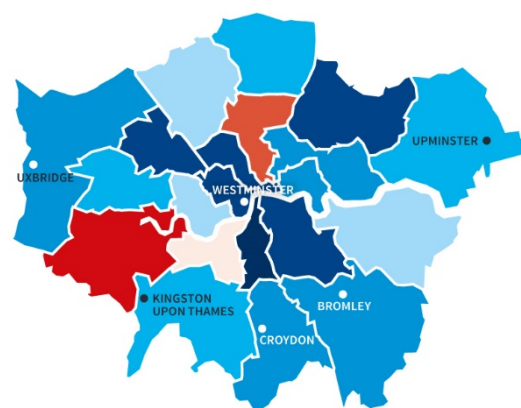


Tuesday 11 September 2018

London overtaken by rest of Great Britain in housebuilding growth

London's homebuilders have been outpaced by the rest of Great Britain as investment in housebuilding dropped to its lowest value in six years. Residential contracts awarded in London in 2017 were 34% lower than the value awarded in 2016, which is in contrast to the majority of regions outside of the capital that experienced growth.

The latest data has come from the [Regional Construction Hotspots in Great Britain 2018](#) report from industry analysts Barbour ABI and the Construction Products Association, which highlights the levels of construction contract values awarded in 2017 across all regions of Great Britain. Hotspots and coldspots identify the areas where contract awards were significantly above or below previous years, highlighting pockets of activity or contraction.



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Although London is the largest regional GB economy, and had £3.6 billion of residential contracts awarded in 2017, an increase in demand for new homes is coming from areas such as Manchester, Birmingham, and Sheffield as they undergo city centre regeneration projects. Across all GB regions, London came bottom for residential contracts growth, with overall values falling by 33.9% from 2016 to 2017.

For residential contracts, coldspots are clustered across inner and outer boroughs of the capital, with only two hotspots of construction activity in Haringey and Islington and Hounslow and Richmond upon Thames. All other areas in London experienced a fall in contract value, with the largest falls in Tower Hamlets, Lambeth, Waltham Forest and Croydon.

	London Top 10 – gross value added (GVA)	GVA per head	Construction Growth (2016)	Contracts Awards Growth (2017)
	UK Average	26,584	6.0%	4.3%
	London	45,046	11.8%	7.3%
1	Camden and City of London	309,427	14.7%	-40.4%
2	Westminster	227,468	9.2%	67.8%
3	Kensington & Chelsea and Hammersmith & Fulham	66,292	12.6%	-70.3%
4	Wandsworth	34,086	13.8%	359.0%
5	Hackney and Newham	24,152	4.0%	-27.7%
6	Tower Hamlets	90,386	14.2%	-8.4%
7	Haringey and Islington	46,295	5.0%	178.5%
8	Lewisham and Southwark	32,695	12.0%	-61.8%
9	Lambeth	32,707	3.1%	-38.4%
10	Bexley and Greenwich	17,841	9.2%	-18.4%

Similarly, the commercial sector in London experienced sharp falls, with commercial contracts falling by 38.5% from 2016 to 2017, totalling £2.1 billion. Of the London regions only Croydon was an area of hotspots activity, driven by higher volumes of low-value retail and office fit-out projects.

Michael Dall, Lead Economist at Barbour ABI commented: “The decline of residential building in London highlights the changing landscape of construction across the UK. What our report shows is that, driven by consumer demand, developers are frequently looking outside of the capital for new residential investments, highlighted in growth cities such as Manchester and Sheffield.”

Rebecca Larkin, Construction Products Association Senior Economist said: “London has slipped from its position as a residential star performer as the slowdown in inner and outer London housing markets appears to have cooled developer confidence. House prices in the capital have been falling since the middle of 2017, but this is unlikely to ease affordability constraints. The average London house price is more than double that in the North West, West Midlands and Yorkshire & Humber, and combined with stronger uptake of Help to Buy in these regions, is helping to underpin regional housing demand.”

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NOTE TO EDITORS:

About Barbour ABI:

Barbour ABI is a leading provider of construction intelligence services. With a team of in-house research specialists and a dedicated economics team, it provides commercially relevant insight and unique analysis of trends and developments within the building and construction industry.

Barbour ABI is the chosen provider of Construction New Orders estimates data to the Office for National Statistics and partner of the Government’s Infrastructure and Projects Authority in providing the National Infrastructure and Construction Pipeline. Barbour ABI also provides data for independent organisations, such as the Construction Products Association.

For more information, go to www.barbour-abi.com or follow on Twitter [@BarbourABI](https://twitter.com/BarbourABI) for all the latest construction data news.

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About The Construction Products Association:

The [Construction Products Association](#) represents the UK's manufacturers and distributors of construction products and materials. We are committed to raising the profile of our industry and members' businesses, helping grow the market and reducing regulatory risk. The sector directly provides jobs for 333,000 people across 23,000 companies and has an annual turnover of more than £56.5 billion. The CPA is the leading voice to promote and campaign for this vital UK industry.

The CPA produces a range of economic reports including the quarterly Construction Industry Forecasts, Construction Trade Surveys and the State of Trade Surveys. All are available to members or subscribers via our website.

Much of the CPA's work is focused on serving as the first point of contact for politicians and policy makers requiring advice and information about matters that affect construction products or the wider construction industry. This includes understanding the need for investment into manufacturing or the built environment, new housing and energy-saving retrofitting of the existing housing stock; helping to develop effective, UK and EU legislation, regulations and product standards; and promoting the role of manufacturers in delivering a resource efficient built environment.

Follow the Construction Products Association on Twitter: https://twitter.com/CPA_Tweets.

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