

FOR IMMEDIATE RELEASE DECEMBER 2009

## Construction in the South East Region 2009-2013

New AMA report reviews the construction industry in the South East and considers future prospects

"The prospects for construction output in the South East Region for 2009 onwards tend towards pessimism against a background of declining new orders and site starts in 2008-09. Current indications are that output will decline by around 9% in value in 2009 followed by further decline in 2010 to a value of around £33bn. Returning confidence is currently expected in the middle part of 2010 but this will not begin to feed into increased construction output until 2011, followed by moderate growth to 2013 when South East construction output is expected to reach £36bn."

A brief summary of the report is included on the following page.

Priced at £650, the report is currently available from AMA Research Ltd, Telephone 01242 235724 or e-mail at [sales@amaresearch.co.uk](mailto:sales@amaresearch.co.uk).

### **Editors Note:**

Attached is a summary of the report. Please use brief extracts if you wish, **but we would request that references to company market shares are not published without our prior permission.**

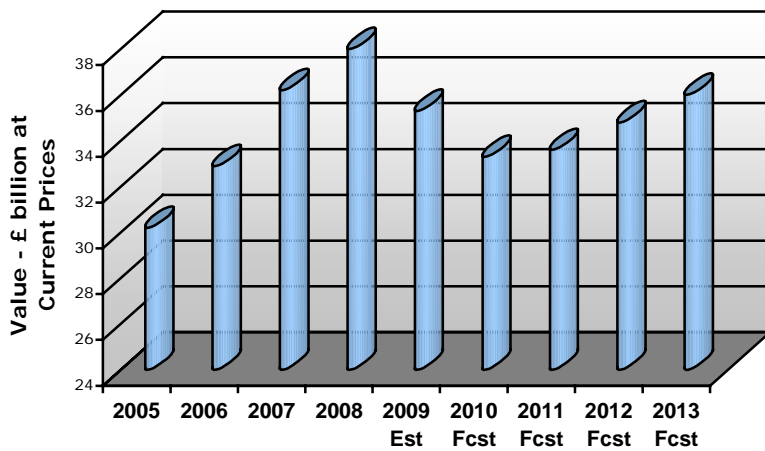
If you would like to receive an editorial review copy or would like to speak to an author of this report, please contact Keith Taylor or Chris Moore on (01242) 235724.

Please include our web address and telephone number on any review printed, it would also be appreciated if a copy of the review could be forwarded to AMA Research. Thank you.

AMA Research Ltd  
Montpellier House  
Montpellier Drive  
Cheltenham  
Gloucestershire GL50 1TY  
Tel: +44 (0)1242 235724  
Fax: +44 (0)1242 262948  
E-mail: [keithtaylor@amaresearch.co.uk](mailto:keithtaylor@amaresearch.co.uk)  
Website: [www.amaresearch.co.uk](http://www.amaresearch.co.uk)

# Construction in the South East Region UK 2009-2013

## Construction Output South East Region 2005-2013



Given the concentration of population, industry, commerce and infrastructure within the South East, the region is a good indicator of the strength of the UK economy and indeed some view the South East as the “engine” of the British economy. Construction remains a key activity with the South East Region accounting for 31% of Great Britain construction output in 2008 with value of £38bn. Output is expected to decline by around 8% in 2009 as the recessionary pressures of the UK economy have an impact on construction output in the South East.

The region benefits from a large concentration of economic activity in a number of major urban areas and in 2008 construction output for the region performed better than the national average. The region also benefits from a number of higher profile redevelopment and regeneration programmes including **Thames Gateway**, **Medway** and **Ebbsfleet** in addition to the construction of the **2012 Olympic Park** in London.

The 2012 Olympics will boost construction output into the short-term with the development of the Olympic Park and other venues but also through the contribution of the “Legacy” from the provision of new housing, amenities, etc. In addition the Games are also likely to provide a boost to the tourism and leisure sectors in terms of refurbishment programmes in time for 2012.

Whilst larger-scale programmes such as the Olympics and larger regeneration projects such as Medway are likely to continue to boost output into the short term other sectors are likely to perform less well and some such as private commercial could have a significant negative impact on construction output in the region. In addition, the **concentration of public sector entities** within the South East and increasing focus on local and national government spending targets is likely to add negative pressures to construction output in the short-medium term.

The prospects for construction output in the South East Region for 2009 onwards tend towards pessimism against a background of declining new orders and site starts in 2008-09. Current indications are that output will decline by around 9% in value in 2009 followed by further decline in 2010 to a value of around £33bn. Returning confidence is currently expected in the middle part of 2010 but this will not begin to feed into increased construction output until 2011, followed by moderate growth to 2013 when South East construction output is expected to reach £36bn.

However, the greatest current threat to the construction sector in the South East region remains the current recession and the lengthening of expectations about when the recovery can/will begin.

The South East Region incorporates the Greater London area and the counties of Hampshire, Berkshire, Oxfordshire, Buckinghamshire, Surrey, West Sussex, East Sussex and Kent.

AMA Research’s report “**Construction in the South East Region – UK 2009-2013**” is available in hard copy or electronic format for £650 and can be ordered online at [www.amaresearch.co.uk](http://www.amaresearch.co.uk) or by calling 01242 235724.