector, which the Builders' Conference categorises as being the 'catch-all' group that includes mixed use contracts – such as housing combined with retail & entertainment etc has reached a quarterly total of £6.34 billion (25%) in Q1 2019, with education the third most consistent sector in the quarter with a total of £2.52 billion (10%).

The quarterly spend on both offices and entertainment & leisure (£1.50 and £0.92 billion respectively) point to an ongoing level of economic positivity despite protracted Brexit; while railways – still buoyed by ongoing activity around the HS2 high speed rail link – and roads underline an ongoing and much-needed investment in infrastructure £1.76 & £0.84 billion respectively.

Quarterly analysis of contracts awarded

Analysis by Region

Quarterly analysis of Contracts Awarded by Region for Q1 2019

BUILDERS' CONFERENCE
DATA • PROJECTS • NETWORKING

Region	Projects Q1 2019	Variance % Q4 2018	Variance % Q1 2018	Total value Q1 2019	Variance % Q4 2018	Variance % Q1 2018	Average value Q1 2019
01.0 - Scotland	146	54%	39%	£608.26M	22%	-18%	£4.17M
02.0 - Northern	101	-6%	68%	£577.95M	-36%	134%	£5.72M
03.0 - Yorkshire	150	-2%	43%	£913.83M	-34%	26%	£6.09M
04.0 - East Midlands	167	-9%	44%	£1,184.00M	-27%	138%	£7.09M
05.0 - East Anglia	71	-15%	45%	£486.83M	-50%	58%	£6.86M
06.0 - West Midlands	174	-9%	9%	£1,830.07M	-19%	46%	£10.52M
07.0 - North West	219	-5%	10%	£1,961.28M	-21%	12%	£8.96M
08.0 - South West	122	39%	24%	£1,554.74M	218%	138%	£12.74M
09.1 - South & Mid Wales	56	60%	44%	£221.12M	-5%	12%	£3.95M
09.2 - North Wales	14	100%	250%	£177.25M	345%	984%	£12.66M
10.0 - Bedfordshire	23	21%	5%	£129.42M	-8%	-43%	£5.63M
10.1 - Essex	91	30%	82%	£1,239.32M	198%	-14%	£13.62M
10.2 - Hertfordshire	56	30%	70%	£411.97M	50%	20%	£7.36M
10.3 - Kent	89	19%	56%	£629.91M	2%	127%	£7.08M
10.4 - Surrey	80	-1%	23%	£413.53M	35%	11%	£5.17M
10.5 - East and West Sussex	84	45%	58%	£453.47M	-1%	8%	£5.40M
10.6 - Berkshire	44	5%	47%	£426.84M	28%	47%	£9.70M
10.7 - Buckinghamshire	34	3%	89%	£153.92M	-25%	37%	£4.53M
10.8 - Hampshire	28	-33%	-36%	£193.87M	-33%	-55%	£6.92M
10.9 - Oxfordshire	45	-8%	80%	£235.46M	-33%	10%	£5.23M
11.0 - London	407	22%	28%	£10,322.37M	140%	231%	£25.36M
13.0 - N. Ireland	24	9%	33%	£206.60M	207%	59%	£8.61M
14.0 - Eire	26	37%	63%	£671.30M	214%	247%	£25.82M

Serino is able to record every contract award by its region, producing an accurate overview of where construction activity is concentrated throughout the UK.

Heatherwood Hospital, Ascot
Image source by BDP Architects

Blossom Street
Image source by AHMM Architects

Despite the best efforts of Government, new contract activity remains fiercely and stubbornly London-centric. Of the £25.01 billion made up of 2,250 new contract awards recorded in Q1 2019, London was responsible for £10.32 billion, approximately 41% by value & 18% by number.

Build UK contractor members were responsible for approximately 35% of the London quarterly total £3.69 billion, the largest of which was the Joint Venture of Mace & Dragados to deliver the £1.3 billion Euston Railway Station, London part of the HS2 programme of works.

The South East & Home Counties generally saw an improvement in Q1 2019 with new contracts by value up 21% compared to Q4 2018. Meanwhile, both the North West and the East/West Midlands slightly dipped from the previous quarter, recording quarterly totals of £1.96 and £3.01 billion respectively, however these regions are seen as growth areas attributed to the upscaling of works on HS2 and Birmingham's hosting of the Commonwealth Games in 2022.

Scotland in the Quarter did see a significant improvement after a period of stagnation with over £608 million of contracts a 22% by value & 54% by number of contracts.

Euston Station, London
Image source by Grimshaw Architects

From this quarter

KEY PROJECTS

Euston Railway Station (HS2), London
awarded to Mace/Dragado Joint Venture *(approx. value £1.3 billion)*

Paddington Cube, London
awarded to Mace *(approx. value £350 million)*

Blossom Street, London (mixed use development)
awarded to Kier Group *(approx. value £300 million)*

M42 & A45 Road Improvements, Birmingham
awarded to Skanska *(approx. value £282 million)*

1-2 Broadgate, London (mixed use development)
awarded to Sir Robert McAlpine *(approx value £280 million)*

Housing development, Ealing, London
awarded to Galliford Try *(approx. value £275 million)*

Phase 4 Chelsea Barracks, London
awarded to Multiplex *(approx value £250 million)*

London Underground track renewals
awarded to Balfour Beatty *(approx value £220 million)*

Hinkley Point Power Station, Somerset (infrastructure)
awarded to Balfour Beatty *(approx value £214 million)*

What lies ahead?

Research by Builders' Conference has found that pre-construction departments are anticipating a busy first six months in 2019 with the number of new construction opportunities at similar levels to same period in Q4 2018. Some businesses believe there may even be a slight increase in the amont of new construction contracts in the following nine months, however without a clear Brexit strategy in place by the UK Government this will have a detrimental effect on the construction sector but to what extent is yet to be calculated.

BUILDERS' CONFERENCE
DATA • PROJECTS • NETWORKING

BUILDUK
Leading the Construction Industry

TOP 50 CONTRACTORS' RESULTS 01/01/2019 - 31/03/2019

Position	Number of Projects	Contractor	Total Value	Agriculture	Air Transport	Communications	Education	Entertainment	Factories	Garages	Harbours & Waterways	Housing	Health & Welfare	Miscellaneous	Offices	Power & Energy	Railways	Roads	Shops	Warehouses	Water & Sewage
1	4	Lendlease	£4,354m	--	--	--	--	10	--	--	--	14	--	4,000	330	--	--	--	--	--	--
2	106	Kier Group	£1,687.7m	--	6.4	2.4	568	79	56.5	--	--	173	315	414	16.7	9	--	--	--	47	--
3	1	Mace/Dragados JV	£1,300m	--	--	--	--	--	--	--	--	--	--	--	--	--	1,300	--	--	--	--
4	7	Mace Ltd	£785m	--	130	--	265	31	--	--	--	--	--	350	9	--	--	--	--	--	--
5	32	Galliford Try	£643.5m	--	1.4	--	91.8	38.6	--	45	--	142	10	275	40	--	--	--	--	--	--
6	15	Balfour Beatty	£636.2m	--	--	--	114	--	--	--	--	--	--	1.1	26.8	253	220	21.8	--	--	--
7	11	Sir Robert McAlpine	£598m	--	--	--	13.2	29	--	--	--	--	52	367	51	--	--	--	86	--	--
8	38	Morgan Sindall	£516.4m	--	--	--	56.7	0.7	--	--	--	354	--	--	65	38	2	--	--	--	--
9	16	Countryside Properties plc	£481.7m	--	--	--	--	--	--	--	--	282	--	200	--	--	--	--	--	--	--
10	20	ISG	£395.4m	--	--	--	188	59	5.8	--	--	53	--	4	85.5	--	--	--	--	--	--
11	12	Sisk Group	£376m	--	--	--	144	14.5	--	--	20	161	--	--	35	--	--	2	--	--	--
12	12	Midas Group	£305.3m	--	--	--	8.1	--	7.4	11.4	--	268	3.4	7	--	--	--	--	--	--	--
13	13	Barratt Homes	£291.4m	--	--	--	--	--	--	--	--	291	--	--	--	--	--	--	--	--	--
14	1	Skanska Ltd	£282m	--	--	--	--	--	--	--	--	--	--	--	--	--	--	282	--	--	--
15	14	Wates Ltd	£271.6m	--	--	--	142	1	--	--	--	106	--	--	20	--	--	--	2.2	--	--
16	9	Bowmer & Kirkland	£252.1m	--	--	--	72	--	--	--	--	75	--	--	2.6	--	--	--	57	45.5	--
17	1	Beijing Construction Engineering Grou	£250m	--	--	--	--	--	--	--	--	--	--	250	--	--	--	--	--	--	--
18	1	Multiplex	£250m	--	--	--	--	--	--	--	--	250	--	--	--	--	--	--	--	--	--
19	32	Willmott Dixon	£239.9m	--	--	--	63	46	5.6	7.2	--	50.1	42.5	3.5	22	--	--	--	--	--	--
20	8	Vinci Construction	£233.9m	--	--	--	95.5	--	--	--	--	138	--	--	--	--	--	0.4	--	--	--
21	13	BAM	£209.7m	--	--	--	64.1	16	--	--	--	53	24.5	50	--	--	2.1	--	--	--	--
22	8	United Living Group	£208.5m	--	--	--	--	--	--	--	--	209	--	--	--	--	--	--	--	--	--
23	1	Colmore Tang Construction Ltd	£200m	--	--	--	--	--	--	--	--	200	--	--	--	--	--	--	--	--	--
24	1	Volker & Morgan Sindall JV	£196m	--	--	--	--	--	--	--	--	--	--	--	--	--	196	--	--	--	--
25	5	Trench Holdings	£183m	--	--	--	--	--	--	--	7	--	--	--	90	--	--	--	--	86	--
26	10	Winvic Construction Ltd	£178.2m	--	--	--	--	--	--	--	--	74	--	11.7	--	--	--	--	3.1	89.4	--
27	13	Graham Construction	£176.4m	--	1.5	--	--	--	6	--	67	36	18.3	--	11.5	--	3.55	32.5	--	--	--
28	2	JJ Rhatigan & Co	£168m	--	--	--	--	--	--	--	--	159	--	--	9	--	--	--	--	--	--
29	10	Bellway Homes Ltd	£143.2m	--	--	--	--	--	--	--	--	127	--	--	16	--	--	--	--	--	--
30	1	Jones Bros Balfour Beatty JV	£135m	--	--	--	--	--	--	--	--	--	--	--	--	--	--	135	--	--	--
31	9	Hill Partnerships Ltd	£134.7m	--	--	--	--	--	--	--	--	135	--	--	--	--	--	--	--	--	--
32	5	CRH Plc	£131.4m	--	--	--	10	--	--	--	16.4	--	--	37	45	23	--	--	--	--	--
33	2	Costain	£128m	--	--	--	--	--	--	--	--	--	--	--	--	--	--	125	--	--	3
34	11	Taylor Wimpey	£125.6m	--	--	--	--	1.5	--	--	--	124	--	--	--	--	--	--	--	--	--
35	5	Bovis Homes Group Plc	£115.7m	--	--	--	--	--	--	--	--	116	--	--	--	--	--	--	--	--	--
36	1	J Reddington Ltd	£115m	--	--	--	--	--	--	--	--	115	--	--	--	--	--	--	--	--	--
37	7	VolkerWessels	£113m	--	--	5	8	--	21	--	--	--	--	--	6	--	--	21	--	52	--
38	9	Persimmon Homes	£113m	--	--	--	6	--	--	--	--	107	--	--	--	--	--	--	--	--	--
39	2	McAleer & Rushe	£110m	--	--	--	--	110	--	--	--	--	--	--	--	--	--	--	--	--	--
40	2	Vermont Property Group	£108m	--	--	--	--	--	--	--	--	108	--	--	--	--	--	--	--	--	--
41	5	Henry Construction Projects Ltd	£105m	--	--	--	--	19	--	--	--	67	--	19	--	--	--	--	--	--	--
42	7	Berkeley Group	£101.1m	--	--	--	--	0.5	--	--	--	98.4	--	--	--	--	--	--	2.2	--	--
43	7	Buckingham Group Contracting	£97.2m	--	--	--	10.8	40	3.1	30.5	--	--	--	--	--	--	--	--	--	12.8	--
44	3	Bouygues Group	£95.2m	--	--	--	--	--	--	--	--	95.2	--	--	--	--	--	--	--	--	--
45	6	Crest Nicholson	£93.3m	--	--	--	--	--	--	--	--	93.3	--	--	--	--	--	--	--	--	--
46	5	Readie Construction Ltd	£88.5m	--	18.5	--	--	--	35	--	--	--	--	--	--	--	--	--	--	35	--
47	2	Ther Berkeley Group	£88m	--	--	--	--	--	--	--	--	88	--	--	--	--	--	--	--	--	--
48	3	RG Group Ltd	£84m	--	--	--	--	20	--	--	--	50	--	--	--	--	--	--	14	--	--
49	2	Torsion Group Ltd	£79m	--	--	--	--	--	--	--	--	79	--	--	--	--	--	--	--	--	--
50	6	Redrow Homes	£74.6m	--	--	--	--	--	--	--	--	74.6	--	--	--	--	--	--	--	--	--
		Total for Period: £25,007.8m		1	241	7.4	2,529	917	497	202	155	7,708	924	6,315	1,505	373	1,758	810	354	573	131

BUILDERS' CONFERENCE

DATA • PROJECTS • NETWORKING

BUILDERS' CONFERENCE
www.buildersconference.co.uk
info@buildersconf.co.uk

BUILD UK
www.BuildUK.org
info@BuildUK.org

BUILDUK

Leading the Construction Industry