



# Construction Market Activity & Outlook

---

Groundsure & The Association of Cornish Property Professionals

Presented by: Allan Wilén,  
Economics Director, Glenigan

Date: 19<sup>th</sup> September 2019



## About Glenigan

---

Glenigan provides market intelligence on the UK construction industry. Glenigan uses a robust research process to deliver timely and comprehensive construction project, company and market intelligence:

- Database over 17 years totalling almost 10 million planning applications
- Planning application data collection from all 464 UK local authorities
- A dedicated team of over 100 expert web & telephone researchers
- 10,000 unique non-planning projects a year from industry contacts
- Expert analysis, detailed market interpretation, data-driven forecasts and bespoke analysis

# Glenigan Benefits

---



## **Increase Sales**

Boost sales, win contracts, specify your products, find new work opportunities...whatever your business, success means having an edge – which is just what Glenigan gives you.



## **Insights & Custom Research**

Whether you need insight into the industry as a whole, specific to your sector, sales regions or even competitors, Glenigan should be your first choice.



## **Marketing**

Effective marketing and campaign planning both depend on having dependable information on the markets in which you operate.

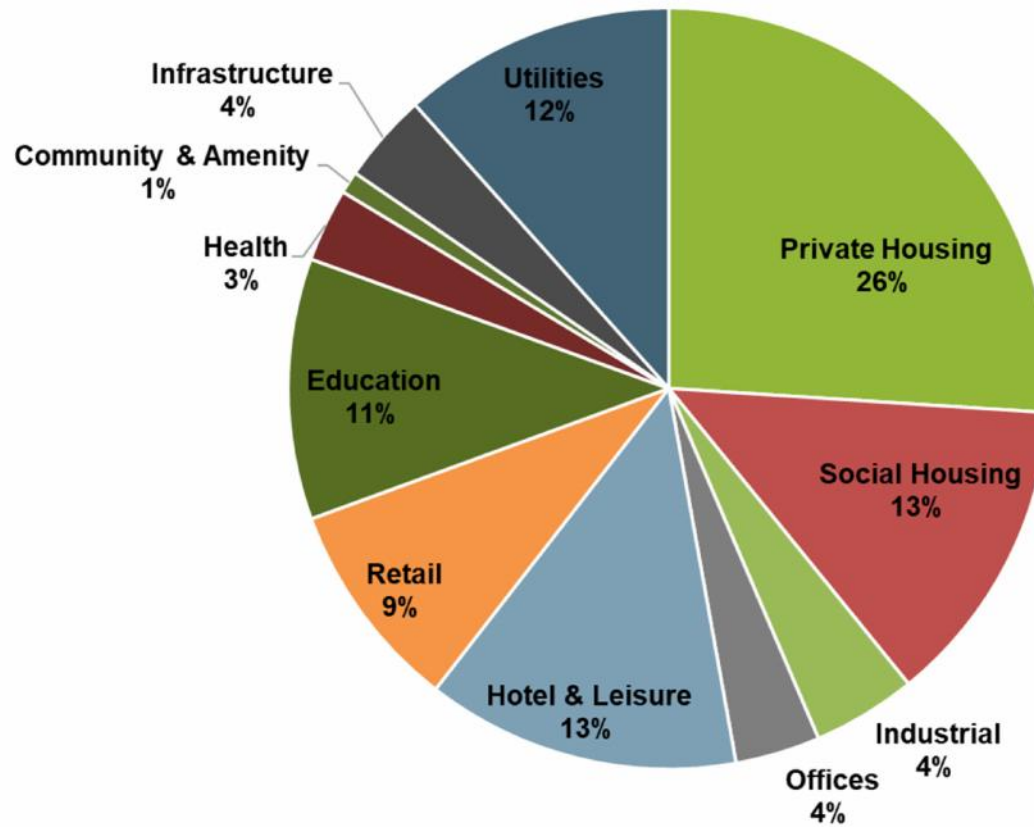


## **Construction Leads API**

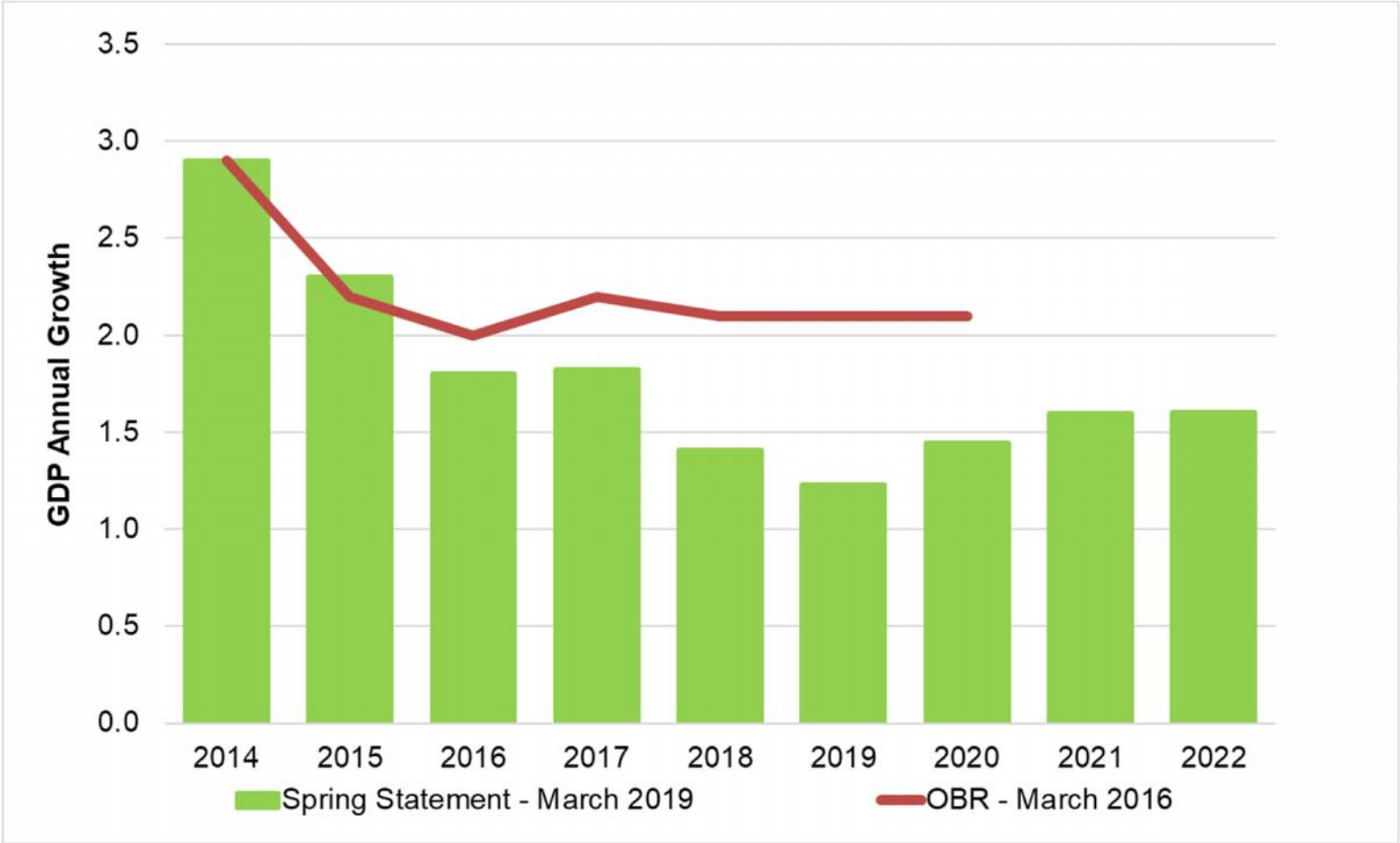
Sell faster, market quicker, and see the big picture in seconds with the seamless and automated construction leads API from Glenigan.

# Cornish Construction Market

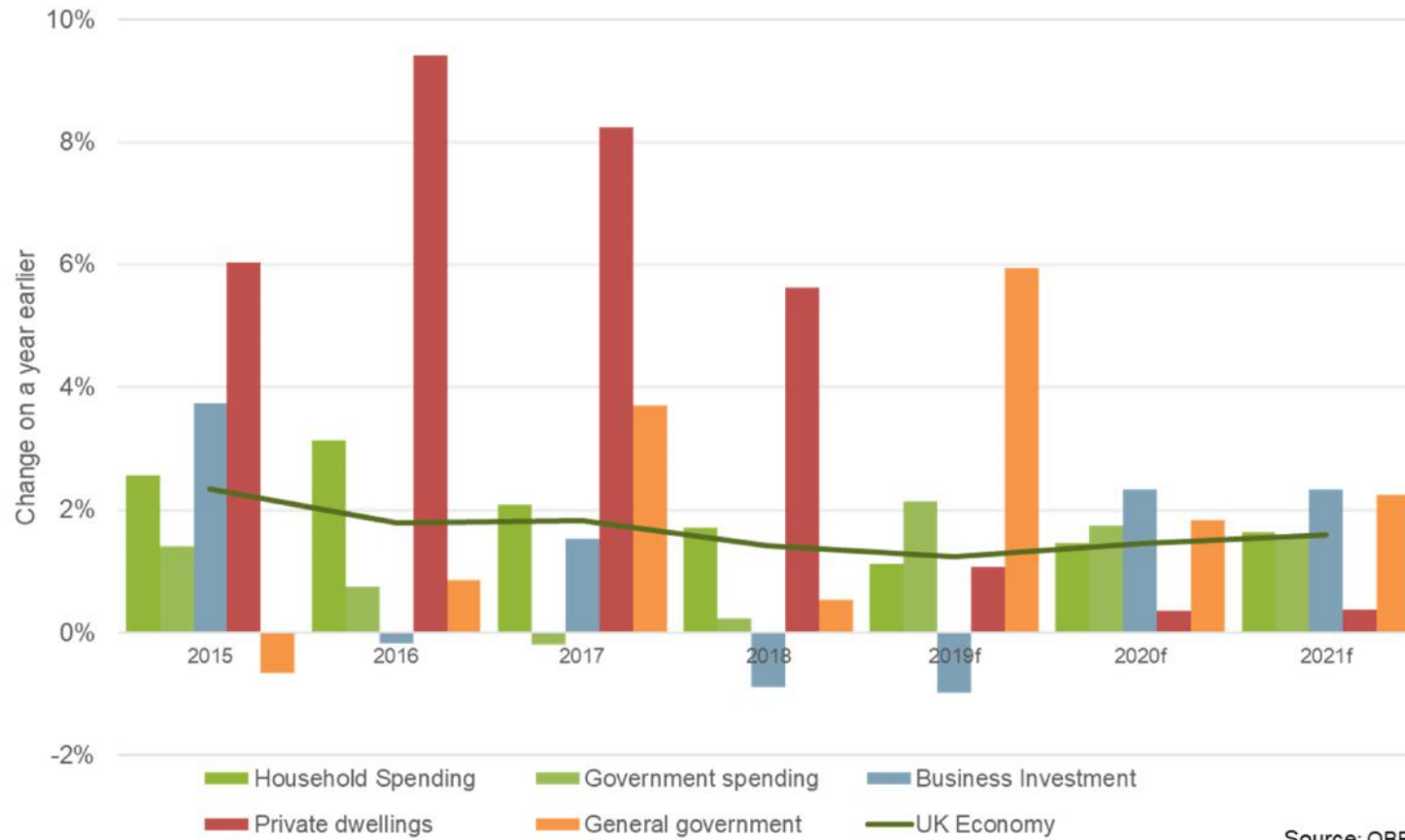
## Value of Project Starts in Cornwall



# Weak growth in UK economy hitting construction spending



# UK Economic Growth & Investment



# Construction Outlook to 2020

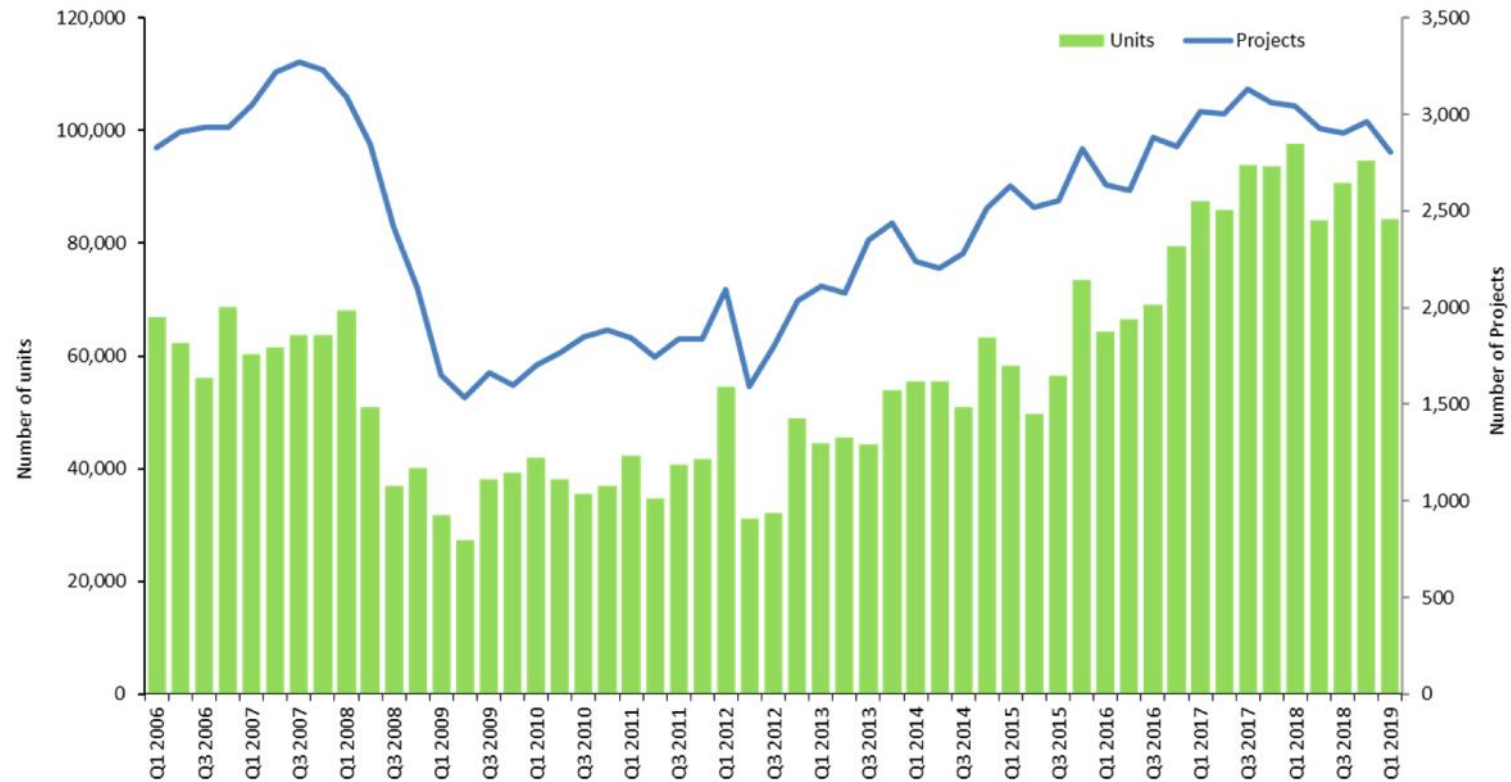
- Weak economic growth and continued political uncertainty overshadowing overall construction activity this year:
  - Deterring business investment
  - Weaker housing market activity
  - Subdued Government funded investment
  - Bright spots offer opportunities in different sectors & regions
- Brighter prospects for 2020 as:
  - Greater political certainty helps lift investor confidence
  - Strengthening in private housing activity
  - Increase in public sector investment
  - Rise in civil engineering work
- Forecast assumes UK leaves EU with an agreement and transitional period

# Construction Starts to 2020

£ million	2017	2018	2019f	2020f
Private Housing	21,212	18,811	17,837	19,312
Social Housing	6,996	6,239	6,348	6,513
Industrial	4,460	4,418	4,230	4,384
Offices	4,444	4,569	4,434	4,558
Retail	2,405	2,340	2,176	2,021
Hotel & Leisure	4,165	3,767	3,823	3,892
Education	5,689	6,148	5,632	5,972
Health	2,155	2,451	2,338	2,433
Community & Amenity	1,513	868	763	824
Civil Engineering	5,663	5,055	5,670	5,883
<b>Total</b>	<b>58,703</b>	<b>53,941</b>	<b>53,250</b>	<b>55,791</b>



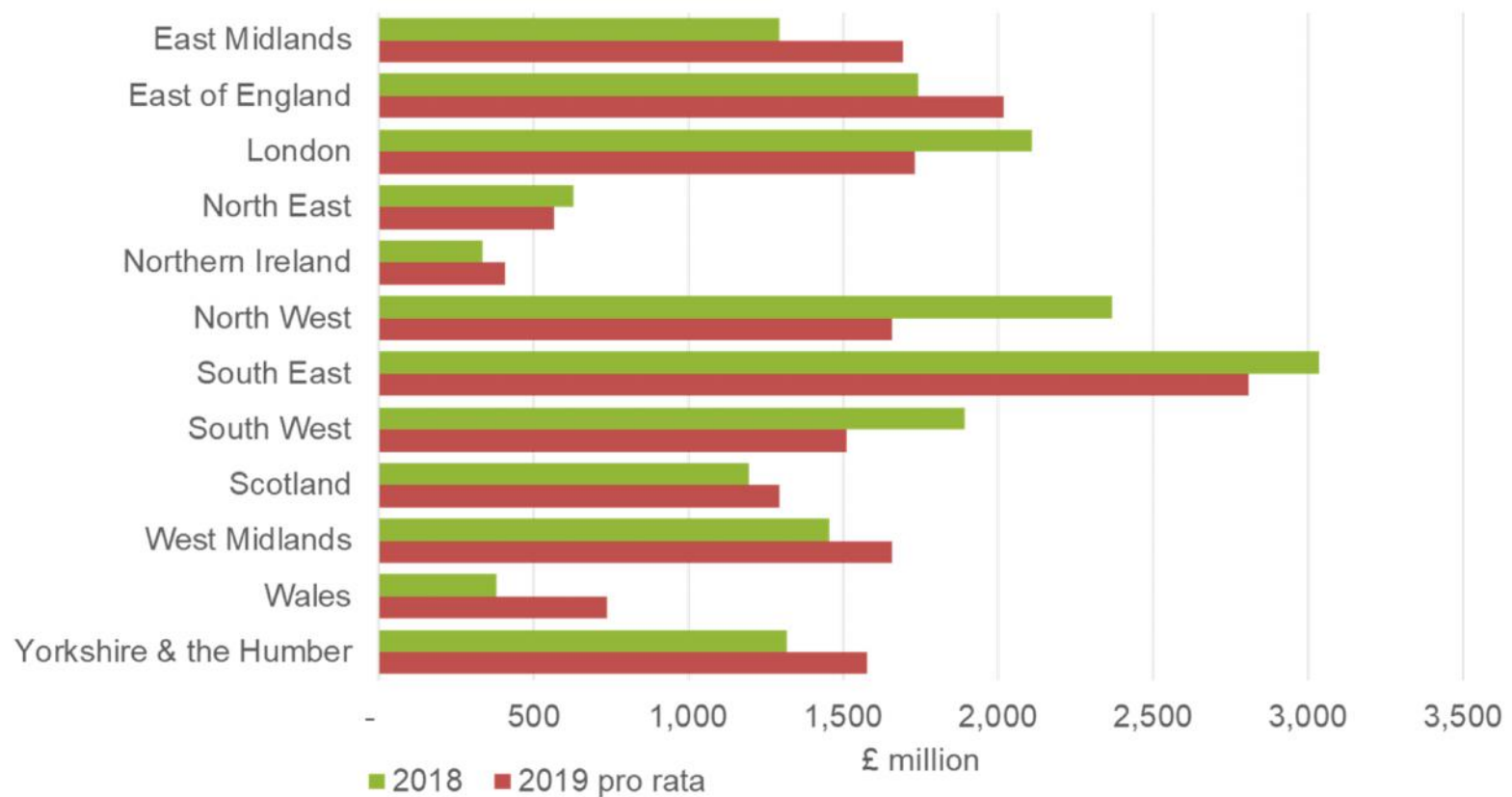
# Private Housing Project Approvals



N.B. Includes residential projects of all sizes, residential units on non-residential schemes and conversions. Source: Glenigan

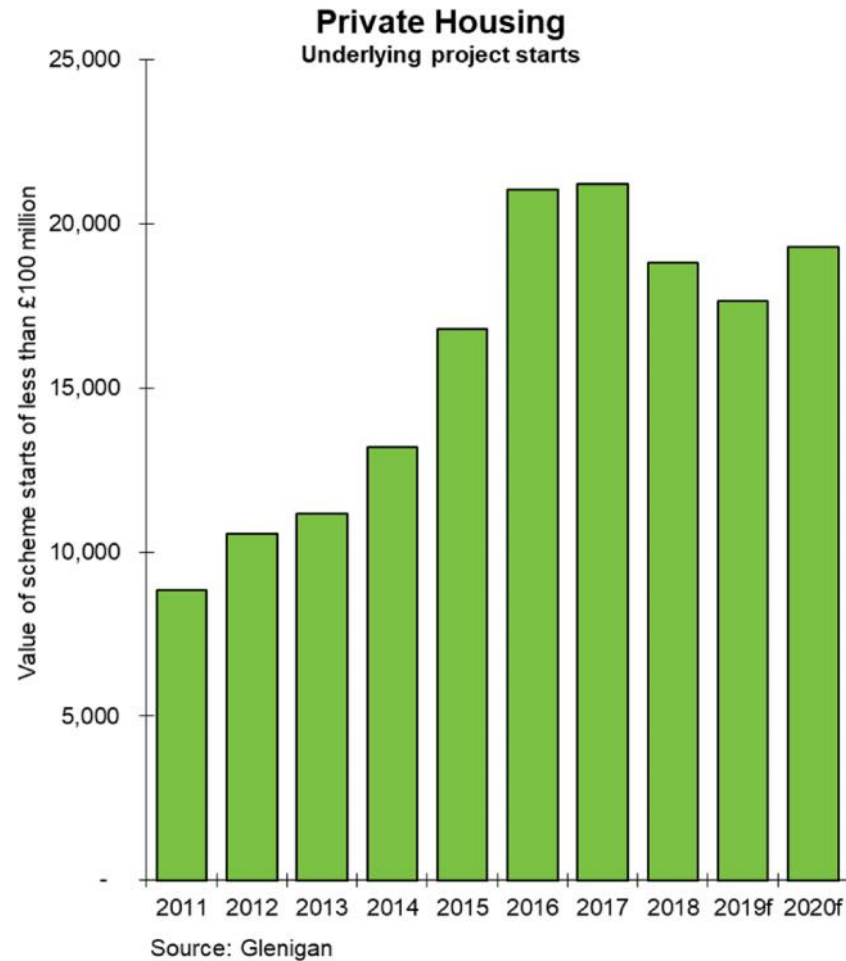
# Housing pipeline cooling

Private Housing Projects Securing Planning Approval

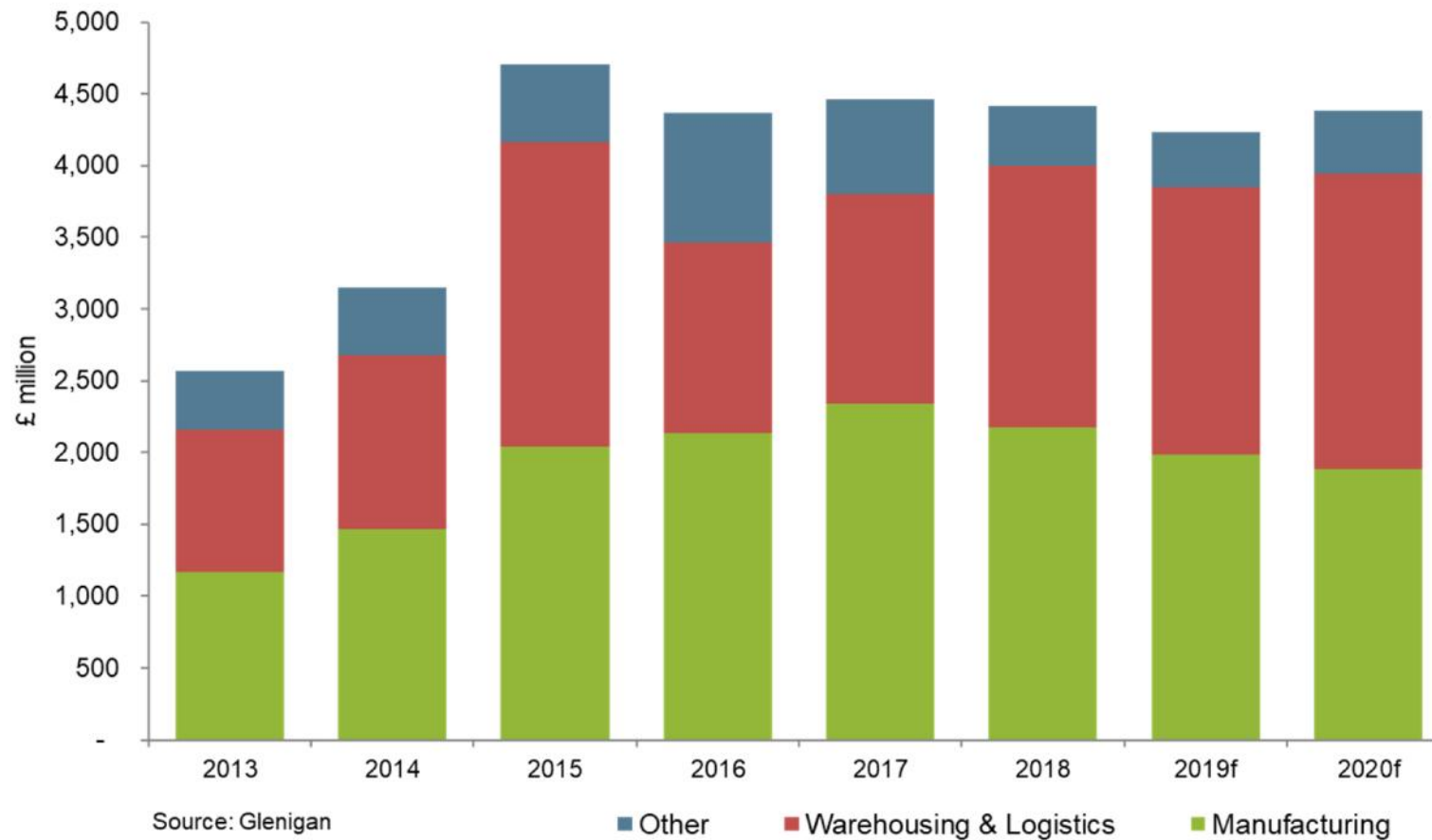


# Private Housing – Strong supply, faltering demand

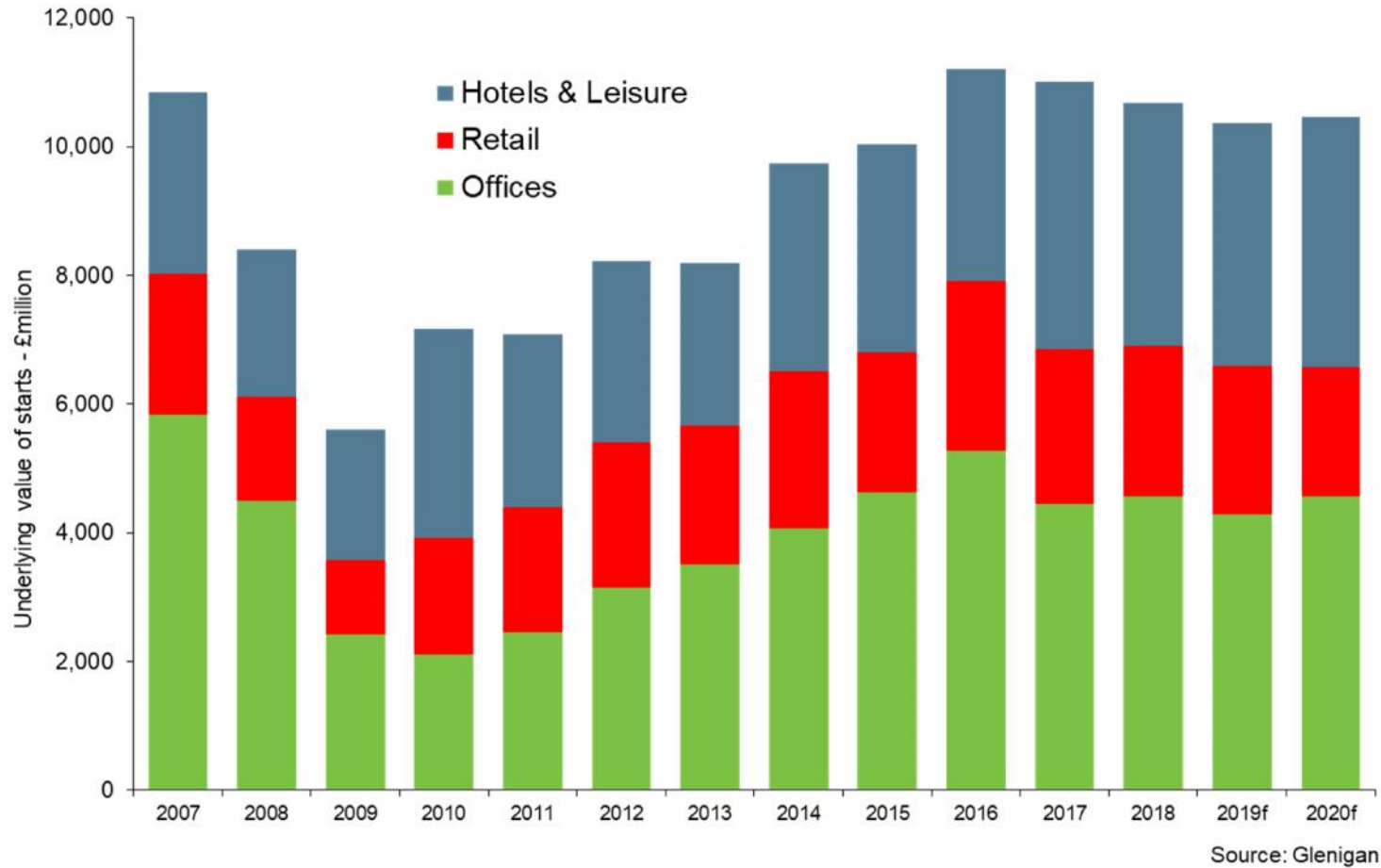
- Greater Supply:
  - Planning reform
  - Planning approvals still strong
- Demand constrained:
  - Weaker employment & earnings growth
  - Household budgets squeezed
  - Political & economic uncertainty dampening buyer confidence
  - Help to Buy initiative supporting new house sales
  - Build to Rent grows



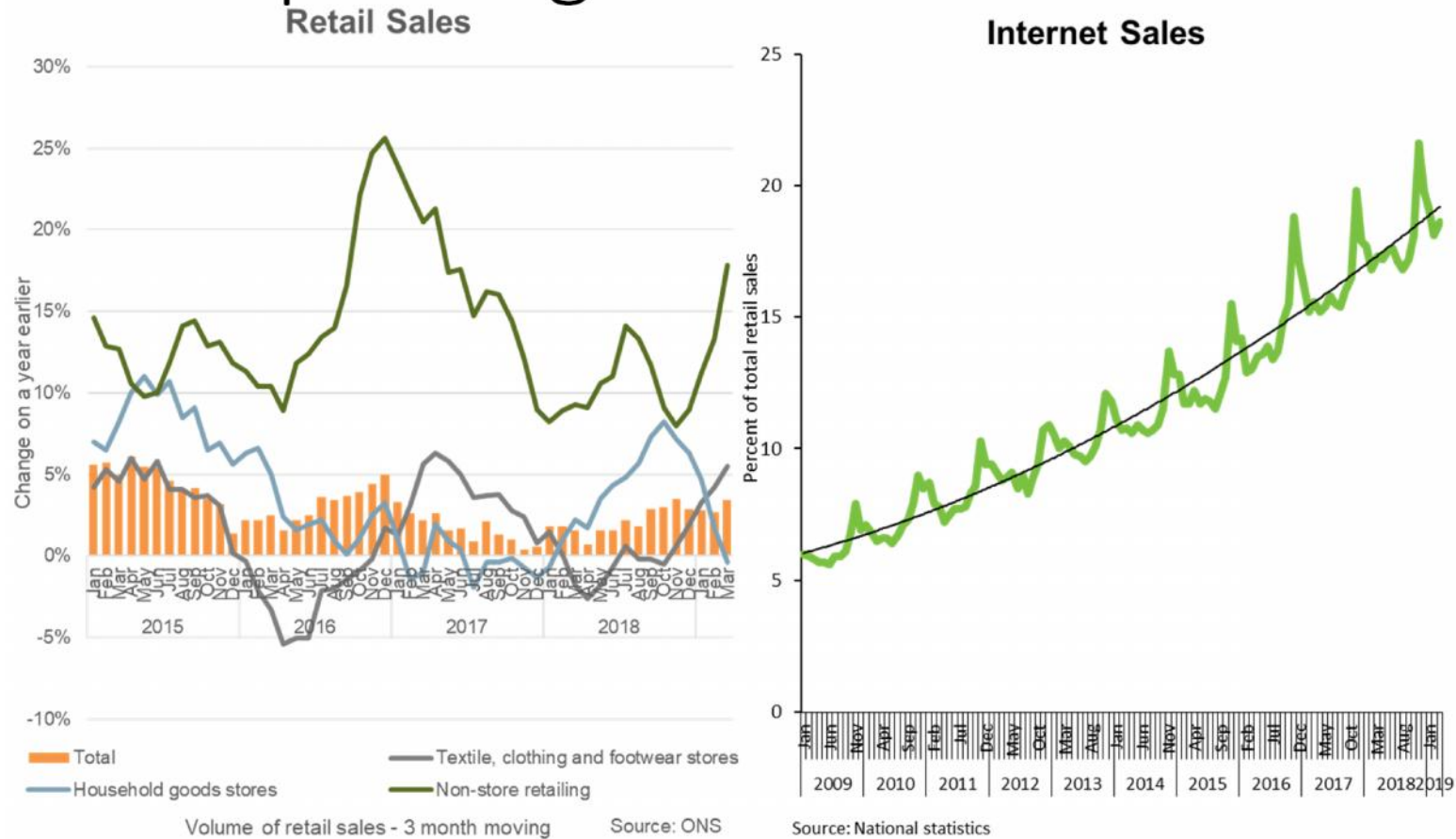
# Industrial: Internet drives growth in logistics space



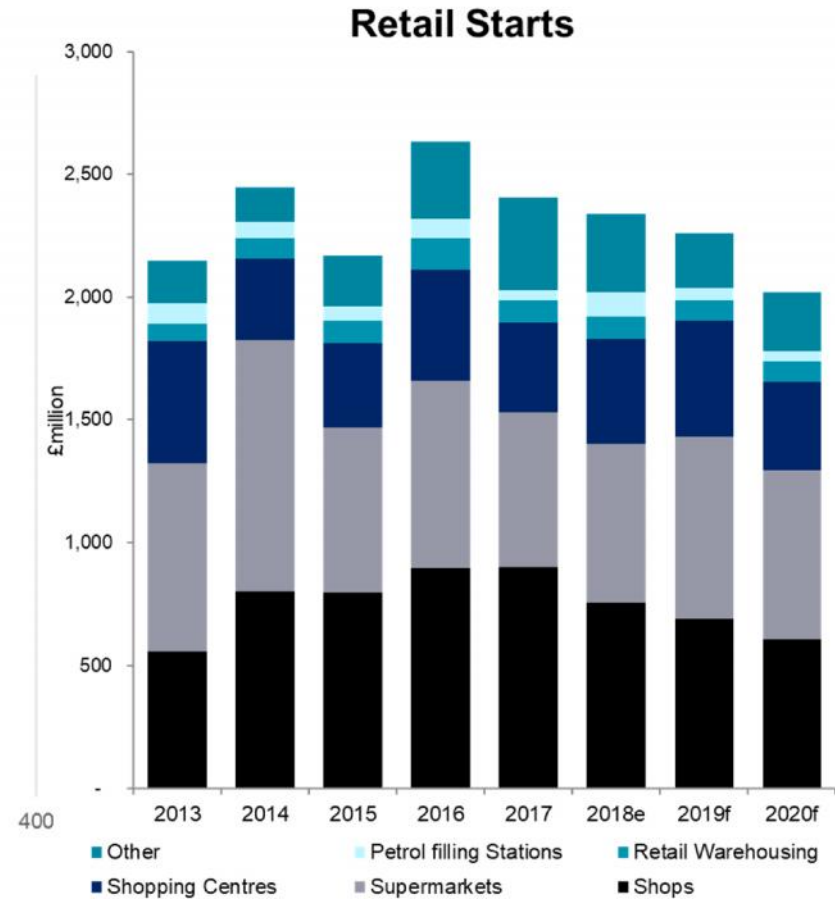
# Commercial Outlook Stabilises



# Consumer Spending Habits

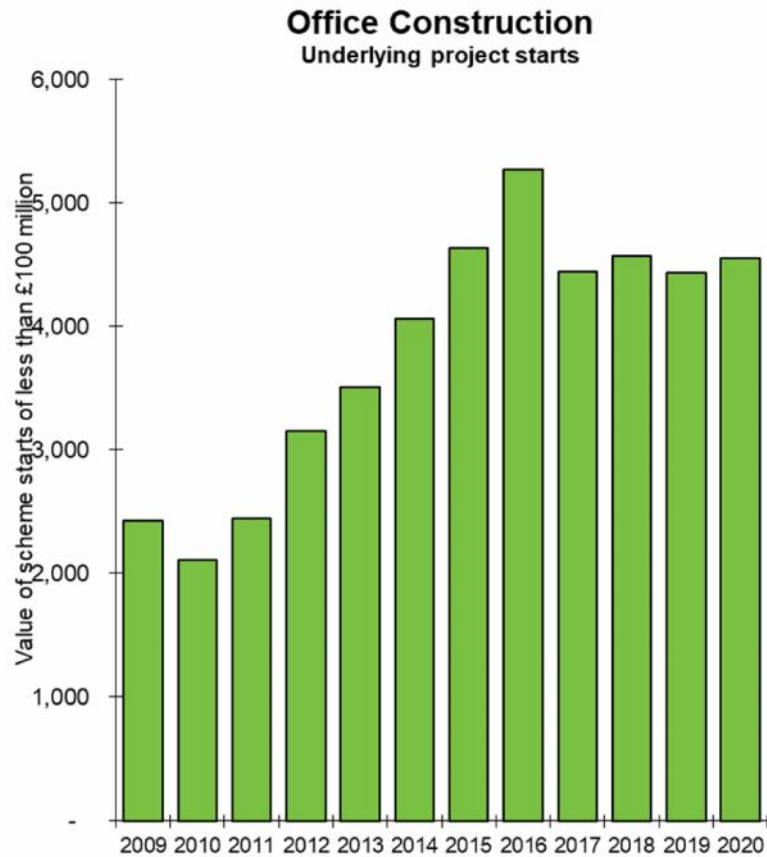


# Retailers respond to changing shopping habits

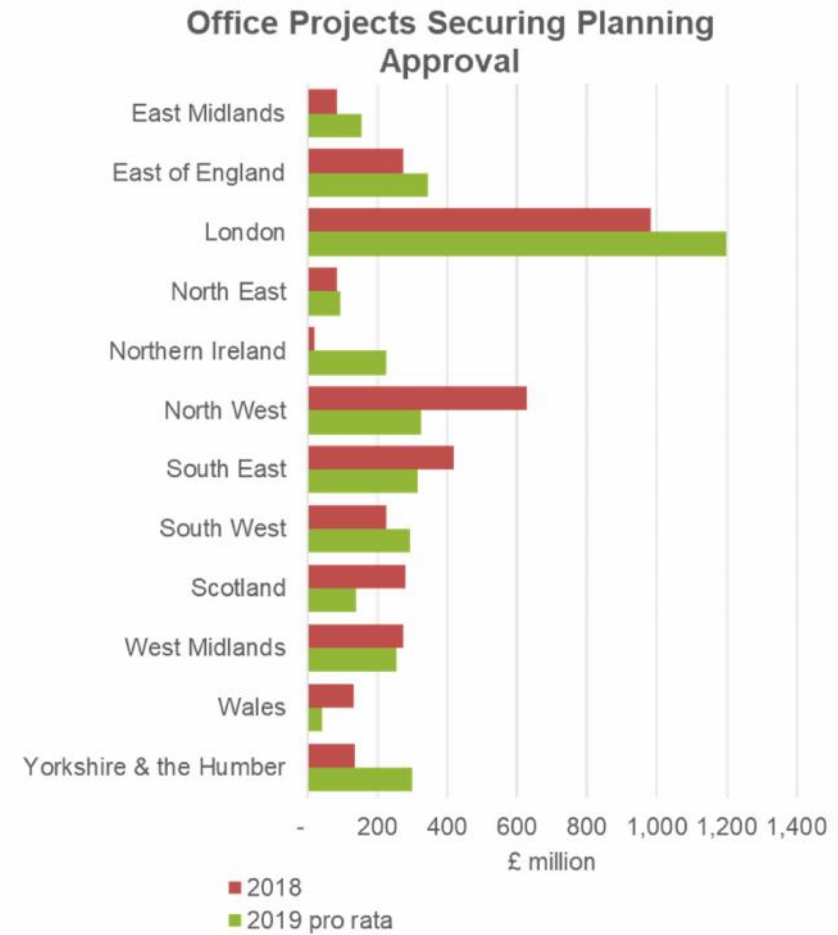


Source: Glenigan

# Office market steadies

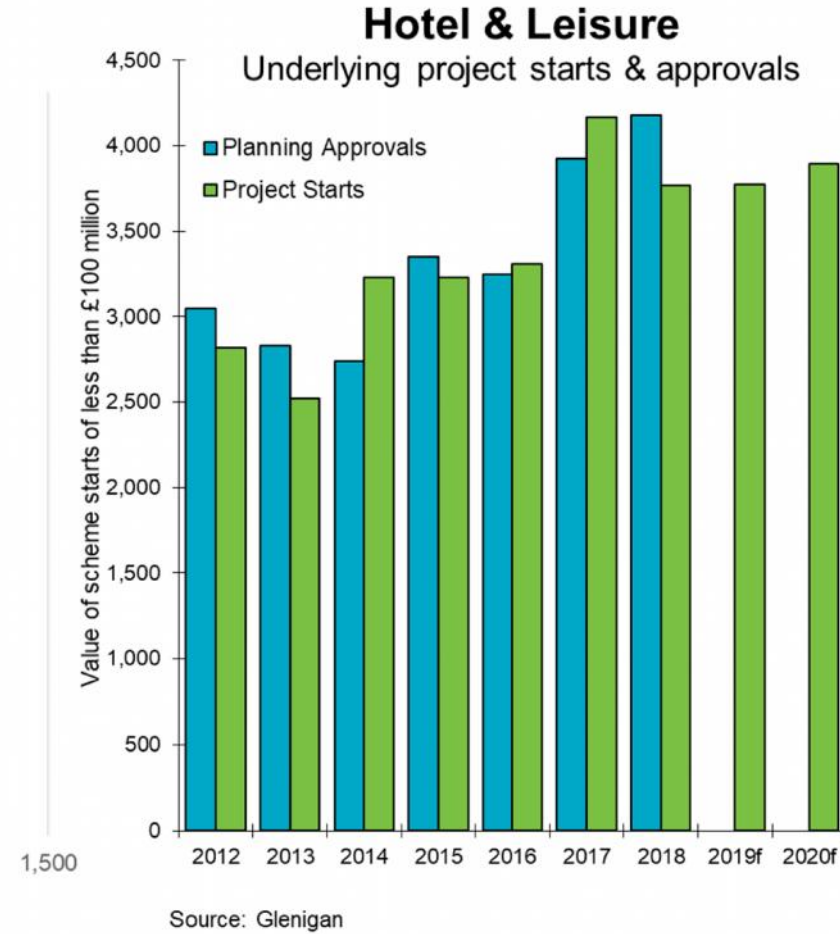


Source: Glenigan



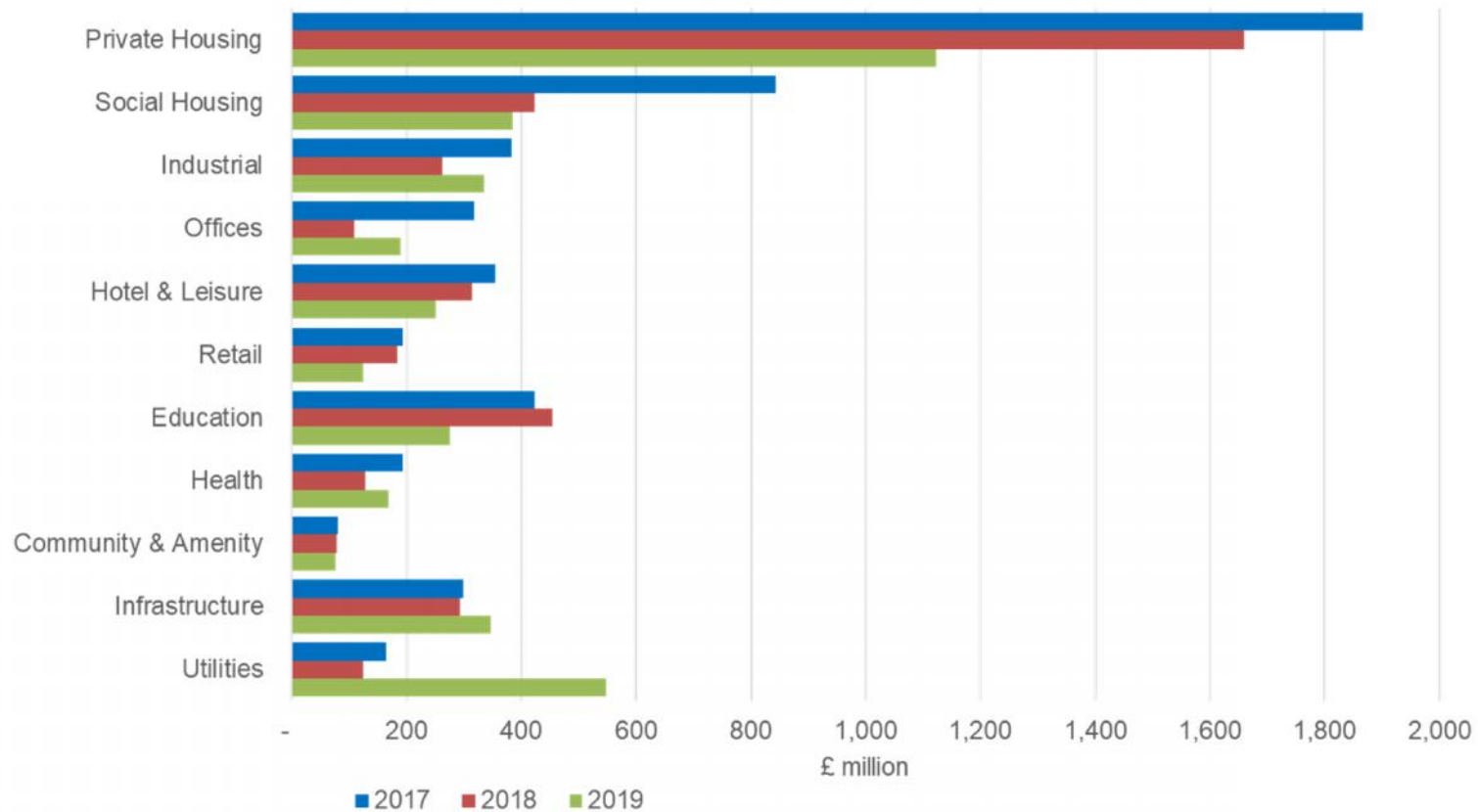


# Hotel & Leisure



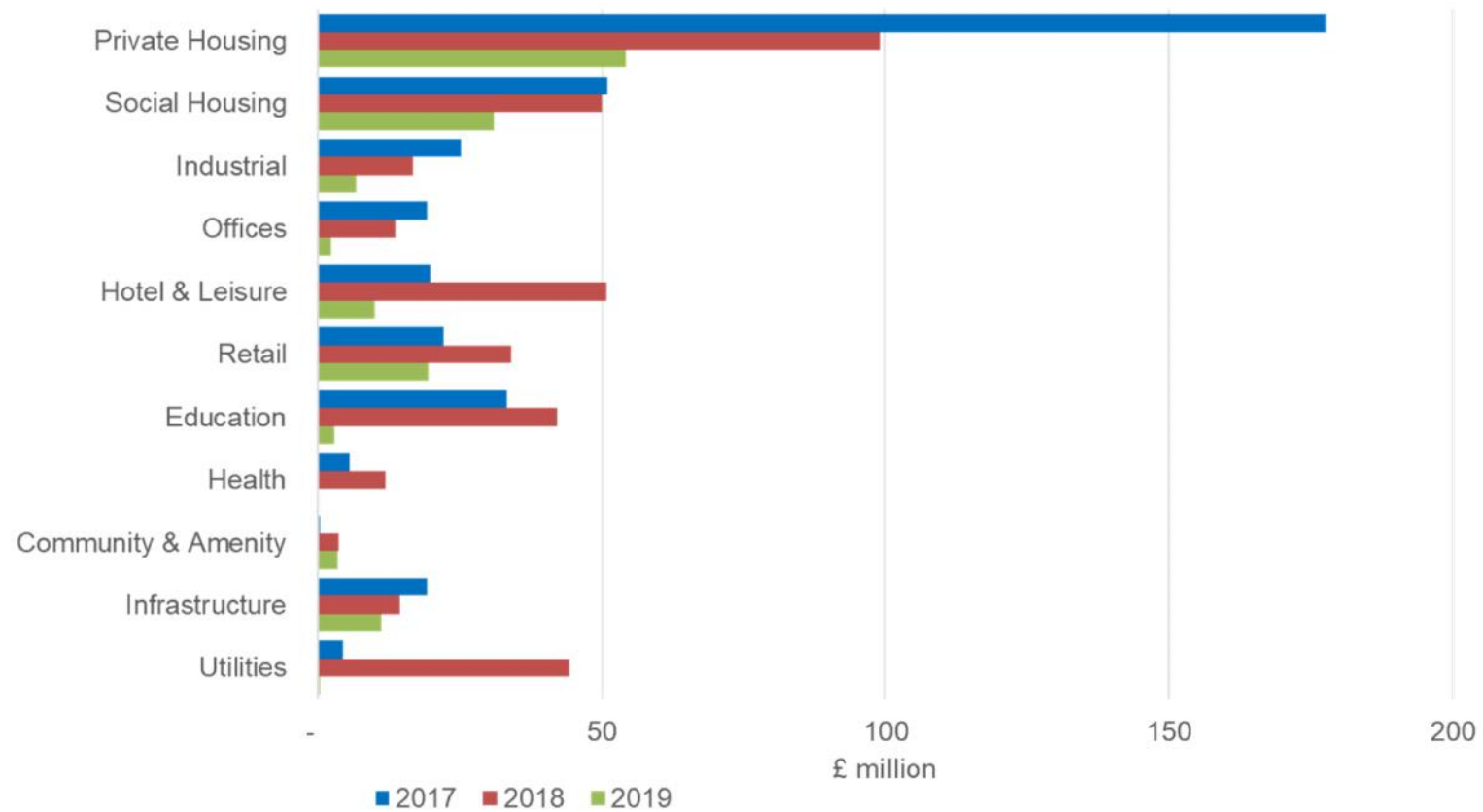
# Construction Activity in the South West

South West Project Starts

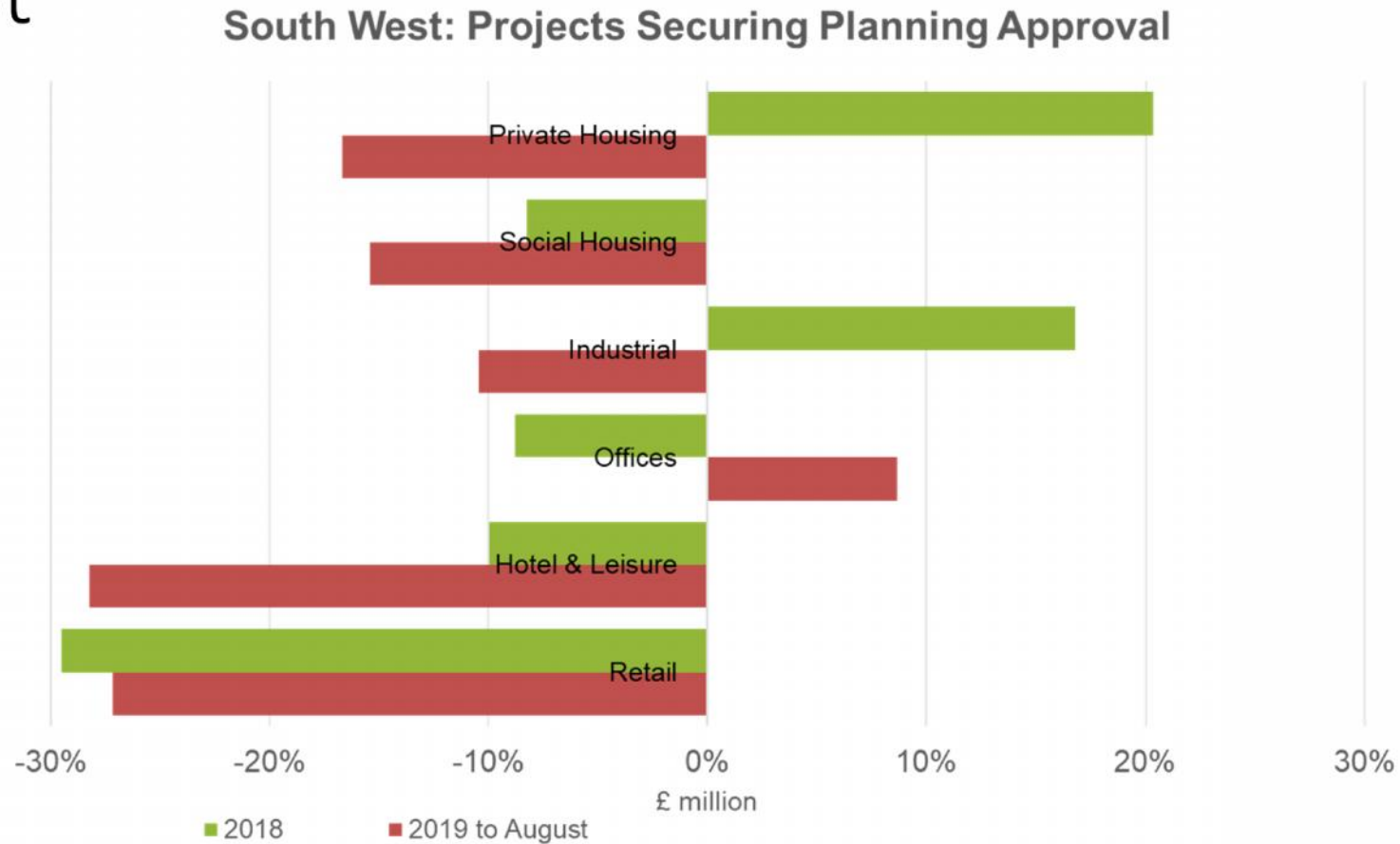


# Cornish Construction Activity

## Cornwall Project Starts



# Residential & Commercial Pipeline in South West



# Construction Starts to 2020

Change on previous year	2017	2018	2019f	2020f
Private Housing	1%	-11%	-5%	8%
Social Housing	-12%	-11%	2%	3%
Industrial	2%	-1%	-4%	4%
Offices	-16%	3%	-3%	3%
Retail	-9%	-3%	-7%	-7%
Hotel & Leisure	26%	-10%	1%	2%
Education	-21%	8%	-8%	6%
Health	-17%	14%	-5%	4%
Community & Amenity	24%	-43%	-12%	8%
Civil Engineering	-29%	-11%	12%	4%
Total	-8%	-8%	-1%	5%



Any Questions?

**Allan Wilén**

Economics Director, Glenigan

T: 0207 715 6433

E: [allan.wilen@glenigan.com](mailto:allan.wilen@glenigan.com)

W: [www.glenigan.com](http://www.glenigan.com)



The logo for Glenigan, featuring a green stylized letter 'G' followed by the word 'Glenigan' in a bold, black, sans-serif font.