

Industry heads applaud Conservative win

House sales and confidence predicted to rise in Major's Britain. Alastair Stewart reports.

JOHN MAJOR'S victory in last Thursday's general election was this week hailed as a boost for construction by leading figures in the industry.

A majority of construction chiefs approached on Monday said the re-election of the Conservative Party for a fourth term would "galvanise confidence" among homebuyers and lead to an early rise in house sales.

Trafalgar House chairman Sir Nigel Broackes typified the response: "Of course we're all very relieved by the outcome. In a restrained sort of way we're rejoicing. The alternative would have been dreadful."

House sales would improve immediately, Sir Nigel predicted. But he warned: "We mustn't think it's a new dawn. There are too many foreign problems quite apart from our own. We're not going into a boom, but we're fairly well embarked on a steady recovery."

Amec finance director John Early was more cautious: "I don't think it's made much difference as far as we're concerned. Stability is very important, but there are still underlying weaknesses at home and abroad."

Other reactions included:
 ● Sir Eric Pountain, chairman, Tarmac: "I am delighted but not

surprised by the outcome of this election, which is exactly what we wanted for our industry, particularly housing.

"I have no doubt we shall shortly see interest rates being reduced which will give a significant kick-start to the economy and to our sector particularly. I feel sure we shall

now see business reinvesting in the economy."

● Joe Dwyer, chief executive, Wimpey: "A decisive result is what the construction industry needed and we are delighted that it has been achieved. We can now look forward to five years of stable government.

"The promise of stability, and hopefully lower interest rates, will galvanise consumer confidence and should bring immediate but lasting benefit to the housing market."

● Hugh Try, chairman, Try: "It's a good thing. The City and industry on the whole will be more confident so demand from industry and commerce is more likely to revive.

"Most importantly, the revival in the housing market we saw in February and March is more likely to get going again quickly."

● The Federation of Civil Engineering Contractors said it welcomed the "clear-cut" election result.

Construction stars in City's Golden Friday

CONSTRUCTION shares soared after the Conservative Party's general election victory to gain £3bn on the first day of the new administration.

Contracting shares rose by 9.48% last Friday, and the building materials sector gained 8.52%, outperforming a general 5.86% rise in the euphoric stockmarket - one of the best daily increases on record.

"I'm unbelievably bullish

about the prospects for housebuilding," said analyst Angus Phaure of County NatWest. "Profits will come back this year for housebuilders. They lost £1bn in 1991, and will make £134m this year."

Some of the City's favourite housebuilding stocks made huge gains last Friday:

Berkeley Group jumped 56p to 276p; Persimmon rose 39p to 284p; and Wimpey was up 17p to 189p.

Building sloggers swell marathon

MORE THAN 2000 building industry runners took to the streets in Sunday's ADT London Marathon, raising large sums for charity.

According to computer group Unisys, which compiled the race statistics, 2091 of the 35 000 who entered for the 26.2 mile slog were from the industry. They were split between building trade, 966; construction, 302; architects, 111; civil engineering, 245; and surveying, 367.

● This year's Building Industry Windsor Half Marathon will be held on Sunday 4 October, at Windsor Great Park. Last year 4000 runners raised £80 000 for the Spastics Society and Dyslexia Institute.

This year the two charities will be joined by the Builders' Benevolent Institute and the Prince Philip Trust Fund. The event will be sponsored this year by *Building*, Redland, RMC, Laing and Barbour Index.

For details and entry forms phone race organiser Alysia Hunt on (0753) 857979. The closing date for entries is 1 September.



BOND OF CONTENTION: Rolfe Judd, the London-based architects, designed this 1200 m² redevelopment of 78-79 New Bond Street, in London's West End. The architects last week lodged a planning application with Westminster City Council to replace an existing building with a mixture of shops and offices. The developer is Victory Land; structural engineers are SB Tietz; and quantity surveyors are Leonard Stace.

Post-election househunters bide time

THE ANTICIPATED post-election stampede of potential housebuyers only partly materialised during the weekend.

Britain's top housebuilders reported varying degrees of success in attracting visitors, while other factors, such as economic uncertainty and soccer's Rumbelows Cup Final at Wembley, put many off in London.

Wimpey Homes, the UK's second largest housebuilder, saw a small decrease in the number of visitors this weekend, compared with the weekend before the general election.

But sales and managing director Chris Cant said: "This Easter weekend will be the real test as to whether the prospect of five more years of stable government has boosted the confidence of housebuyers in the way we expect."

Barratt Developments recorded a 25% increase in visitors over the previous weekend and a 30%

improvement compared with the same period in 1991.

Chief executive Frank Eaton said: "In the weeks immediately prior to the election, we recorded a significant number of reservations from buyers who wanted to proceed but who also wished to review their options once the result was known. The vast majority of these 'pending' reservations do now appear to be proceeding."

Eaton predicted further improvements throughout the year, with house prices increasing "in line with rising incomes of around 5%".

Lovell Homes managing director Paul Wiltshire said there had not been a dramatic increase in visitors. "It was certainly up on last weekend, but not by much more than 10%. We did expect more of an increase, but the next two or three weekends will be telling."

Laing Homes experienced a 22% rise to 364 visitors across the country.



Househunter Sonia: "I was coming this weekend anyway."

Homebuyers shrink from bombs and balls

"I HAD great hopes for this weekend but they did not come to fruition," was negotiator Anne Griffin's reaction to visitor levels at Laing Homes' Sudbury Meadows development, North Wembley.

The senior negotiator for the 200-home London site admitted the Cup Final at nearby Wembley Stadium and the IRA's bomb on the North Circular had much to do with the poor turnout, which was well down on the previous weekend.

Keith Woodward, a 30-year-old motor cycle courier, visiting the site said: "The election result has made a slight difference in that I am no longer unsure about interest rates. It is a good time to look as there are quite a few deals."

Sonia Simpson (pictured), a 27-year-old secretary, said the result of the election had not led to her visit. "I was coming this weekend anyway. I've got a property to sell and have been trying for about two years."

Jobless will rise to 300 000, warns BEC

Leaders step up lobbying as survey predicts worsening unemployment. Sarah Kitchen reports.

THE BEC is to urge the new Government to take immediate steps to kick-start the industry out of recession.

In its *State of Trade Inquiry* for the first quarter of 1992, the BEC this week warned that unemployment will rise to 300 000 this year, and that total output this year would fall by more than the current 5% estimate.

The BEC's outgoing chairman

John Smith said the confederation will be lobbying harder in an attempt to get concessions from the new administration.

"The Conservative Government hasn't given us the attention we wanted. And while we were very impressed with Labour's *Building for Britain* paper, I do wish the Conservative Government had shown a similar interest in construction."

Lobbying efforts will focus on

several key issues: enforcing compulsory competitive tendering; reducing interest rates; and bringing forward public construction programmes.

The BEC would also like to see the release of more capital receipts from the sale of council housing.

"We have to admit that the chances of the Government agreeing to release capital receipts are not all that high

because there is strong pressure against it by the Treasury," said BEC deputy director general Ian Deslandes.

The BEC January to March survey of 600 firms led it to raise its prediction for unemployment from 250 000 to 300 000 by the year end.

"The jobless figure looks like continuing to rise for the rest of 1992 and into 1993," said Smith.

The number of firms now operating at less than half capacity rose to 25%. This compares to 17% during the same period last year and 4% in the first quarter of 1990.

Total output in 1991 was 9% lower than in 1990, and the BEC says output in 1992 will drop by more than the 5% fall currently predicted.

"There is no sign of a renewed output in growth, and 1992 is expected to be a very tough year," said Smith.

There was, however, some optimism about the future, with 20% of firms expecting an increase in work the next 12 months.

Heseltine urged to take construction from DOE to DTI

A LEADING industry figure this week called on new trade and industry secretary Michael Heseltine to take responsibility for the construction industry.

Trafalgar House chairman Sir Nigel Broackes, a personal friend of Heseltine, said construction should move with him from the DOE to the DTI. Responsibility for the inner cities was moved to the DTI this week.

"Construction should be

regarded as a central part of industry," said Sir Nigel. "Under Michael Heseltine the whole of industry will have a much higher profile."

Industry leaders also welcomed Heseltine's successor as environment secretary, Michael Howard, the former employment secretary.

Lord Rodgers, RIBA's director general, said "We have produced an

excellent housing policy. Our message to Michael Howard is 'we hope you will adopt it'."

A spokesman for the Chartered Institute of Building said of Howard, a former housing minister: "We are pleased to have somebody at the helm of the DOE who has previous responsibilities for employment and training."

Howard, aged 50, was first at the DOE in 1987 when he was appointed housing minister.