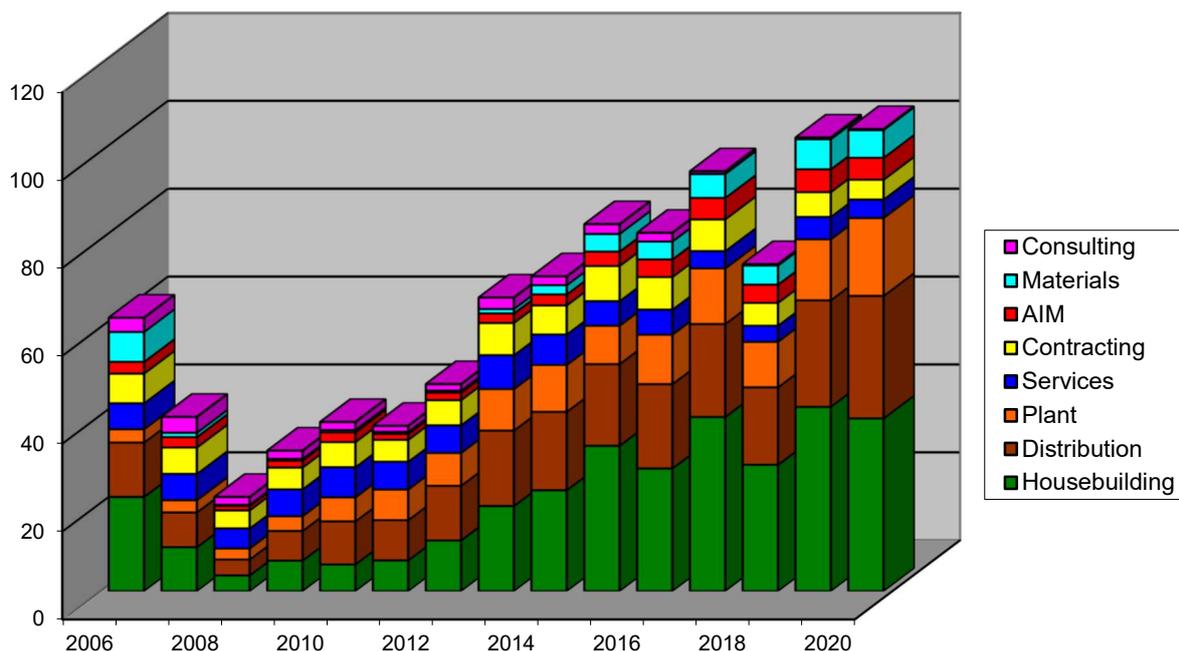


The UK Building & Construction Sector - by value - 2006 through 2020



The Building Value Ltd's **UK Construction & Building Sector Index** provides a unique analysis of the publicly-listed UK construction and building industry. It is not available anywhere else.

On 31 December 2020, the Index was worth £105.1 billion - which meant it was pretty much unchanged year-on-year i.e. +2% (2019: +39%); and this is actually something of a result in these COVID days. For the record, too, it comprises a constituency of 70 companies. 2020 also marks the second year, ever, that the value is north of £100 billion. Note, too, that since 2007, the Sector has risen in nine years and fallen in five. The BVL Index also significantly outperformed the wider equity market in 2020 i.e. the **FTSE 100, FTSE 250 and All Share Indices** showed annual declines last year of 14%, 6% and 14% respectively. Note, too, that six of the 70 BVL Index companies are FTSE 100 constituents including four housebuilders: Berkeley (number 80); Taylor Wimpey (78); Barratt (72); and Persimmon (53).

In terms of its **evolution** since 2006, the Sector hit bottom at the end of 2008 (as the Global Financial Crisis percolated) with a value of £21.4 billion. This was followed by a dramatic recovery, particularly in 2009 (+49%) and 2013 (+42%), while in 2017 the increase in value was 17%, followed by a 22% decline in 2018. Also note that, in 2006, there were 112 constituents of the Index - against 71 now. Last year, too, we said goodbye to acquisitee Low & Bonar with bids for McCarthy & Stone and Abbey (Ireland) pending.

In terms of the **spread of value**, at the end of 2020, two Sub-sectors continue to dominate i.e. Housebuilding (37% of £105.1 billion); and Distribution (27%); and, yet, they account for only 14% and 6% respectively of the total number (70) of companies. The largest Sub-sector (i.e. Housebuilding) also dipped 6% in value in 2020 but this represented a dramatic recovery from a pandemic-inspired April nadir.

There are also 19 companies (2019: 22) with a market value of **£1 billion or more** (including seven worth more than £5 billion) which, together, account for more than four-fifths of the total value but only 27% of Index constituents. At the other extreme, 20 companies (39% of the total number) are worth less than £100 million and they account for less than 1% of the Sector's total value.

On individual winners and losers in 2020, **Sureserve Group** (*aka* Lakehouse), the maintenance and services business, was in first place with an 83% rise to 64 pence in its share price and value - whilst at the other extreme was **Costain** which lost 63% to 59 pence (remember, too, that in May 1989 its share price was 2,449 pence).

Our Index excludes a net **12 non-UK domiciled** groups (2019: 12) listed on the London Stock Exchange with a total value of £59.6 billion at 31 December 2020 i.e. a gain of 4% (2018: +24%). The two largest of these are CRH (£23.9 billion and +0%) and Saint Gobain (£17.9 billion and +6%).

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