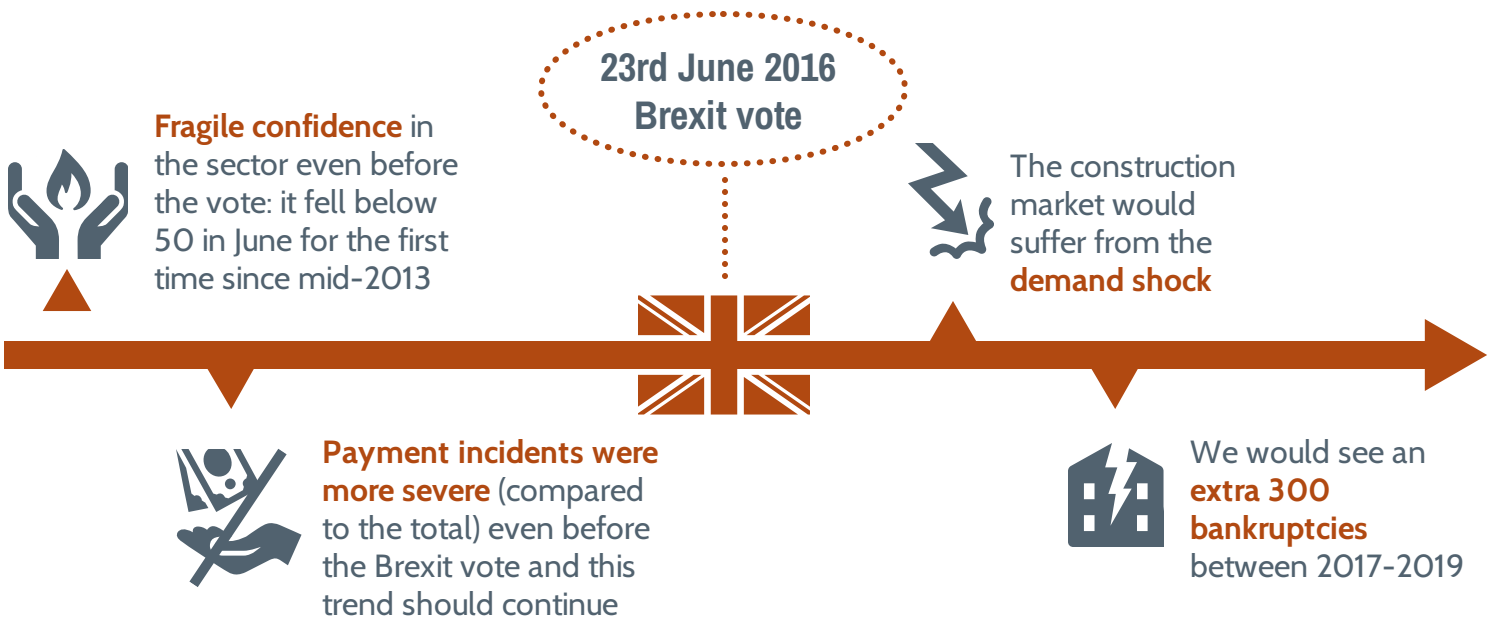


UK Construction Sector after Brexit



DETERIORATION OF PAYMENT BEHAVIOR SINCE MID- 2015



RESIDENTIAL MARKET

41%

- Residential prices have skyrocketed, especially in London while household indebtedness in the UK is the 2nd highest of G7 countries
- Surveys show price slowdown of new residential goods for sale while mortgage approvals for house purchases are fewer



COMMERCIAL PROPERTY MARKET

41%

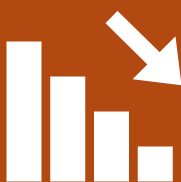
- Corporate credit availability in the commercial real estate sector has dropped significantly in Q2: -11,6 in Q2 2016 vs +4,6 in Q1 2016
- Lower cross-border investment and less liquidity as buyers and sellers will be on hold would trigger an increase in vacancies



CIVIL ENGINEERING

18%

- Risk of delay in terms of implementation of the National Infrastructure Plan (GBP 300 bn planned for 2016-2020)
- Downside risks stemming from lower Foreign Direct Investment inflows and limited budget levers notably if further fiscal easing for corporates will be implemented



Weakening of the sector confirmed by the last Volume Index of Production

With 2 consecutive months of decline, the trend is -1,5% year to year. Compared to the same quarter last year (Q2 2015), the drop reaches -4,7%.

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