CONSTRUCTION ACTIVITY RECOVERS IN NEW YEAR - JANUARY 2022

The latest information from Builders' Conference shows that the number of contracts increased by a third in January after reaching a four-year low in December. The value of contracts also rose to its highest level since September 2021. The industry will be hoping that the lifting of the COVID-19 Plan B restrictions and publication of the Government’s Levelling Up White Paper will provide a welcome boost to construction activity over the coming months.

Increase in Number of Contracts

The number of contracts awarded in January was 424, a 32% increase compared to December (321), which is a promising start to the new year following the Christmas shutdown. However, it is still 13% lower than the monthly average over the last year (489) and 23% down on last January (551).
Value of Contracts Also Rises

The value of contracts awarded in January was **£6.3 billion**, which is a 43% increase on the previous month (£4.4 billion) and the highest value recorded since September. It is also in line with the monthly average over the last year and January 2021 (both £6.2 billion).

68% of all the contracts awarded by value were in the private sector. Overall, there were 130 housing projects worth £2.5 billion (40%), the largest of which was a £700 million project to build nearly 3,000 homes across five sites in Suffolk; five energy projects totalling £466 million (7%); and 50 education projects worth £436 million (6%).

England dominated again, recording 91% of the value. London represented 21% of the total, followed by the North West with 19%, which included both a £400 million mixed-use development in Manchester and a £350 million energy-from-waste plant in Cheshire. Whilst there was an increase in activity in Scotland (6%), Wales continued to struggle recording just 1% of the value.
Tender Opportunities Remain Scarce

The number of tender opportunities available in January was **315**. This was 5% higher than December (299) but still 52% below the monthly average of 650 projects available for tender between September 2021 and December 2021.

At present, there are 215 tender opportunities available until the end of April 2022, according to Builders’ Conference.