



STATE OF TRADE FOR CONSTRUCTION

CONSTRUCTION RECOVERY GATHERS PACE – FEBRUARY 2021

The latest information from **Builders' Conference** shows that both the number and value of contracts awarded in February recovered to pre-coronavirus levels. The number of contracts was the highest since the pandemic started, and the value was 33% higher than the monthly average in the year prior to coronavirus.

With the recent announcement of the Government's roadmap for lifting restrictions over the next few months, the industry will be hoping that this represents the start of a period of growth for the sector.

Number of Contracts Increases Again

The number of contracts awarded in February was **600**, a 9% increase compared to January (551) and the highest result since April 2020 when the first lockdown was still in place.

More significantly, it is just 3% lower than the average number of contracts awarded each month in the year prior to coronavirus (621 between April 2019 and March 2020) and consistent with the number awarded in February 2020 (609).



Value of Contracts Exceeds Pre-Coronavirus Levels

The value of contracts awarded in February was **£8.0 billion**, an increase of 29% from the previous month (£6.2 billion) and the second highest value recorded since April 2020. In another positive sign of the industry’s recovery, the value this February was 10% higher than last February (£7.3 billion) and 33% higher than the monthly average of £6.0 billion recorded between April 2019 and March 2020.

81% of all the contracts awarded by value were in the private sector. There were 222 housing projects worth a total of £3.5 billion, which represented 44% of the total value, including a £730 million contract to build 1,150 homes in Lewisham, South London. There were also 38 mixed use developments worth £1.5 billion (19%) and 19 warehouse projects with a total value of £511 million (6%).

England dominated again with 92% of the value of contracts awarded, 45% of which were in London.



Tender Opportunities Remain Scarce

The number of tender opportunities in February was **466**. Whilst this is a 16% increase compared to January (402), it remains 39% below the monthly average of 768 projects available for tender between April 2019 and March 2020. It is also 36% lower than February 2020 (723).

At present, there are just 287 tender opportunities available until the end of May 2021, according to Builders' Conference.

