

# STATE OF TRADE FOR CONSTRUCTION



Courtesy of TfL

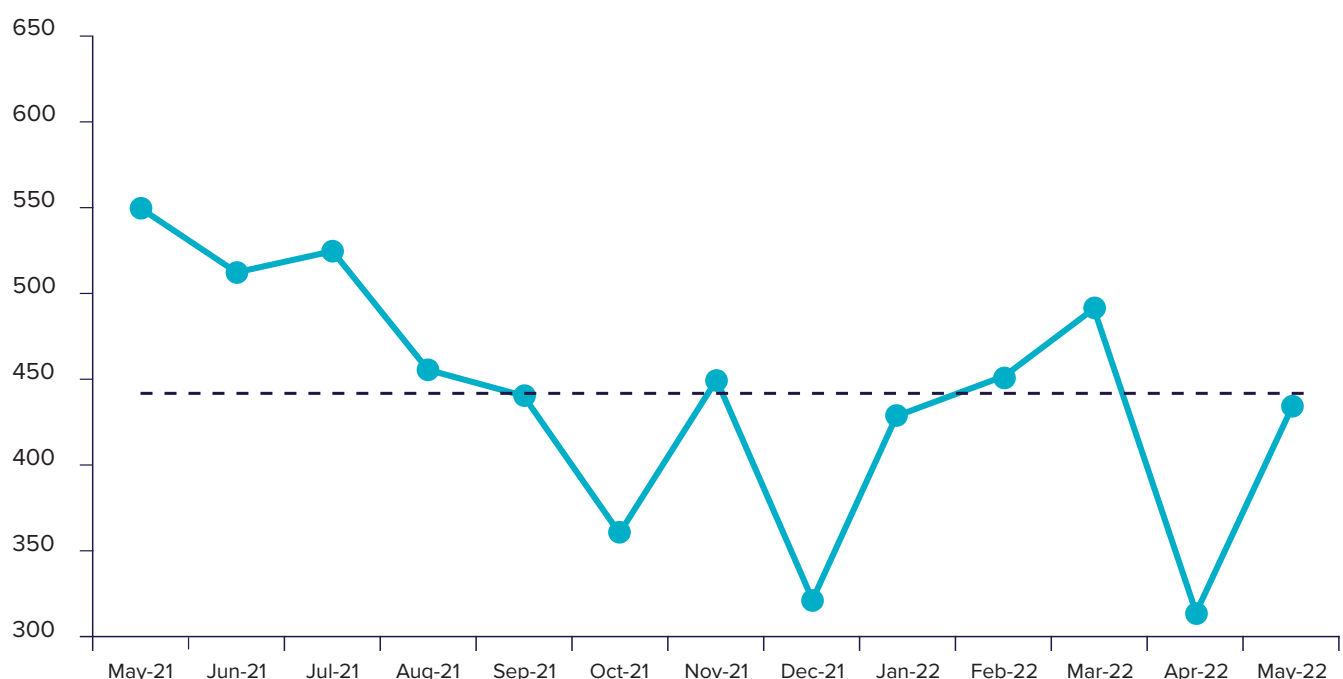
## A MIXED PICTURE FOR CONSTRUCTION ACTIVITY – MAY 2022

The latest information from **Builders' Conference** shows an increase in the number of contracts awarded in May but a reduction in their overall value. Whilst the number of contracts recovered from the previous month in line with the monthly average over the last year, the total value was down again reaching its lowest level this year. With the industry facing inflationary pressures not seen in the UK for 40 years, there will be concerns about the impact on the construction supply chain over the coming months.

### Increase in Number of Contracts

The number of contracts awarded in May was **432**, a 36% increase compared to April (318). It was consistent with the monthly average of 442 contracts over the last year but 22% down compared to last May (551).

Total Number of Contracts Awarded



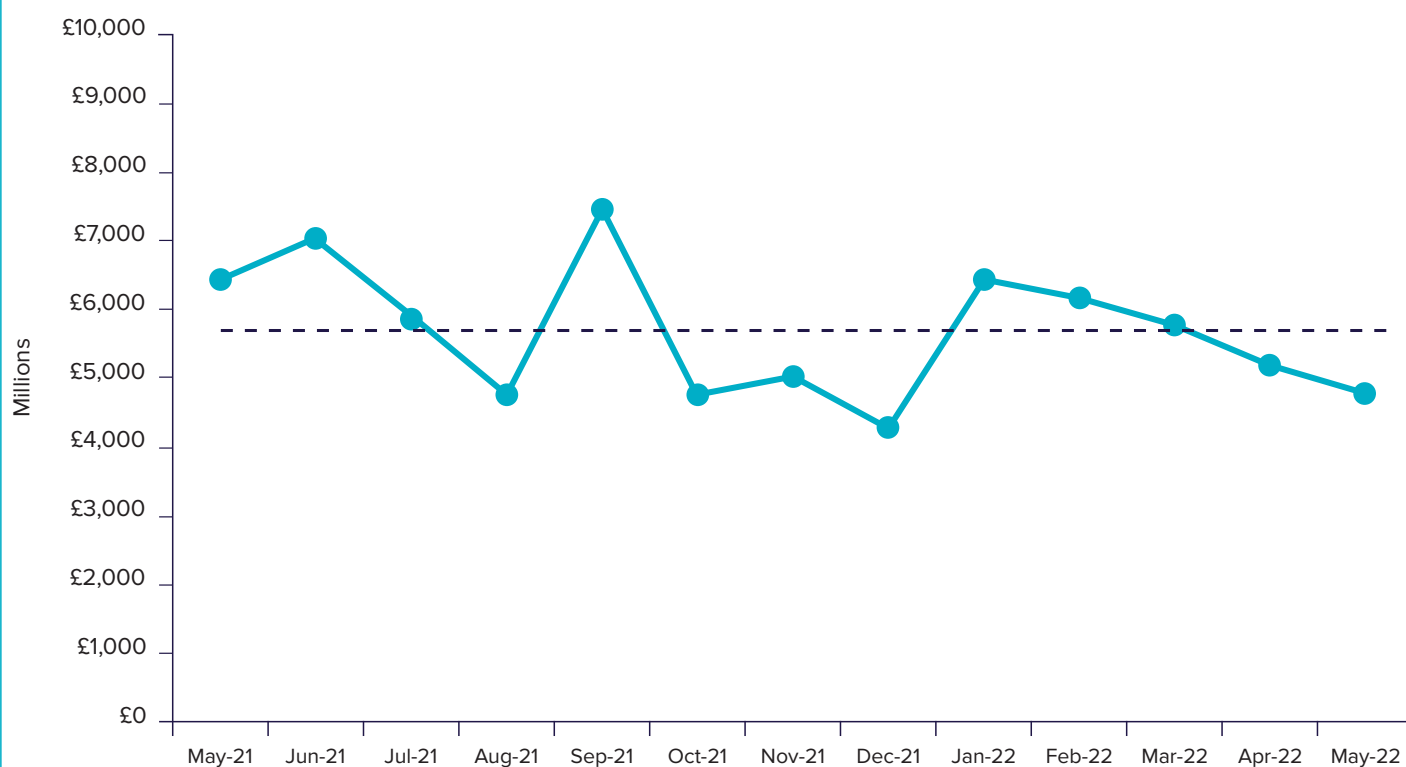
## Value of Contracts Falls Again

The value of contracts awarded in May was **£4.7 billion**, which is 10% down on the previous month (£5.2 billion) and well below the monthly average over the last year (£5.7 billion). It was also 25% lower than May 2021 (£6.3 billion) but this included a number of large housebuilding and rail projects, making it difficult to draw a comparison across the two years.

69% of all contracts awarded by value were in the private sector. Overall, there were 131 housing projects totalling £1.2 billion (26%); 24 entertainment projects worth £544 million (12%), the largest of which was a £400 million contract to expand Shepperton Studios in Surrey; and 60 office projects worth £498 million (11%).

England accounted for 94% of the total value, although London (£805 million) was outperformed for the first time in more than four years by the Midlands which delivered a total of £814 million, including a £259 million contract for a new British Army vehicle storage facility in Gloucestershire.

### Total Value of Contracts Awarded



## Lack of Tender Opportunities

The number of tender opportunities available in May was **305**. This is a 6% decrease compared to April (325) and 47% below the monthly average of 572 projects available for tender between May 2021 and April 2022.

At present, there are just 176 tender opportunities available until the end of August 2022, according to Builders' Conference.

