

STATE OF TRADE FOR CONSTRUCTION



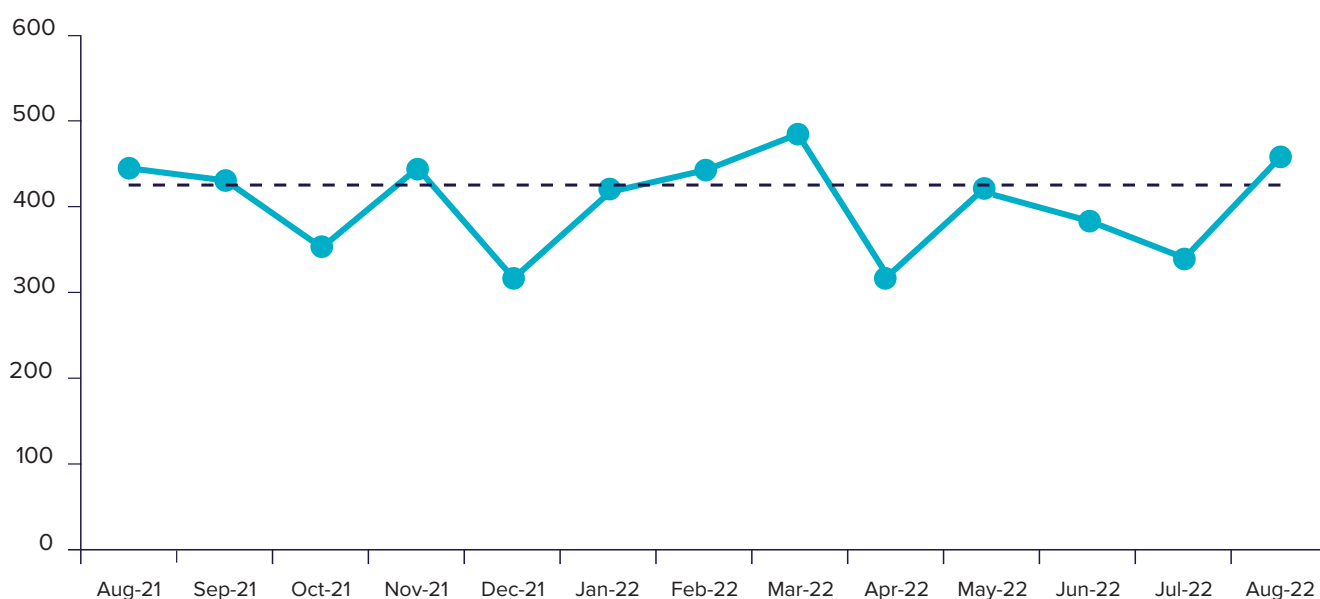
BOUNCE BACK IN CONSTRUCTION ACTIVITY – AUGUST 2022

The latest information from **Builders' Conference** shows that construction activity was surprisingly buoyant in August after a tough few months. Both the number and value of contracts were higher than the monthly average over the last year, and the total value represents the best August result for five years. With a new Prime Minister now in place, the industry will be looking for continued investment in infrastructure as well as a plan to deal with rising inflation to sustain activity for the rest of the year.

Number of Contracts Recovers

The number of contracts awarded in August was **460**, which is a 34% increase compared to July (344) and the second highest monthly total recorded so far this year. It is also 11% higher than the monthly average over the last year (413), which is particularly encouraging given that August is traditionally quieter due to the summer holidays.

Total Number of Contracts Awarded



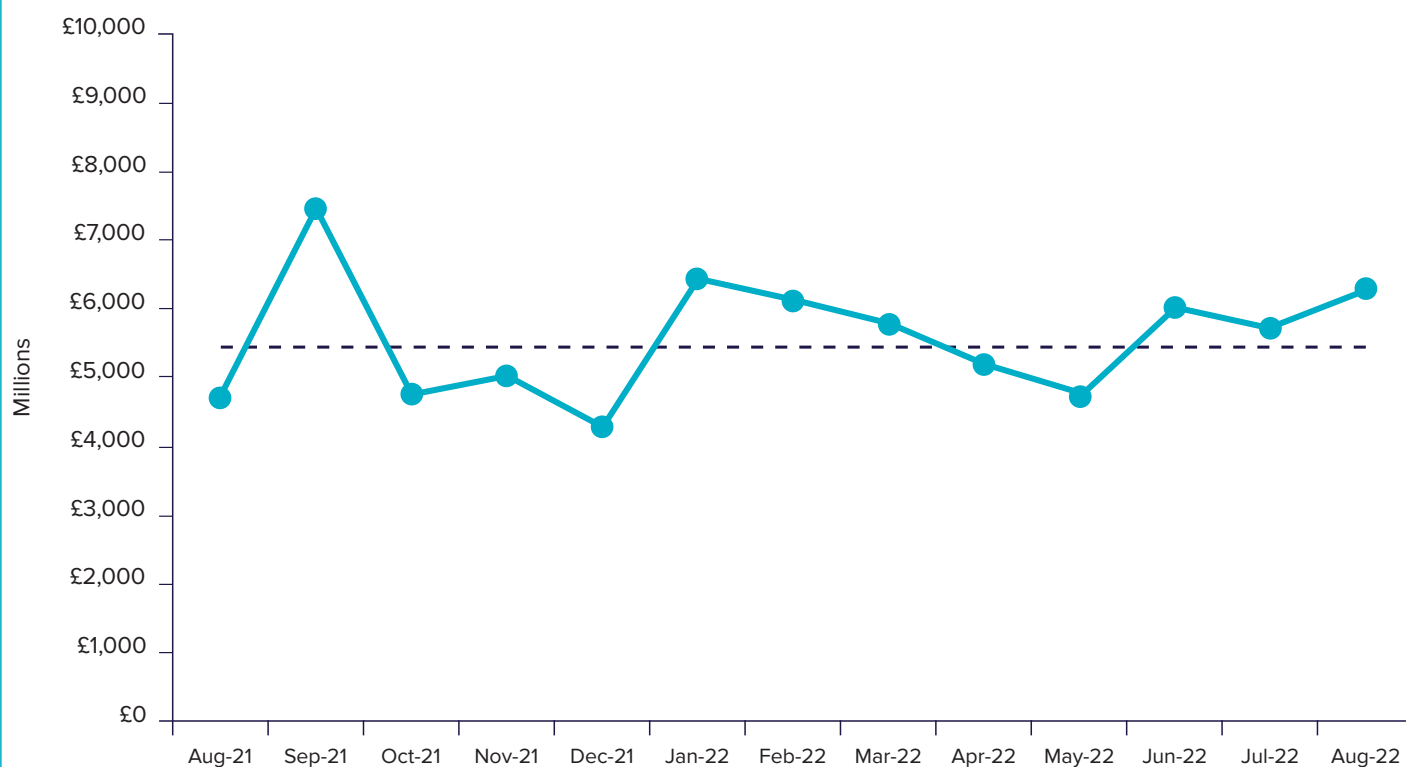
Increase in Value of Contracts

The value of contracts awarded in August was **£6.2 billion**. This is a 9% increase compared to July (£5.7 billion) and 13% above the monthly average over the last year (£5.5 billion). As well as being 33% up on August 2021 (£4.7 billion), it marks the highest value recorded in the month of August since 2017 (£11.3 billion), which included £7 billion worth of rail contracts.

It was a strong month for the public sector, which accounted for 39% of all contracts awarded by value, including two prison contracts totalling £650 million and three water and sewage projects worth £505 million. In the private sector, there were 136 housing projects worth £1.9 billion (30%), 24 industrial projects totalling £326 million (5%), and 67 office projects worth £319 million (5%).

England recorded 78% of the value, with London accounting for 23% followed by the Midlands and Yorkshire with 11% each. Scotland also had a good showing with 9% thanks to the awarding of a £250 million prison and a £150 million energy waste facility, both in Glasgow.

Total Value of Contracts Awarded



Tender Opportunities Remain Scarce

The number of tender opportunities available in August was **301**. This is an 8% decrease compared to July (328) and 49% below the monthly average of 585 projects available for tender between August 2021 and July 2022.

At present, there are only 227 tender opportunities available until the end of November 2022, according to Builders' Conference.

