CONSTRUCTION ACTIVITY INCREASES AGAIN - OCTOBER 2020

The latest information from Builders’ Conference shows that both the number and value of contracts awarded in October increased compared to September, which is positive news in light of increased coronavirus restrictions across the UK.

Increase in Number of Contracts

The number of contracts awarded in October was 482, which was a 7% increase from the previous month (450) and the highest since April when the first lockdown was in full force. This was still 20% below the average number of contracts awarded each month pre-coronavirus (600 between October 2019 and March 2020).

It is also 36% lower than in October 2019 (753) although activity was inflated due to the original deadline for the Brexit Bill at the end of that month.
Value of Contracts Up

The value of contracts awarded in October was **£6.4 billion**, an increase of 10% from September. This included two big housing projects: a £1 billion contract to build 3,000 private rental homes across London and a £500 million contract for 1,500 homes, education and commercial space on the Isle of Dogs. The value in October was only 6% lower than the monthly average of £6.8 billion between October 2019 and March 2020, indicating that construction activity is recovering.

70% of all the contracts awarded were in the private sector. 58% were housing projects (207 projects with a combined value of £3.7 billion). There were also 80 education projects worth £457 million and 42 health projects with a total value of £569 million.

The contracts were spread more widely across the UK compared to the previous month. Whilst almost a third were in London (£2.3 billion), other regions including Scotland (£635 million), West Midlands (£534 million) and the South West (£515 million) also recorded good results in October.
Tender Opportunities Remain Scarce

The number of tender opportunities was consistent with the previous month (356 in October compared to 360 in September). However, this was still 47% below the monthly average of 666 projects available for tender between October 2019 and March 2020 and 49% lower than October 2019.

At present, there are 252 tender opportunities available until the end of January 2021, according to Builders’ Conference.