



The Glenigan Index forms a part of the monthly Glenigan Construction Review, which offers a comprehensive roundup of industry performance and analysis

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THE GLENIGAN INDEX

March 2019

Reflecting activity to end Feb 2019

- Starts in the three months to february were 11% down on a year ago and 7% lower than during the preceding three months.
- Residential starts were 15% lower than a year ago and 6% down on the preceding three months.
- Non-residential project starts were 13% lower than a year ago due to falls in both private and public sector funded work.
- Civil engineering starts rose 11% against the preceding three months and were 12% up on a year ago.

Drop in residential and non-residential work

The value of work starting on site in the three months to February was 11% lower than a year earlier, according to the latest Glenigan Index. Starts fell 7% against the previous three months on a seasonally adjusted basis.

Commenting on this month's figures, Allan Wilén, Glenigan's Economics Director, said: "The Glenigan Index reveals a general weakening in residential and non-residential building projects starting on site over the winter months. Weak economic growth and continued Brexit uncertainty appear to be deterring private sector investment in new projects. Disappointing starts in public sector funded areas such as health and education are also down on a year ago. In contrast civil engineering projects provided a welcome bright spot with increased starts both against the previous three months and a year ago.

"Private residential starts during the three months to February were 21% down on the same period a year ago. On a seasonally adjusted basis starts were 14% lower than during the three months to November. The decline in project starts since last autumn is against a backdrop of fewer property transactions and weaker house price inflation in the wider housing market. Political and economic uncertainties are expected to continue to dampen housing market activity and project starts in the near term, but the extension of Help to Buy to 2023 should help support project starts as the UK economic outlook becomes clearer. In contrast social housing starts rose 13% against the three months to November, although they were 1% lower than a year ago.

"Overall non-residential projects dropped 12% against the preceding three months on a seasonally adjusted basis and were 10% lower than a year ago. The recent improvement in office and industrial starts faded during the three months to February. Both sectors saw sharp falls.

in starts against the preceding three months (seasonally adjusted) and industrial starts were 4% down on a year ago and office starts 16% lower. Retail starts were also 16% lower than a year ago, while hotel & leisure provided a bright spot, rising 22% year on year. There was a sharp fall in government funded sectors. Education starts were 24% down on a year ago, while the health and community & amenity sectors dropped 29% and 39% respectively.

"Civil engineering starts rose 16% against the three months to November on a seasonally adjusted basis and were 12% up on a year ago. The rise in project starts was supported by a rise 29% rise (seasonally adjusted) in infrastructure work against the previous three months, while utilities projects slipped back after the previous sharp rise in starts.

Whilst most parts of the UK saw falls in the value of project starts against a year ago, starts rose in the East Midlands (34%), Northern Ireland (29%) and Yorkshire & the Humber (4%). Regionally the sharpest falls were in the East of England, South East and Scotland with starts declining by 34%, 21% and 27% respectively against a year ago.

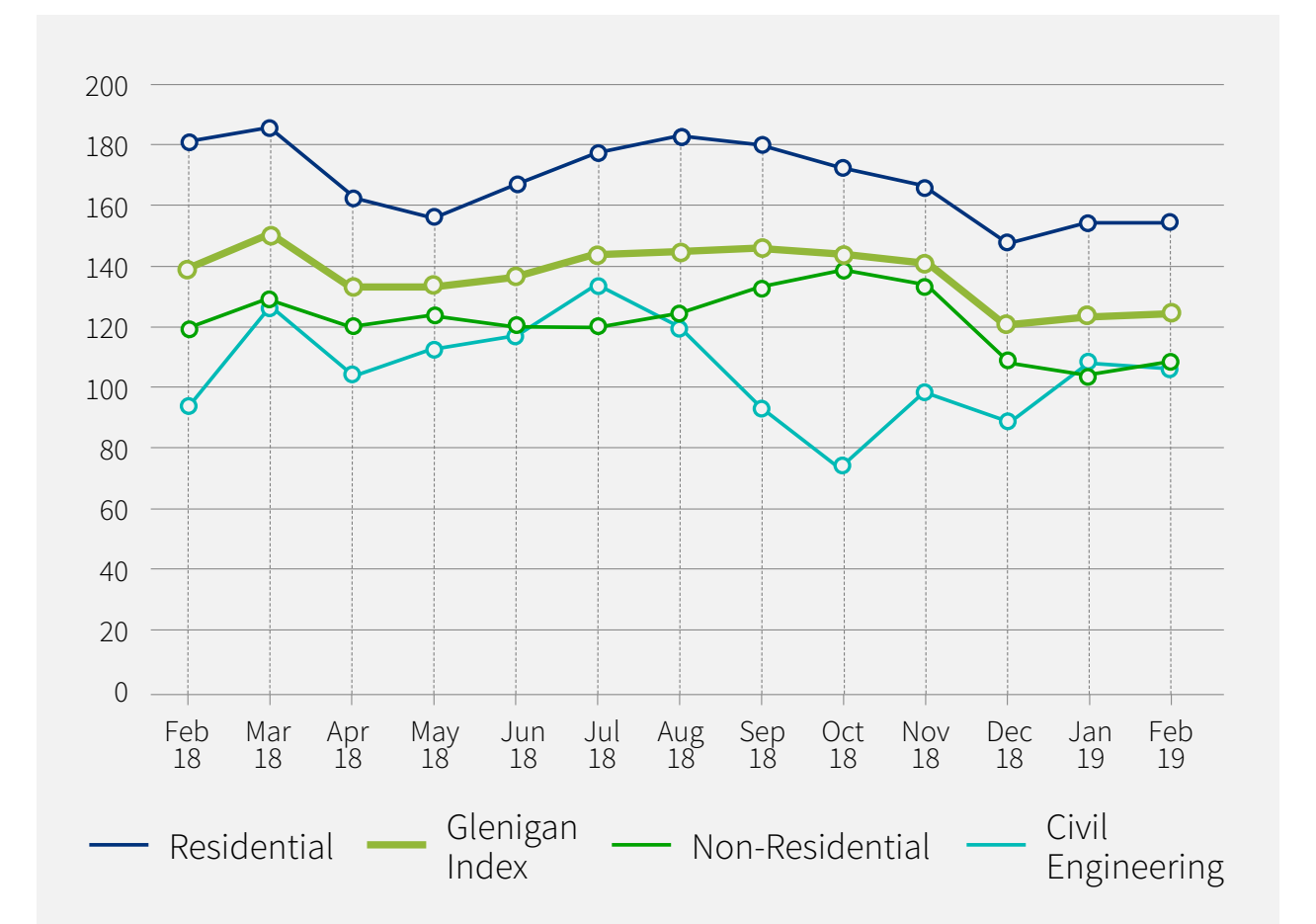
2. Glenigan Indices (underlying* projects up to £100 million)

	GLENIGAN INDEX		RESIDENTIAL		NON-RESIDENTIAL		CIVIL ENGINEERING	
	Index	% Change	Index	% Change	Index	% Change	Index	% Change
Feb-18	138.8	-10%	181	-11%	119	-6%	94	-22%
Mar-18	149.3	-15%	185	-16%	129	-13%	127	-23%
Apr-18	132.9	-9%	162	-10%	119	-1%	104	-32%
May-18	133.6	-14%	156	-15%	123	-8%	112	-28%
Jun-18	136.6	-10%	167	-18%	120	-3%	117	2%
Jul-18	142.3	-9%	177	-16%	119	-7%	134	34%
Aug-18	144.6	-6%	182	-16%	124	1%	120	21%
Sep-18	144.8	-4%	179	-10%	133	7%	93	-22%
Oct-18	143.1	2%	172	-11%	139	25%	73	-33%
Nov-18	140.9	2%	166	-10%	133	20%	99	-11%
Dec-18	120.0	-2%	147	-11%	108	7%	88	5%
Jan-19	122.7	-14%	154	-17%	104	-15%	108	3%
Feb-19	123.9	-11%	154	-15%	107	-10%	106	12%

1. Glenigan Index: February 2019



3. Comparison of index growth



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The Glenigan economics team have decades of experience delivering tailored construction insight, analysis and recommendations to companies just like yours.

Our key planning and construction industry insight has been built up over years of impartial data gathering and our economics team combine this with their commercial expertise to provide in-depth strategic analysis and statistics to give you the insight you need to make key budgeting and statistical planning decisions.

Glenigan data covers all construction sectors, including education, health, hotel and leisure, industrial, infrastructure, offices, private housing, retail, social housing, and utilities, and spans across all 13 regions of the UK.



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