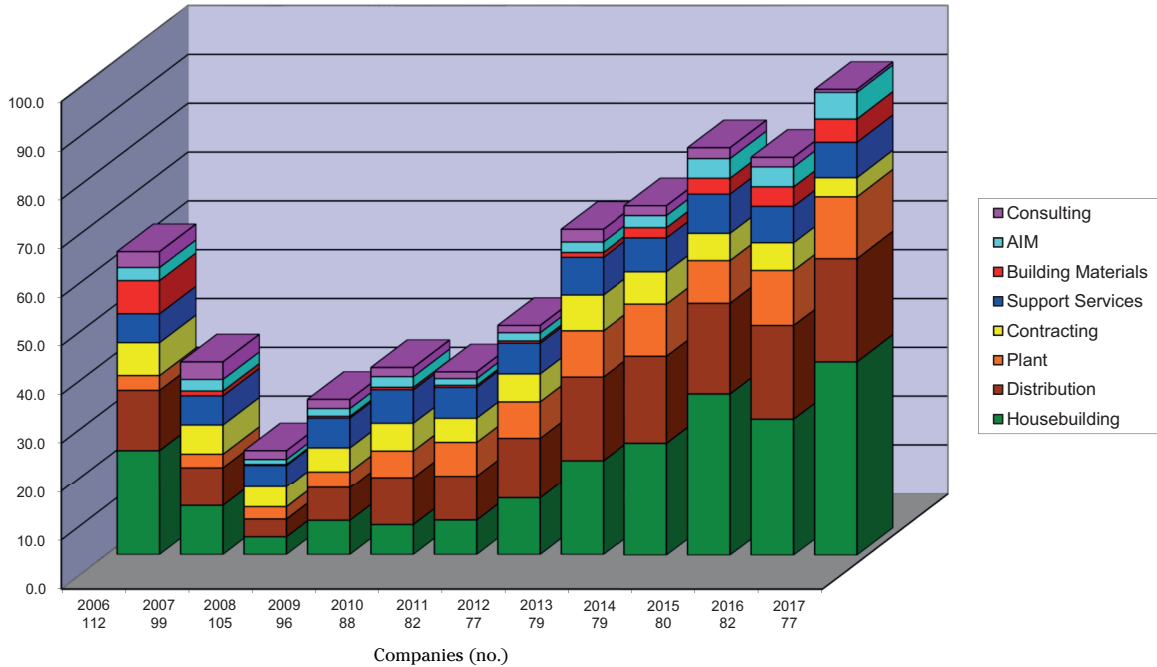


BVL's UK Construction & Building Sector - by value - 2006 through 2017 (£bn)



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

At 29 December 2017, the Index was worth £95.5 billion - an increase of 17.1% year on year - and comprised 77 constituents (2016: 82). It also means that there have been annual gains in six of the last seven years (with 2016 being the exception with minus 2.3%). Similarly, the UK equity market broke new ground across the board in 2017. However, the **FTSE 100**, **FTSE 250** and **All Share Indices** showed annualised gains of just 7.6%, 14.7% and 9.0% respectively in 2017. Note, too, that seven (up from five) of the 77 BVL Index companies here are FTSE 100 constituents, including four housebuilders, the largest of which is Persimmon (£8.45 billion).

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%). Also note that, 10 years ago in 2006, there were 112 constituents of the Index - against 77 now. Last year, too, we said goodbye to bidees Atkins, AMEC, Cape, Lavendon, Northacre and Waterman (largely to international buyers); and welcomed Springfield Properties.

In terms of the **spread of value**, at the end of 2017, two Sub-sectors continue to dominate i.e. Housebuilding (42% of £95.5 billion); and Distribution (22%); and, yet, they only account for 13% and 5% respectively of the total number (77) of companies. Housebuilding was by far the best performing Sub-sector last year, too, with a 42% rise in value (including FTSE 100 stocks Barratt, Berkeley, Persimmon and Taylor Wimpey), while the worst was Consulting with minus 69% largely due to the takeover of Atkins.

There are also 21 companies (2016: 27) with a market value of **£1 billion or more** (including six worth more than \$5 billion) which, together, account for 85% of the total value but only 27% of Index constituents. At the other extreme, 25 companies (33% of the total number) are worth less than £100 million and account for just 1% of the Sector's total value.

On individual winners and losers in 2017, **Morgan Sindall** was in first place with a 92% rise in its share price whilst at the other extreme **Carillion** (in rare symmetry) was worst with a fall of 93% in 2017.

Our Index excludes a net **12 non-UK domiciled groups** (2016: 12) listed on the London Stock Exchange with a total value of £60.3 billion at 29 December 2017 i.e. a rise of 6.4% year-on-year (2016: +31%) which was impacted by a stronger Euro versus the British Pound but a weaker US Dollar. The two largest of these are CRH (£22.3 billion and minus 5%) and Saint Gobain (£22.6 billion and +9%).



the independent strategic advisor to the building, construction, real estate & support services sectors

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