economic & construction MARKET REVIEW

Barbour ABI

Building

DECEMBER 2013

Economic Context
Major announcements and developments in the UK economy this month.

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The Construction Sector
The main economic headlines in the construction industry this month.

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Sectors in Detail
A closer look at changes in the major sectors within the industry this month.

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ABOUT US

SPECIALIST PROVIDER OF CONSTRUCTION INTELLIGENCE

Barbour ABI

Barbour ABI is a leading provider of construction intelligence services. With a team of in-house research specialists and a dedicated lead economist, it provides commercially relevant insight and unique analysis of trends and developments within the building and construction industry. Barbour ABI is the chosen provider of industry data and indicators for Government bodies including the Office for National Statistics and the UK Government's Construction and Infrastructure Pipeline, which outlines future construction and infrastructure projects where public funding is agreed. Barbour ABI also provides data for independent organisations, such as the Construction Products Association.

Barbour ABI is part of global events-led marketing services and communications company, UBM.

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Michael is Barbour ABI's Lead Economist specialising in construction and the built environment. He leads on Barbour ABI's research and outputs on the construction sector assessing the trends and developments which impact upon it. Prior to this Michael worked for GVA Grimley as a Principal Economist focussing on the commercial property sector.

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ECONOMIC CONTEXT

IMPROVING SENTIMENT WITHIN THE UK ECONOMY

November was another strong month for the UK economy with the revised figures for UK GDP confirming growth in Q3 was 0.8% with expansion in the three major components of the economy.

These broad based improvements have given confidence that the recovery will be sustained into 2014 (see Fig. 1.1).

The Autumn Statement outlined the government's plans for the UK economy and included the updated forecasts for economic performance in the coming years. At the Budget in March 2013 the government's growth forecast for this year was 0.6% but this was upgraded to 1.4% in the Autumn Statement (see Fig. 1.2). Similarly, the forecasts for growth next year were upgraded from 1.8% to 2.4%.

Inflation forecasts were also reduced for 2013 from 2.8% to 2.6% (see Fig. 1.3), with the Office for Budget Responsibility (OBR) citing weaker than expected rises in prices for accommodation, airfares and financial services. The OBR's inflation target of 2.0% is still predicted to be met by 2016.

Average earnings are forecast to rise below the level of inflation this year with growth of 1.5% in 2013, although this is expected to be ahead of inflation in 2014 with a forecast rate of 2.6% (see Fig. 1.4). Longer term forecasts for average earnings growth were reduced in the Autumn Statement.

Component	2013 Q1 Growth	2013 Q2 Growth	2013 Q3 Growth
Production	0.5	0.8	0.6
Construction	-1.3	1.9	1.7
Services	0.6	0.6	0.7
Total GDP	0.4	0.7	0.8

Fig. 1.1 **Quarterly GDP Growth by Component** Source: ONS

Unemployment forecasts also improved in the Autumn Statement, with an estimate of 7.6% this year, compared to 7.9% in the March Budget (see Fig. 1.5). Crucially, unemployment is now forecast to be 7.0% in 2015 which, according to the Bank of England's Forward Guidance measure, is the rate which will trigger consideration of interest rate rises.

In addition to the improving outlook provided by the OBR this month a series of studies and barometers detected an improving economic environment including:

- **The closely watched PMI indicators for services, construction and manufacturing all recorded significant expansion in activity**
- **The FT/ICSA Bellwether Survey showed that more than half of FTSE 350 businesses plan to increase capital expenditure in 2014**
- **Inward investment levels in Britain for the first half of 2013 were the second highest in the world, second only behind China**

It is clear then that the UK economic outlook continued to improve in November with the Chancellor able to deliver good news in a Budget or Autumn Statement for the first time. However, there are still a number of underlying weaknesses in the UK economy particularly relating to productivity per worker and business investment levels which will continue to prove a drag on the scale and durability of economic growth in the coming years. The downside risks from the Eurozone, while lessening, still remain for the UK with growth weak and the risk of deflation in some countries. It is Barbour ABI's view that the near term outlook for the UK economy has improved but fundamental issues of the output gap and low levels of business investment will impact the long term prospects for growth. The improvements in both of these measures will be closely watched in 2014 as they will have a major impact on economic growth potential for the UK.

GDP	2012	2013	2014	2015	2016	2017	2018
Budget 2013	0.2	0.6	1.8	2.3	2.7	2.8	
Autumn Statement	0.1	1.4	2.4	2.2	2.6	2.7	2.7

Fig. 1.2 **Ecomonic Performance Forecasts** Source: OBR

CPI (Inflation)	2012	2013	2014	2015	2016	2017	2018
Budget 2013	2.8	2.8	2.4	2.1	2.0	2.0	
Autumn Statement	2.8	2.6	2.3	2.1	2.0	2.0	2.0

Fig. 1.3 **Inflation Forecasts** Source: OBR

Average Earnings	2012	2013	2014	2015	2016	2017	2018
Budget 2013	2.0	1.5	2.8	3.7	3.9	4.0	
Autumn Statement	2.0	1.5	2.6	3.3	3.5	3.7	3.8

Fig. 1.4 **Average Earnings Forecasts** Source: OBR

Unemployment Rate	2012	2013	2014	2015	2016	2017	2018
Budget 2013	7.9	7.9	8.0	7.9	7.5	6.9	
Autumn Statement	7.9	7.6	7.1	7.0	6.6	6.1	5.6

Fig. 1.5 **Unemployment Forecasts** Source: OBR

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THE CONSTRUCTION SECTOR
RECENT STRONG GROWTH IN THE SECTOR CONTINUED

The latest figures from the ONS show that the construction sector in the UK grew by 2.2% between September and October 2013. Comparing output levels with October 2012 shows an increase of 5.3%.

This is a significant upward revision to the construction output figures and, according to the ONS, will result in UK GDP growth figures increasing by 0.1% in Q1 and Q3 2013. It is further evidence of the improving performance of the sector and its impact on wider economic growth.

It is clear that the housing and commercial sectors are driving growth within the industry (see Fig. 2.1). Private Housing increased by 5.7% between September and October 2013 and 19.1% from the corresponding month in 2012. Similarly, Private Commercial showed a 7% monthly increase and 8.7% yearly change. There was also a notable jump in infrastructure between September and October 2013 though it is still -2.8% below the levels recorded in October 2012.

	% change	
	Oct 12 – Oct 13	Sep – Oct 13
Total All Work	**5.3**	**2.2**
All New Work	**5.1**	**2.4**
Public Housing	16.8	6.3
Private Housing	19.1	5.7
Infrastructure	-2.8	7.5
Public (ex Infrastructure)	-6.8	-5.7
Private Industrial	-26	-5.8
Private Commercial	8.7	7.0
Repairs & Maintenance	**0.8**	**0.8**
Public Housing	-5.1	1.5
Private Housing	5.6	-0.8
Non-Housing	9.3	3.9

Fig. 2.1 **Activity in the Construction Sector** Source: ONS

The ONS/Barbour ABI New Orders for Q3 2013 (see Fig. 2.2) showed that total order levels declined slightly by -0.2% between Q2 and Q3 2013 but were 17.8% higher than a year ago. The housing, infrastructure, industrial and commercial sectors all increased from Q3 2012. This data, combined with the latest ONS output figures, provide a further indication of the improving outlook for the construction sector.

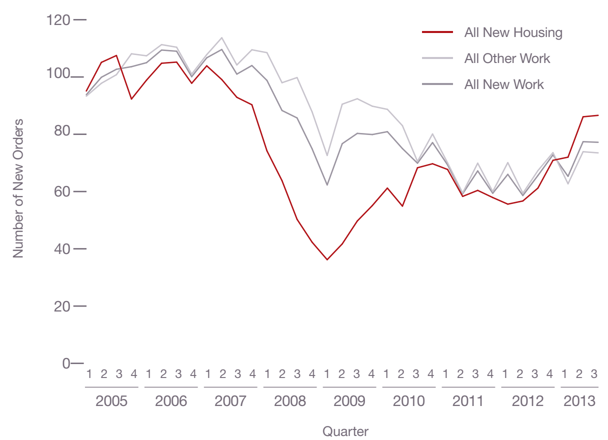

Fig. 2.2 **Construction New Orders** Source: Barbour ABI

Other evidence of the improved picture for construction is provided by the Markit/CIPS PMI, a leading indicator which often translates to economic output in the future months. In November the PMI indicator grew at its fastest pace since August 2007.

The CPA/Barbour ABI Index (see Fig. 2.3) which measures the level of contracts awarded using January 2010 as its base month recorded a reading of 125 for November supporting the view that activity in the industry remains strong. As well as Private Housing, contracts awarded for commercial offices and retail also rose significantly over the last three months. Given that the commercial sector is the largest part of construction this suggests an improving outlook for the construction industry overall.

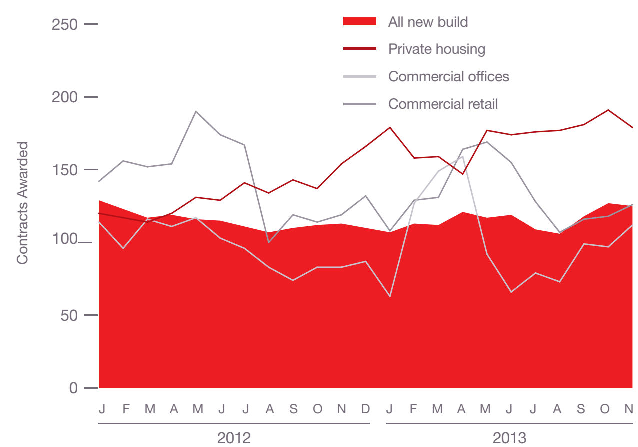

Fig. 2.3 **Contracts Awarded** Source: CPA/Barbour ABI

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As well as the official data and market indicators, the National Infrastructure Plan was also released in the last month which detailed the government's key investment priorities for construction, providing an indication of future spending in the sector. The NIP provided:

- **An update on the progress of the top 40 infrastructure projects in the UK**
- **Confirmation that pension funds will invest £25 bn in infrastructure projects over the next five years**
- **Confirmation of 'strike prices' for renewable energy projects until 2019**
- **Details of the A14 project which confirms it will be publically funded with construction starting in 2016**
- **Details of the agreements with Hitachi and Horizon to strike a deal by 2016 to provide a nuclear power plant at Wylfa**

Details of the projects announced in the National Infrastructure Plan are available from the Government Construction and Infrastructure Pipeline, provided by Barbour ABI, at **www.uk-cip.org.uk**

> "The number of construction projects within the UK was down slightly on October 2013.

Construction Products Association (CPA) Forecasts

The improved statistics and sentiment surrounding the construction industry has led to an upgrading in forecasts for its future performance by the CPA Forecasts. While current forecasts (see Fig. 2.4) suggest that the industry will contract slightly this year, this is likely to be revised upwards given the recent official data. Growth of 2.7% and 4.6% is forecast for 2014 and 2015, driven primarily by a continued increase in the levels of private house building.

While this is welcome news for the industry it is important to note that it will be 2017 before the industry exceeds the levels of activity occurring in 2007 before the recession took hold.

	Total Output		New Work Output		Repair & Maintenance	
	Output	Growth	Output	Growth	Output	Growth
2011	120,097	2.3%	76,778	2.5%	43,319	2.0%
2012	110,612	-7.9%	67,996	-11.4%	42,616	-1.6%
2013 (e)	110,092	-0.5%	67,535	-0.7%	42,556	-0.1%
2014 (f)	113,050	2.7%	69,637	3.1%	43,413	2.0%
2015 (f)	118,288	4.6%	73,698	5.8%	44,590	2.7%
2016 (p)	124,377	5.1%	78,590	6.6%	45,787	2.7%
2017 (p)	130,472	4.9%	83,288	6.0%	47,183	3.0%

Fig. 2.4 **Future Performance Forecasts** Source: Construction Products Association

Construction Sector

According to Barbour ABI data on all contract activity, November saw a continuation of the recent strong performance in the construction industry with the value of new contracts awarded at £6.1 billion, based on a three month rolling average (See Fig. 2.5). This is an increase of 6.8% on October and a 56.5% increase on the value recorded in November 2012, an indication of significant upturn in construction activity in the UK. The number of construction projects within the UK in November was down slightly on October 2013, with a -1.4% decrease recorded but this is still 36.2% higher than November 2012.

Fig. 2.5 **Construction Activity** Source: Barbour ABI

> "Continuation of the recent strong performance in the construction industry.

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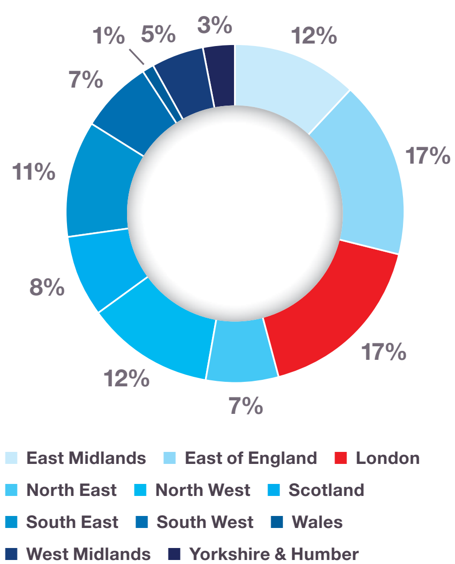
Project Locations

The majority of the contracts awarded in November by value were in London and East of England, each with 17% of the UK total (see Fig. 2.6). The North West and East Midlands were the next highest each accounting for 12% of the total. The South East was another strong performer with 11% of the value of contracts awarded.

Types of Project

Infrastructure had the highest proportion of contracts awarded by value in November with 37% of the total (see Fig. 2.7). This is largely attributable to the two Siemens projects in Spalding, Essex and Coryton, East Midlands to develop gas fired power plants. Contracts awarded in the residential sector remain high with 27% of the contracts awarded in November. Of the remaining sectors Commercial & Retail (10%), Education (10%) and Industrial (9%) were the most significant.

> Infrastructure had the highest proportion of contracts awarded by value.



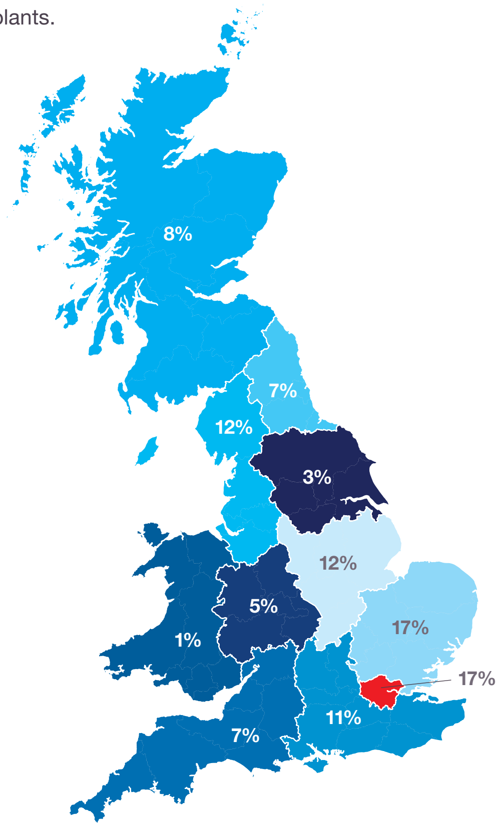


Fig. 2.6 **Locations of Contracts Awarded** Source: Barbour ABI

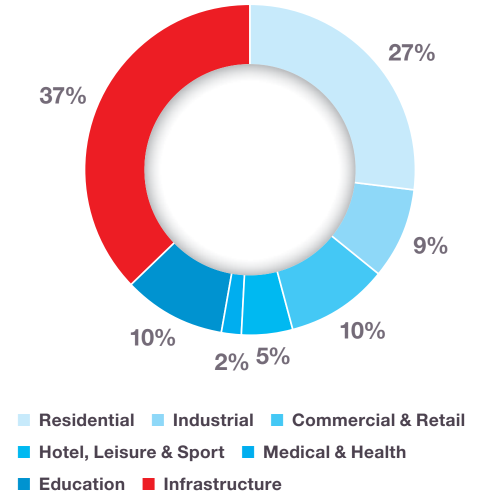


Fig. 2.7 **Types of Project** Source: Barbour ABI

PROJECTS IN FOCUS THIS MONTH

Take a look at these construction projects in focus this month. Click on one of the projects below to skip to that page.

Brewery Square

A6 to Manchester Airport Relief Road

Reading Central – Forbury Place

Chester Theatre

Aberdeen Energy Park Expansion

Monklands District General Hospital – Radiotheraphy Centre

Sheffield Hallam University – Charles Street Project

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RESIDENTIAL
STRONG GROWTH CONTINUES IN NOVEMBER

The residential sector experienced high levels of activity in November with contract award values remaining strong.

Activity in the residential sector remained strong in November with a total value of contract awards of £1.89 billion, based on a three month rolling average (see Fig. 3.1). This is a slight drop of -2% compared to October but is 92.2% higher than November 2012, indicating the sharp upturn in activity experienced in the sector over the last 12 months. The levels of new orders in residential increased significantly in the first 6 months of this year, and while they dipped over July and August, the higher values of contracts awarded have returned in October and November.

Help to Buy Scheme

As noted in last month's Economic & Construction Market Review the Help to Buy Scheme is clearly having a strong impact on this sector and the second phase of the scheme is now active. Phase 2 is the mortgage guarantee which allows the purchaser to take a mortgage of up to 95% with the government acting as guarantor to the lender. Importantly this second phase applies to existing and new homes. It was announced in the Autumn Statement that two new lenders would be joining the scheme this year, Virgin Money and Aldermore. This will bring the total to seven lenders, with Barclays, HSBC, RBS/Natwest, Santander and Halifax all either involved or set to join in the coming months.

In addition the Autumn Statement announced a number of initiatives to boost the residential market. These were focussed on the supply side, although the full details for most of the schemes are still to be announced. The initiatives included:

- **Capital Gains Tax is now to be levied on non-UK residents selling UK property from 2015**
- **£1 billion loan guarantees over five years to fund infrastructure on stalled housing developments**
- **Local authorities' Housing Revenue Account (HRA) borrowing limit raised by £300 million**
- **Local authorities to sell 'expensive' social housing when empty**
- **£100 million to increase Right to Buy sales to help fund affordable housing**

Projects by region

As expected, it is London that is the main location of activity in this sector, accounting for 17.1% of the value of contracts awarded this month, an increase of 7.8% from the same month last year (see Fig. 3.2 & 3.3). The North West was the other major location of residential development by value in November accounting for 16.1% of contracts awarded, a 4.3% increase since the corresponding month last year. The South East was also prominent with 12.7% of the contracts awarded by value, although this was a -6.4% decrease from November 2012.

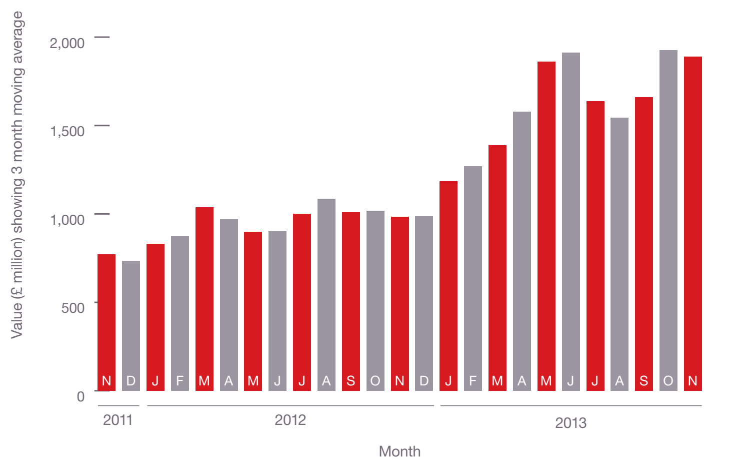

Fig. 3.1 **Project Value showing 3 month moving average** Source: Barbour ABI

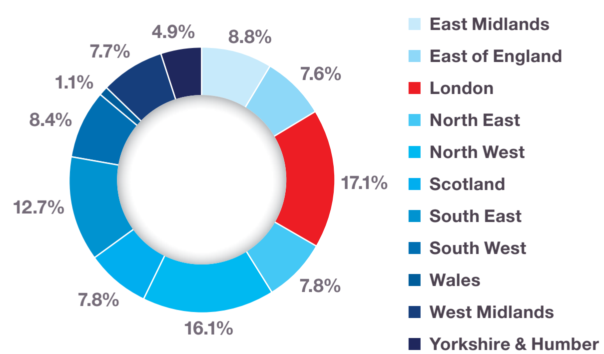

Fig. 3.2 **Value of Contracts by Region** Source: Barbour ABI

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The map and figures show how the activity has changed since November 2012

		+2.4%	Scotland
+0.6%	East Midlands	-6.4%	South East
+3.0%	East of England	-3.8%	South West
+7.8%	London *HOTTEST REGION*	-8.1%	Wales
+2.1%	North East	-2.7%	West Midlands
+4.3%	North West	+0.7%	Yorkshire & Humber

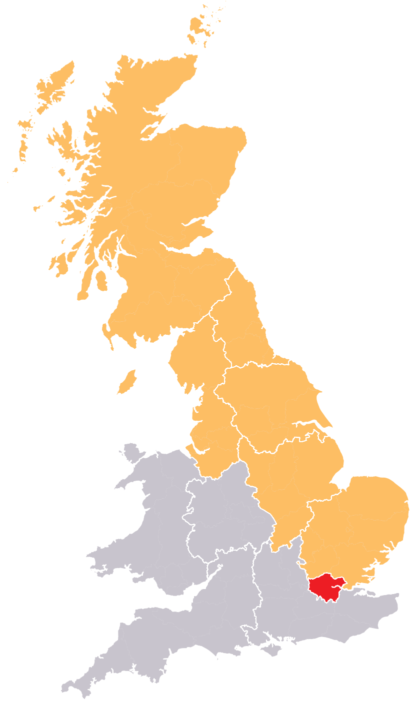


Fig. 3.3 **Change of Activity by Region** *(since last year)* Source: Barbour ABI

	2011 Actual	2012 Actual	2013 Estimate	2014 Forecast	2015 Forecast	2016 Prediction	2017 Prediction
Private New Housing							
Output	16,186	15,646	16,741	17,913	19,167	21,084	22,770
Growth	9.1%	-3.3%	7.0%	7.0%	7.0%	10.0%	8.0%
Private Housing RM&I							
Output	14,538	13,698	13,972	14,465	15,044	15,646	16,428
Growth	0.9%	-5.8%	2.0%	3.5%	4.0%	4.0%	5.0%
Public New Housing							
Output	4,998	4,159	4,201	4,117	4,240	4,410	4,586
Growth	2.1%	-16.8%	1.0%	-2.0%	3.0%	4.0%	4.0%
Public Housing RM&I							
Output	7,227	7,290	6,926	7,020	7,154	7,195	7,227
Growth	-8.2%	0.9%	-5.0%	1.4%	1.9%	0.6%	0.4%

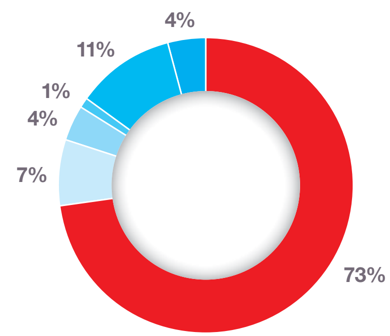
Fig. 3.4 **Sector Forecasts** Source: Construction Products Association

Types of project

The types of projects awarded in the residential sector were dominated by private housing which accounted for 73% of residential contracts (see Fig. 3.5). While this is a decrease of -8% from November 2012 it is still by far the highest proportion. Housing Association and Local Authority contracts were 7% and 4% of the total value awarded which, while still low, is 2% higher than this time last year.

Outlook

The CPA Forecasts for the sector (see Fig. 3.4) shows that Private Housing is set to continue its growth levels for both new build and repair & maintenance this year and into 2014 and beyond. This is largely attributable to the impact of Help to Buy and other measures designed to boost the private housing sector. Public Housing is set to stay relatively stable but will increase slightly after 2014 once investment in the sector returns.



- Private Housing
- Housing Association
- Local Authority
- Sheltered Housing
- Hostels / Halls of Res. / Barracks
- Elderly Persons / Childrens Homes

Arrows indicate change since November last year

Fig. 3.5 **Types of Projects Awarded** Source: Barbour ABI

PROJECT IN FOCUS

Brewery Square

£30,000,000

Dorset

Contract / Detail Approval

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TOP TEN Key Clients

November – December

Rank	Company Name	Address	Telephone	Fax	Awards	Value (£M)
1	Barratt Homes	Barratt House, Cartwright Way, Coalville, Leicestershire, LE67 1UF	01530 278278	01530 278279	178	4379
2	Taylor Wimpey	Gate House, High Wycombe, Buckinghamshire, HP12 3NR	01494 558323		164	3552
3	Persimmon Homes Limited	Persimmon House, York, North Yorkshire, YO19 4FE	01904 642199	01904 610014	180	2588
4	Berkeley Group Plc / St James Group	Berkeley House, Cobham, Surrey, KT11 1JG			20	1169
5	Bovis Homes Limited (South East Region)	The Manor House, North Ash Road, Longfield, Kent, DA3 8HQ	01474 872427 (CTPS)	01474 873849 (FPS)	52	1089
6	Homes & Communities Agency	Arpley House, Warrington, Cheshire, WA3 7QH	01925 651144	01925 644745	19	971
7	Bellway Plc	Seaton Burn House, Dudley Lane, Newcastle Upon Tyne, Tyne And Wear, NE13 6BE	0191 217 0717 / 678 9980	0191 236 6230 (FPS)	83	881
8	St Modwen Developments Plc	Sir Stanley Clarke House, Birmingham, West Midlands, B32 1AF	0121 222 9400 (CTPS)	0121 222 9401	13	848
9	Fairfield Partnership	Chells Manor, Stevenage, Hertfordshire, SG2 7AA	01438 311411	01438 311413 (FPS)	2	753
10	Miller Construction Limited	Miller House, 2 Lockside View, Edinburgh, Lothian, EH12 9DH	0870 336 5000	0870 336 5315	37	499

TOP TEN Key Architects

November – December

Rank	Company Name	Address	Telephone	Fax	Awards	Value (£M)
1	Barratt Homes	Barratt House, Cartwright Way, Coalville, Leicestershire, LE67 1UF	01530 278278	01530 278279	45	1367
2	Allies & Morrison Urban Practitioners	85 Southwark Street, Southwark, London, SE1 0HX	020 7921 0100	020 7921 0101	10	1274
3	RPS Group Plc	20 Milton Park, Abingdon, Oxfordshire, OX14 4SH	01235 438000	01235 864451 (FPS)	21	924
4	Barton Willmore	Beansheaf House, Reading, Berkshire, RG31 7BW	0118 943 0000 (CTPS)	0118 943 0001	29	782
5	PRP Architects	Ferry Works, Thames Ditton, Surrey, KT7 0QJ	020 8339 3600	020 8481 8111	40	640
6	KRT Associates	Rushall House, Stafford, Staffordshire, ST19 9DS	01902 851641 (CTPS)	01902 851642 (FPS)	4	615
7	Persimmon Homes Limited	Persimmon House, York, North Yorkshire, YO19 4FE	01904 642199	01904 610014	61	610
8	Thompson & Partners Limited	23-25 Great Sutton Street, City, London, EC1V 0DN	020 7017 1780	020 7017 1781	26	490
9	LDA Design	Worton Rectory Park, Oxford, Oxfordshire, OX29 4SX	01865 887050 (TPS)	01865 887055 (FPS)	2	473
10	Simpson Architects Limited	Commercial Wharf, Manchester, Greater Manchester, M15 4RQ	0161 835 2345 (CTPS)	0161 839 4808 (FPS)	2	465

TOP TEN Key Contractors

November – December

Rank	Company Name	Address	Telephone	Fax	Awards	Value (£M)
1	Barratt Homes	Barratt House, Cartwright Way, Coalville, Leicestershire, LE67 1UF	01530 278278	01530 278279	199	5213
2	Taylor Wimpey	Gate House, High Wycombe, Buckinghamshire, HP12 3NR	01494 558323		164	3262
3	Persimmon Homes Limited	Persimmon House, York, North Yorkshire, YO19 4FE	01904 642199	01904 610014	186	2459
4	Bellway Plc	Seaton Burn House, Dudley Lane, Newcastle Upon Tyne, Tyne And Wear, NE13 6BE	0191 217 0717 / 678 9980	0191 236 6230 (FPS)	83	920
5	Berkeley Group Plc / St James Group	Berkeley House, Cobham, Surrey, KT11 1JG			15	826
6	Bovis Homes Limited (South East Region)	The Manor House, North Ash Road, Longfield, Kent, DA3 8HQ	01474 872427 (CTPS)	01474 873849 (FPS)	50	690
7	Countryside Properties (UK) Limited	Countryside House, The Drive, Brentwood, Essex, CM13 3AT	01277 260000	01277 697400 / 697498	32	676
8	Galliford Try Construction South	2 Cowley Business Park, Uxbridge, Middlesex, UB8 2AD	01895 855000	01895 855099	67	612
9	Redrow Group Plc	Redrow House, Deeside, Clwyd, CH5 3RX	01244 520044	01244 520580	49	587
10	Balfour Beatty Group Limited	130 Wilton Road, Westminster, London, SW1V 1LQ	020 7216 6800	020 7216 6950	29	580

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INFRASTRUCTURE MAINTAINS ITS MOMENTUM

The Infrastructure sector continued its recent increase in the value of contracts awarded this month, with a 16.2% increase on last month.

The recent increase in the value of contracts awarded in the infrastructure sector continued in November with the total value awarded £1.97 billion based on a three month rolling average (see Fig. 4.1). This is 16.2% higher than the previous month and 55.6% higher than November 2012. In the three months to November the total value of contract awards was £5.1 billion based on a three month rolling average. This is 50.2% higher than the previous three months and 44.7% higher than the same period of 2012. This indicates the stronger performance of the infrastructure sector this year and, as a major contributor to construction, is potentially good news for its future growth.

Projects by region

The main location of infrastructure projects this month was the East of England with 29.5% of the total value, an increase of 23% from November 2012 (see Fig. 4.2 & Fig. 4.4). East Midlands was the other significant location with 22.6% of the value of projects a 20.3% increase since November 2012. The high proportions in these regions are largely attributable to the Siemens power plants in Coryton and Spalding which were awarded this month. The South West experienced the biggest fall in activity levels this month with a decrease of -28.8% in the share of infrastructure projects compared to November 2012.

Types of project

Utilities projects dominated the infrastructure projects in November 2013 (see Fig. 4.3) accounting for 79% of the total value which is again due to the Siemens power plant projects in Spalding and Coryton which were awarded this month and are due to start in 2015.

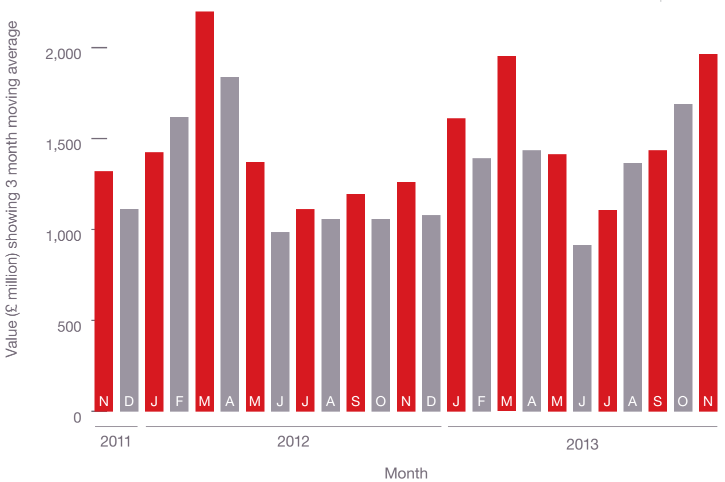

Fig. 4.1 **Project Value showing 3 month moving average** Source: Barbour ABI

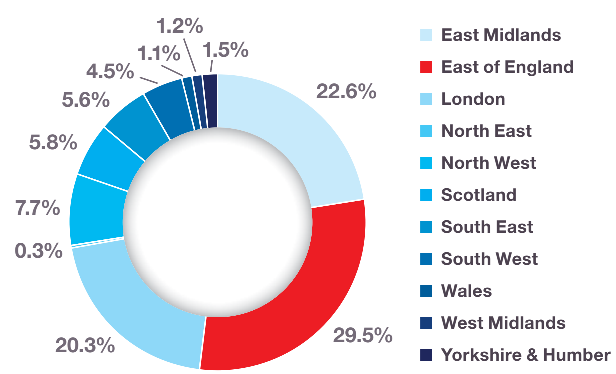

Fig. 4.2 **Value of Contracts by Region** Source: Barbour ABI

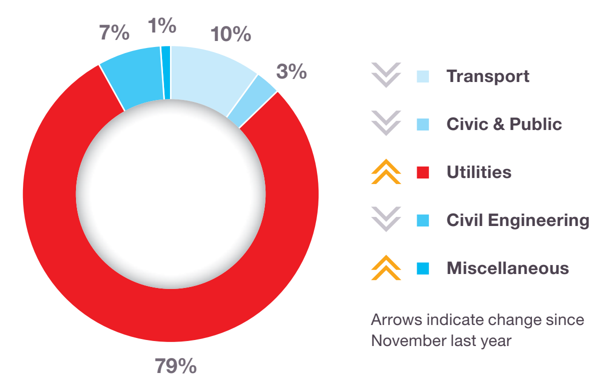

Fig. 4.3 **Types of Projects Awarded** Source: Barbour ABI

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The map and figures show how the activity has changed since November 2012

+0.5%	Scotland		
+20.3%	East Midlands	-9.0%	South East
+23.0%	East of England *HOTTEST REGION*	-28.8%	South West
+6.5%	London	-0.8%	Wales
-17.3%	North East	-1.1%	West Midlands
+5.4%	North West	+1.1%	Yorkshire & Humber

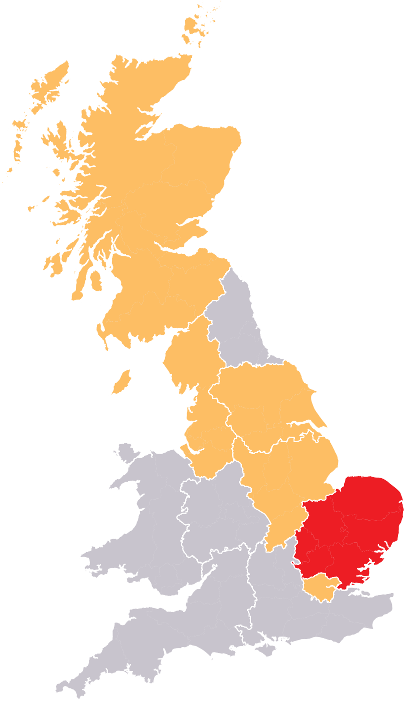

Fig. 4.4 **Change of Activity by Region** *(since last year)* Source: Barbour ABI

	2011 Actual	2012 Actual	2013 Estimate	2014 Forecast	2015 Forecast	2016 Prediction	2017 Prediction
Output	14,705	12,832	13,198	14,171	15,352	16,822	18,123
Growth	8.6%	-12.7%	2.9%	7.4%	8.3%	9.6%	7.7%

Fig. 4.5 **Sector Forecasts** Source: Construction Products Association

Outlook

The National Infrastructure Plan updated the top 40 infrastructure projects within the UK and continues to provide a potential boost to the infrastructure sector. Most significant was the potential for private pension funds to help deliver infrastructure projects as well as a series of renewable energy deals and confirmation that the A14 project will now be publically funded. The CPA Forecasts for the sector (see Fig. 4.5) predict modest growth of 2.9% this year rising to 7.4% in 2014 largely in line with the expectations of further government investment in major infrastructure projects. The increase in new orders recorded by Barbour ABI so far in 2013 suggest growth rates of 7.4% are higher are possible in 2014.

PROJECT IN FOCUS

A6 to Manchester Airport Relief Road £100,000,000

County	Cheshire
Primary Category Sector	Infrastructure
Government Region	North West
Start Date	October 2014
End Date	June 2017
Contract Award Date	November 2013
Funding	Public
Stage	Detailed Planning/Contract Confirmed

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TOP TEN Key Clients
November – December

Rank	Company Name	Address	Telephone	Fax	Awards	Value (£M)
1	EDF Energy	40 Grosvenor Place, Westminster, London, SW1X 7EN	020 7242 9050	020 7331 3108 (FPS)	3	4015
2	Department for Transport (DfT)	Great Minster House, Westminster, London, SW1P 4DR	0300 330 3000		2	1120
3	Network Rail Infrastructure Limited	Kings Place, Islington, London, N1 9AG	020 7557 8000	020 3356 9245 (FPS)	86	1067
4	Sellafield Limited (AMEC)	Sellafield Sites, Seascale, Cumbria, CA20 1PG	01946 728333 (CTPS)	01946 728987	1	935
5	Highways Agency	123 Buckingham Palace Road, Westminster, London, SW1W 9HA	08459 55 65 75		56	791
6	Crossrail Limited	25 Canada Square, Poplar, London, E14 5LQ	020 3229 9100	020 7719 0955	10	779
7	E.ON Limited	Newstead Court, Little Oak Drive, Nottingham, Nottinghamshire, NG15 0DR	024 7618 1684	0115 906 2580	1	700
8	Gateway Energy Centre Limited	Manorway, Stanford Le Hope, Essex, SS17 9PD	0800 169 5290		1	600
9	Intergen Limited	81 George Street, Edinburgh, Lothian, EH2 3ES	0131 624 7500	0131 624 7550	1	600
10	Transport for London	Albany House, Ninth Floor, Westminster, London, SW1H 9EA	020 7222 5600		12	559

TOP TEN Key Architects
November – December

Rank	Company Name	Address	Telephone	Fax	Awards	Value (£M)
1	Studio E Architects Limited	Palace Wharf, Chiswick, London, W6 9HN	020 7385 7126	020 7381 4995	2	615
2	HLN Architects	21-22 Neptune Court, Cardiff, South Glamorgan, CF24 5PJ	029 2039 8611	029 2037 4690 (FPS)	1	400
3	WA Fairhurst & Partners	225 Bath Street, Glasgow, Strathclyde, G2 4GZ	0141 204 8800	0141 204 8801	2	370
4	Wilkinson Eyre Architects	33 Bowling Green Lane, City, London, EC1R 0BJ	020 7608 7900	020 7608 7901	3	353
5	Austin Smith Lord	Port Of Liverpool Building, Liverpool, Merseyside, L3 1BY	0151 227 1083	0151 258 1448	4	215
6	Heatherwick Studio	356-364 Grays' Inn Road, Westminster, London, WC1X 8BH	020 7833 8800 (CTPS) (TPS)	020 7833 8400	1	200
7	RPS Group Plc	20 Milton Park, Abingdon, Oxfordshire, OX14 4SH	01235 438000	01235 864451 (FPS)	3	187
8	Hyder Consulting UK Limited	Manning House, Westminster, London, SW1P 1JA	020 3014 9000 (CTPS)	020 7828 8428	1	177
9	URS Global	Scott House, Basingstoke, Hampshire, RG21 7PP	01256 310200	01256 310201 (FPS)	4	164
10	ADF Architects	23 Blythswood Square, Glasgow, Strathclyde, G2 4BG	0141 226 8010 (TPS)	0141 429 8773	1	154

TOP TEN Key Contractors
November – December

Rank	Company Name	Address	Telephone	Fax	Awards	Value (£M)
1	Amey Group	The Sherard Building, Edmund Halley Road, Oxford, Oxfordshire, OX4 4DQ	01865 713100	01865 713300	12	1473
2	Morgan Sindall Plc	Kent House, Westminster, London, W1W 8AJ	020 7307 9200	020 7307 9201	21	1146
3	Siemens Limited	Brunel House, Camberley, Surrey, GU16 8QD	01276 690000 (CTPS)	0870 850 8473	2	1100
4	Balfour Beatty Group Limited	130 Wilton Road, Westminster, London, SW1V 1LQ	020 7216 6800	020 7216 6950	101	969
5	Costain Limited	Vanwall Business Park, Maidenhead, Berkshire, SL6 4UB	01628 842444	01628 674477	18	913
6	Alstom Hydro Limited	Newbold Road, Rugby, Warwickshire, CV21 2NH	01788 577111 (TPS)	01788 531 700 (FPS)	1	401
7	VolkerWessels UK Limited	Hertford Road, Hoddesdon, Hertfordshire, EN11 9BX	01992 305000	01992 305001	17	382
8	Lagan Group	21-23 Sydenham Road, Belfast, Northern Ireland, BT3 9HA	028 9026 1000	028 9026 1010	2	353
9	Ferrovial Agroman, S. A.	Calle Ribera del Loira 42 Campo de las Naciones, Madrid, Spain, 28042	0034 91 300 85 43	0034 91 300 89 61	1	350
10	Skanska	29 Wilson Street, City, London, EC2M 2SJ	020 7628 6099		8	340

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COMMERCIAL & RETAIL
FURTHER GROWTH IN COMMERCIAL CONTRACTS

The Commercial & Retail sector performed well again this month after a fall in the levels of new orders over the summer, with a 7.3% increase from October.

The value of contracts awarded in the Commercial & Retail market was £771 million in November based on a three month rolling average (see Fig. 5.1). This is a 7.3% increase from October and a 70.4% increase from the November 2012 figure. In the three months to November the value of contracts was 9.1% above the previous three months and 46.2% higher than the same period in 2012. This suggests a much stronger finish to this year in the sector than in 2012.

Projects by region

The South East was the main location of activity in the sector this month with 26.8% of the value of all contracts awarded, a 17.1% increase since November 2012 (see Fig. 5.2 & 5.4). The projects contributing to this increase were the Northern Retail Quarter in Bracknell and the Forbury Place office development in Reading. London was the next most significant location of activity accounting for 21.1% of contract value though this was a -9.6% decrease from the corresponding month last year. The North West and the East of England were the two other regions of note and were the locations for 12.9% and 10% of the value of contracts awarded in November respectively.

Types of project

It is offices which were the dominant type of project in the sector accounting for 61% of the value of contracts awarded in November 2013 (see Fig. 5.3), a 14% increase on November 2012. General retailing is the other significant sector with 33% of contract award value, 4% higher than November 2012.

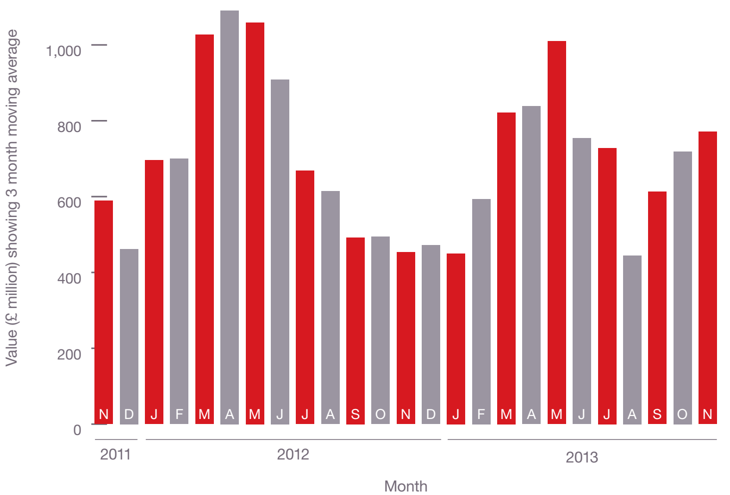

Fig. 5.1 **Project Value showing 3 month moving average** Source: Barbour ABI

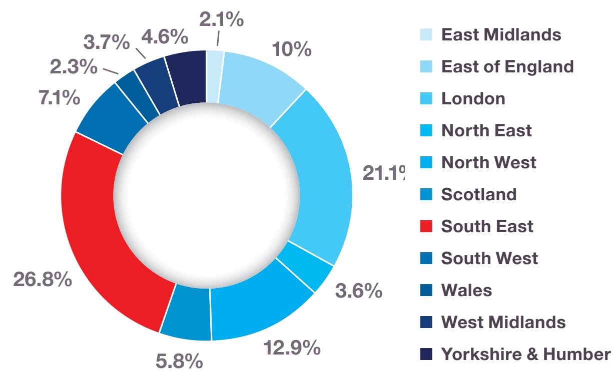

Fig. 5.2 **Value of Contracts by Region** Source: Barbour ABI

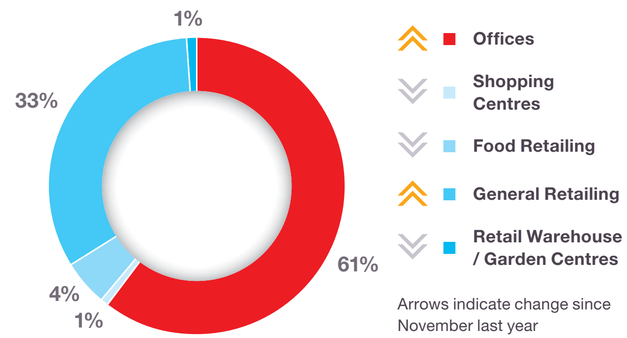

Fig. 5.3 **Types of Projects Awarded** Source: Barbour ABI

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The map and figures show how the activity has changed since November 2012			-3.9%	Scotland
-1.2%	East Midlands		+17.1%	South East *HOTTEST REGION*
-10.5%	East of England		+1.8%	South West
-9.6%	London		+0.5%	Wales
+2.6%	North East		-7.3%	West Midlands
+9.3%	North West		+1.3%	Yorkshire & Humber

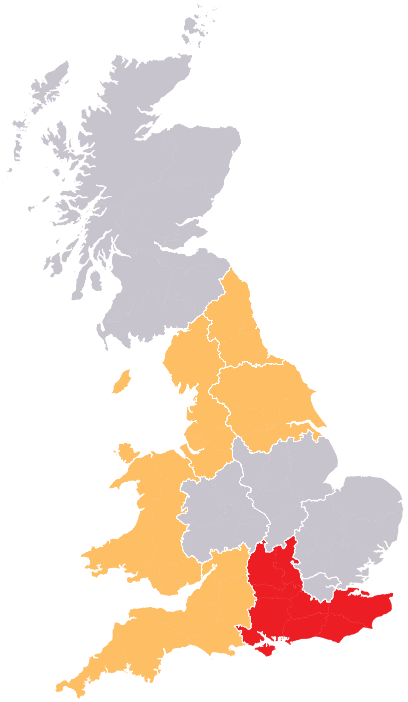

Fig. 5.4 **Change of Activity by Region** *(since last year)* Source: Barbour ABI

	2011 Actual	2012 Actual	2013 Estimate	2014 Forecast	2015 Forecast	2016 Prediction	2017 Prediction
Output	24,296	21,474	20,659	20,742	21,922	22,878	23,999
Growth	2.5%	-11.6%	-3.8%	0.4%	5.7%	4.4%	4.9%

Fig. 5.5 **Sector Forecasts** Source: Construction Products Association

Outlook

The CPA Forecasts for the sector (see Fig. 5.5) shows that after a poor year in 2013, where output is forecast to decline by 3.8%, a small increase in output is expected in 2014 with growth returning strongly in 2015 with offices and retail set to expand significantly. It is Barbour ABI's view that levels of output may be revised upwards for the sector as the levels of orders for commercial offices in particular have increased in recent months and this should have positive consequences next year and beyond.

PROJECT IN FOCUS

Reading Central – Forbury Place £50,000,000

County	Berkshire
Primary Category Sector	Commercial & Retail
Government Region	South East
Start Date	February 2014
End Date	August 2015
Contract Award Date	November 2013
Funding	Private
Stage	Contract/Detail Approval

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FURTHER GROWTH IN COMMERCIAL CONTRACTS

TOP TEN Key Clients
November – December

Rank	Company Name	Address	Telephone	Fax	Awards	Value (£M)
1	Land Securities Group	5 The Strand, Westminster, London, WC2N 5HR	020 7413 9000 (CTPS)	020 7024 5007	8	678
2	W R Berkley Insurance (Europe) Limited	2nd Floor, 40 Lime Street, City, London, EC3M 7AW	020 7280 9000	020 7280 9090 (FPS)	1	500
3	Almacantar	3 Quebec Mews, City, London, W1H 7NX	020 7535 2900 (CTPS)		1	350
4	Oxford Properties	6 New Street Square, City, London, EC4A 3BF	020 7822 8300		2	350
5	Brookfield Office Properties	Brookfield Place New York, New York, 10281	001 212 417 7000		1	340
6	Westfield Shoppingtowns Limited	Level 6, Midcity Place, Westminster, London, WC1V 6EA	020 7061 1400	020 7061 1401 (FPS)	2	301
7	Google UK Limited	Belgrave House, Westminster, London, SW1W 9TQ	020 7031 3000 (TPS)	020 7031 3001	1	300
8	Derwent Holdings Limited	PO Box 1711, Port Erin, Isle of Man, IM99 1PL	01624 661662 (CTPS)		7	232
9	Crown Estate	16 New Burlington Place, Westminster, London, W1S 2HX	020 7851 5000		11	224
10	Tesco Stores Limited	New Tesco House, Waltham Cross, Hertfordshire, EN8 9SL	01992 632222	01992 644481	33	162

TOP TEN Key Architects
November – December

Rank	Company Name	Address	Telephone	Fax	Awards	Value (£M)
1	Kohn Pederson Fox (International) PA	7a Langley Street, Westminster, London, WC2H 9JA	020 3119 5300	020 7497 1175	3	502
2	Make Architects	13 Fitzroy Street, Westminster, London, W1T 4BQ	020 7636 5151	020 7636 5252 (FPS)	6	489
3	Allford Hall Monaghan Morris	2nd Floor, Block C, Morelands, City, London, EC1V 9HL	020 7251 5261	020 7251 5123 (FPS)	5	424
4	Mather Architects	123 Camden High Street, Camden Town, London, NW1 7JR	020 7284 1727 (TPS)	020 7267 7826 (FPS)	1	350
5	PLP Architecture	Carlow House, Camden Town, London, NW1 7LH	020 3006 3900	020 3006 3900	1	350
6	Conran & Partners	22 Shad Thames, Southwark, London, SE1 2YU	020 7403 8899	020 7357 0832 (FPS)	1	350
7	Hadfield Cawkwell Davidson	17 Broomgrove Road, Sheffield, South Yorkshire, S10 2LZ	0114 266 8181	0114 266 6246 (FPS)	10	330
8	Lynch Architects Limited	1 Amwell Street, Southwark, London, EC1R 1UL	020 7278 2553		2	310
9	AEW Architects & Designers Limited	The Zenith Building, Manchester, Greater Manchester, M2 1AB	0161 214 4370	0161 214 4371	9	246
10	Sheppard Robson	77 Parkway, Camden Town, London, NW1 7PU	020 7504 1700	020 7504 1701 (FPS)	4	218

TOP TEN Key Contractors
November – December

Rank	Company Name	Address	Telephone	Fax	Awards	Value (£M)
1	Skanska UK	Maple Cross House, Rickmansworth, Hertfordshire, WD3 9SW	01923 776666	01923 423900 (FPS)	8	606
2	ISG	Aldgate House, City, London, EC3N 1AG	020 7247 1717	020 7247 8656 (FPS)	88	493
3	Brookfield Multiplex Construction Europe Limited	99 Bishopsgate, City, London, EC2M 3XD	020 7659 3500	020 7659 3501	4	455
4	McAlpine Limited	Eaton Court, Hemel Hempstead, Hertfordshire, HP2 7TR	01442 233444	01442 243819 / 230024	8	398
5	Balfour Beatty Group Limited	130 Wilton Road, Westminster, London, SW1V 1LQ	020 7216 6800	020 7216 6950	15	364
6	Mace Limited	155 Moorgate, City, London, EC2M 6XB	020 3522 3000 (TPS)	020 7375 1606	13	288
7	Bowmer & Kirkland Limited	High Edge Court, Belper, Derbyshire, DE56 2BW	01773 853131	01773 856710	30	247
8	Morgan Sindall Plc	Kent House, Westminster, London, W1W 8AJ	020 7307 9200	020 7307 9201	51	224
9	McLaren Construction Limited	McLaren House, Brentwood, Essex, CM14 4EA	01277 205800	01277 205900 (FPS)	9	224
10	Kier Group PLC	Tempsford Hall, Sandy, Bedfordshire, SG19 2BD	01767 640111	01767 640002	18	127

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HOTEL, LEISURE & SPORT
SLIGHT FALL IN CONTRACTS IN NOVEMBER

The Hotel, Leisure & Sport sector continued its recent mixed performance with lower values of contracts awards in November but better performance overall compared to the previous quarter.

Contract award levels in the Hotel, Leisure & Sport sector were £428 million in November, based on a three month rolling average (see Fig. 6.1). This was -1% lower than October and -26.6% lower than November 2012. However in the three months to November the value of contracts was 29.6% higher than the previous three months, indicating an upturn activity in recent months. Overall value of contracts awarded are down by -15.1%% in the three months to November compared to the same period in 2012 painting a mixed picture for the sector overall.

Projects by region

November was a particularly strong month in this sector for London which was the location of 27.3% of the value of contracts awarded, albeit a decrease of -15% from November 2012 (see Fig. 6.2 & 6.4). The North West also performed strongly with 20.6% of contracts awarded occurring in the region, a 6.2% increase on the same period last year.

Types of project

Hotels are the major types of contracts awarded this month (see Fig. 6.3) at 40% of total value which, although dominant, is 17% lower than November 2012. The other major type of project awarded this month was audience/exhibition centres which equated to 29% of the total value, a 22% increase on November 2012.

> Contract award levels in the Hotel, Leisure & Sport sector were £428 million in November.

Fig. 6.1 **Project Value showing 3 month moving average** Source: Barbour ABI

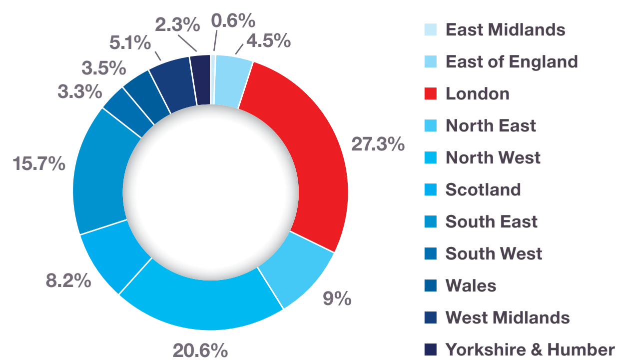

Fig. 6.2 **Value of Contracts by Region** Source: Barbour ABI

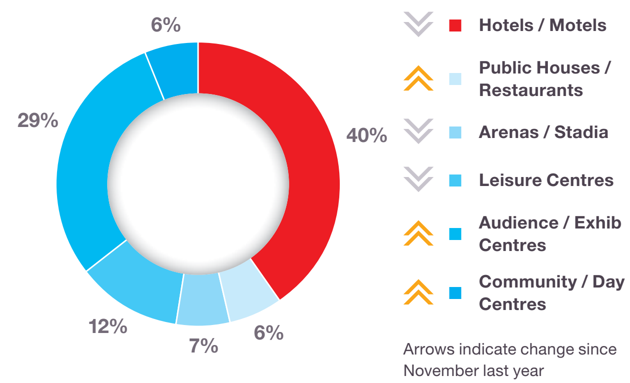

Fig. 6.3 **Types of Projects Awarded** Source: Barbour ABI

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The map and figures show how the activity has changed since November 2012

-1.1%	East Midlands	+2.8%	Scotland
+3.1%	East of England	+5.5%	South East
-15.0%	London	-4.6%	South West
+7.9%	North East *HOTTEST REGION*	+1.9%	Wales
+6.2%	North West	+2.2%	West Midlands
		-9.0%	Yorkshire & Humber

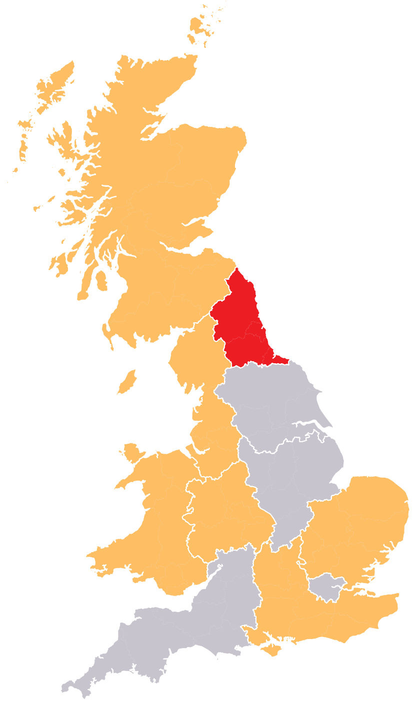

Fig. 6.4 **Change of Activity by Region** *(since last year)* Source: Barbour ABI

	2011 Actual	2012 Actual	2013 Estimate	2014 Forecast	2015 Forecast	2016 Prediction	2017 Prediction
Output	4,636	3,908	3,760	3,797	3,889	4,006	4,132
Growth	-2.7%	-15.7%	-3.8%	1.0%	2.4%	3.0%	3.1%

Fig. 6.5 **Sector Forecasts** Source: Construction Products Association

Outlook

Reflecting the slow start to the year for the entire construction industry the CPA Forecasts for the sector (see Fig. 6.5) shows that it will decline by 3.8% in 2013. A growth rate of 1.0% is forecast for 2014 with moderate growth of 3.0% per annum predicted to occur in 2016. Barbour ABI believes this forecast is likely to stay the same with some minor upwards revisions possible should wider economic growth increase.

PROJECT IN FOCUS

www.cheshirewestandchester.gov.uk

Chester Theatre
£40,000,000

County	Cheshire
Primary Category Sector	Hotel, Leisure & Sport
Government Region	North West
Start Date	February 2014
End Date	February 2016
Contract Award Date	November 2013
Funding	Mainly Public
Stage	Contract/Confirmed

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TOP TEN Key Clients

November – December

Rank	Company Name	Address	Telephone	Fax	Awards	Value (£M)
1	London Legacy Development Corporation	Level 10, 1 Stratford Place, Stratford, London, E20 1EJ	020 3288 1800		3	333
2	Cardiff County Council	County Hall, Cardiff, South Glamorgan, CF10 4UW	029 2087 2087	029 2087 3209	2	216
3	Warrington Borough Council	Newtown House, Warrington, Cheshire, WA1 2NH	01925 443322		3	201
4	Shelbourne Senior Living	9 Clifford Street, Westminster, London, W1S 2FT	020 7292 3626	01590 681657	1	150
5	Interserve Plc	Interserve House, Reading, Berkshire, RG10 9JU	0118 932 0123 (CTPS)	0118 932 0206 (FPS)	1	150
6	National Exhibition Centre Limited	Bickenhill Lane, Birmingham, West Midlands, B40 1PQ	0121 780 4141	0121 780 4120	2	144
7	Whitbread PLC	Whitbread Court, Dunstable, Bedfordshire, LU5 5XE	01582 499499	01582 474259	27	130
8	Essex County Cricket Club	New Writtle Street, Chelmsford, Essex, CM2 0PG	01245 252420 (CTPS)	01245 254030 (FPS)	1	100
9	Prime Investors Capital Limited	33 St James Square, Westminster, London, SW1Y 4JS	020 3178 4660		1	100
10	London Borough of Bromley	Civic Centre, Bromley, Kent, BR1 3UH	020 8464 3333	020 8313 4639	1	90

TOP TEN Key Architects

November – December

Rank	Company Name	Address	Telephone	Fax	Awards	Value (£M)
1	Scott Brownrigg Limited	St Catherines Court, Guildford, Surrey, GU2 4DU	01483 568686	01483 575830 (FPS)	2	216
2	Hole Architects	9th Floor, Croydon, Surrey, CR0 1JD	020 8662 4600		2	216
3	Comprehensive Design Architects	16 Moray Place, Edinburgh, Lothian, EH3 6DT	0131 225 1111 (CTPS) (TPS)	0131 220 0152	3	153
4	Sutherland Hussey Architects	122 Giles Street, Edinburgh, Lothian, EH6 6BZ	0131 553 4321 (CTPS)		1	150
5	Murphy Architects	The Breakfast Mission, Edinburgh, Lothian, EH1 1RW	0131 220 6125 (CTPS) (TPS)	0131 220 6781 (FPS)	1	150
6	Archial Group Plc	Tennyson House, Westminster, London, W1W 5PA		020 7580 6688	9	148
7	Bennett LLP	One America Street, Southwark, London, SE1 0NE	020 7208 2000	020 7208 2024 (FPS)	3	147
8	Chetwood Associates	12-13 Clerkenwell Green, City, London, EC1R 0QJ	020 7490 2400	020 7250 1916 (FPS)	1	120
9	Benoy Limited	Handley House, Newark, Nottinghamshire, NG24 1EH	01636 672356	01636 707513 (FPS)	1	120
10	Blair Associate Architecture Limited	88 Golden Lane, City, London, EC1Y 0UA	020 7490 4666		3	112

TOP TEN Key Contractors

November – December

Rank	Company Name	Address	Telephone	Fax	Awards	Value (£M)
1	Greenbank Partnership Limited	Greenbank House, Wigan, Lancashire, WN1 2LA	01942 740400		1	200
2	McLaren Construction Limited	McLaren House, Brentwood, Essex, CM14 4EA	01277 205800	01277 205900 (FPS)	8	198
3	Balfour Beatty Group Limited	130 Wilton Road, Westminster, London, SW1V 1LQ	020 7216 6800	020 7216 6950	8	163
4	Interserve Plc	Interserve House, Reading, Berkshire, RG10 9JU	0118 932 0123 (CTPS)	0118 932 0206 (FPS)	4	162
5	Kier Group PLC	Tempsford Hall, Sandy, Bedfordshire, SG19 2BD	01767 640111	01767 640002	4	147
6	Galliford Try Construction South	2 Cowley Business Park, Uxbridge, Middlesex, UB8 2AD	01895 855000	01895 855099	3	141
7	BAM Construction	Breakspear Park, Hemel Hempstead, Hertfordshire, HP2 4FL	01442 238300	01442 238301	9	124
8	Donban Contracting Limited	New Cork Road, Co.Cork, Ireland	0035 3238878260		1	120
9	Willmott Dixon Construction Limited	Spirella 2, Letchworth Garden City, Hertfordshire, SG6 4GY	01462 671852	01462 681852 (FPS)	12	97
10	Bowmer & Kirkland Limited	High Edge Court, Belper, Derbyshire, DE56 2BW	01773 853131	01773 856710	15	85

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INDUSTRIAL

GROWTH CONTINUES IN THE INDUSTRIAL SECTOR

After the poor start to the year, the Industrial sector continued its strong recent performance with monthly and yearly increases in contracts awarded.

Activity in the industrial sector continued its recent rise with the value of contracts awarded in November of £464 million, based on a rolling three month average (see Fig. 7.1). This is an increase of 12.9% on the value in October and 178.3% above the corresponding month in 2012. In the three months to November the total value of contracts was £1.2 billion which was 50.4% above the previous three months and 116% above the same quarter last year.

Projects by region

The North West is the region with the highest value of activity this month with 23.5% of the contracts awarded, an increase of 9.3% on November 2012 (see Fig. 7.2 & 7.4). The North East also experienced a high proportion of activity with 22.4% of contracts awarded, a 17.1% increase. The South West and Scotland were the other areas that experienced high values of contracts awarded in the industrial sector with 13.5% and 12.4% of contracts awarded respectively.

Types of project

The types of projects were predominantly warehouse/storage, accounting for 54% of the contract value in November 2013 (see Fig. 7.3), a 12% increase on the corresponding month last year. Light industrial is the next highest category of contracts awarded with 21% of the total value, a 4% increase from November 2012. Heavy industrial projects were 12% of the total value which was a -23% decrease from the corresponding month last year.

> "The value of contracts awarded in November was £464 million.

Fig. 7.1 **Project Value showing 3 month moving average** Source: Barbour ABI

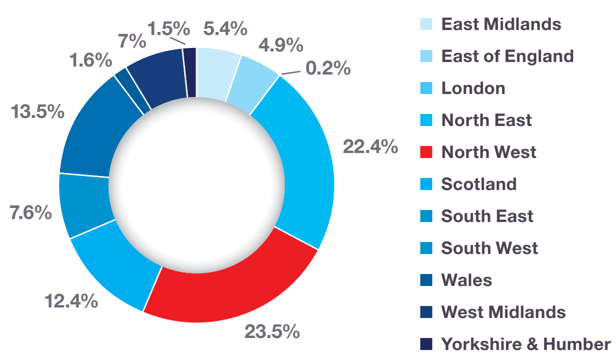

Fig. 7.2 **Value of Contracts by Region** Source: Barbour ABI

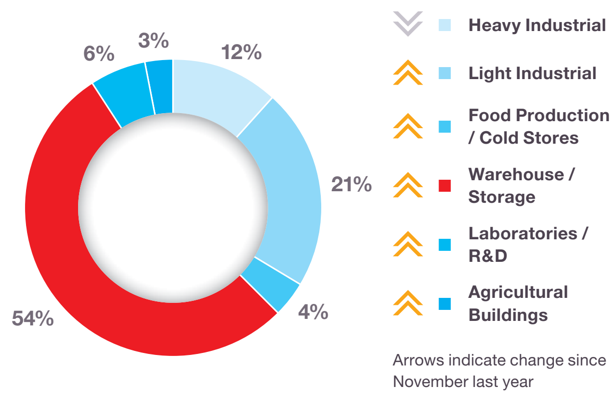

Fig. 7.3 **Types of Projects Awarded** Source: Barbour ABI

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The map and figures show how the activity has changed since November 2012			-6.1%	Scotland	
-0.2%	East Midlands		+1.2%	South East	
+1.6%	East of England		+8.0%	South West	
-5.8%	London		-2.1%	Wales	
+17.1%	North East *HOTTEST REGION*		-19.4%	West Midlands	
+9.3%	North West		-3.6%	Yorkshire & Humber	

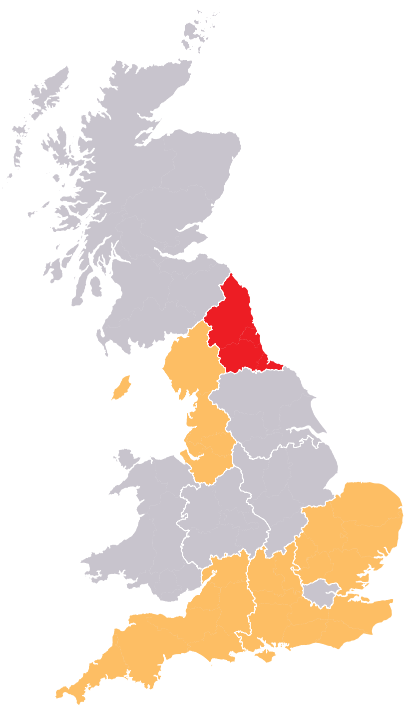

Fig. 7.4 **Change of Activity by Region** *(since last year)* Source: Barbour ABI

	2011 Actual	2012 Actual	2013 Estimate	2014 Forecast	2015 Forecast	2016 Prediction	2017 Prediction
Output	3,209	3,409	3,415	3,600	3,834	4,036	4,247
Growth	-9.6%	6.2%	0.2%	5.4%	6.5%	5.3%	5.2%

Fig. 7.5 **Sector Forecasts** Source: Construction Products Association

Outlook

The CPA Forecasts for the sector (see Fig. 7.5) shows that despite the sectors poor performance in the ONS output figures, this year will see modest growth of 0.2%. The increase in new orders this year is demonstrated in the CPA Forecasts for the sector, with strong growth of 5.4% predicted in 2014 and 6.5% in 2015, albeit from a low base. This is driven in equal measure by factories and warehouse growth suggesting that recent demand for large warehousing facilities and high value manufacturing space will continue.

PROJECT IN FOCUS

Aberdeen Energy Park Expansion
£48,000,000

County	Aberdeenshire
Primary Category Sector	Industrial
Government Region	West Midlands
Start Date	N/A
End Date	N/A
Contract Award Date	November 2013
Funding	Private
Stage	Detailed Planning/Contract Confirmed

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GROWTH CONTINUES IN THE INDUSTRIAL SECTOR

TOP TEN Key Clients
November – December

Rank	Company Name	Address	Telephone	Fax	Awards	Value (£M)
1	Prologis Developments Limited	Prologis House, Solihull, West Midlands, B90 4FY	0121 224 8700	0121 733 8016	6	292
2	IM Properties PLC	IM House, Birmingham, West Midlands, B46 1DF	0121 730 8050	0121 730 8267	2	151
3	Nestle UK Limited	Marston Lane, Burton on Trent, Staffordshire, DE13 9LY	01283 816816		1	110
4	Roxhill Developments Limited	Lumonics House, Rugby, Warwickshire, CV21 1TQ	01788 422200	01788 422201	5	101
5	Merchant Place Developments	The Studio, Newcastle Upon Tyne, Tyne And Wear, NE13 7DS	0191 236 1013		1	82
6	Omega Warrington Limited	2 Miller House, Edinburgh, Lothian, EH12 9DH	Not Listed		3	80
7	Goodman International	Nelson House, Solihull, West Midlands, B90 8BG	0121 506 8100	0121 506 8101	4	68
8	Ministry of Defence	Whitehall, Westminster, London, SW1A 2HB	020 7218 9000	020 7218 1501 (FPS)	10	67
9	Clowes Developments	Brailsford Hall, Derby, Derbyshire, DE6 3BU	01335 360353		2	65
10	Aldi Stores Limited	Holly Lane, Atherstone, Warwickshire, CV9 2SQ	01827 711800	01827 710842	1	58

TOP TEN Key Architects
November – December

Rank	Company Name	Address	Telephone	Fax	Awards	Value (£M)
1	Stephen George & Partners	170 London Road, Leicester, Leicestershire, LE2 1ND		0116 254 1095	7	235
2	Sparks Associates	11 Plato Place, Fulham, London, SW6 4TU	020 7736 6162	020 7736 3896 (FPS)	11	157
3	AJA Architects LLP	1170 Elliot Court, Herald Avenue, Coventry, West Midlands, CV5 6UB	024 7625 3200	024 7625 3210 (FPS)	8	140
4	Ryder Architecture	Cooper Studios, Newcastle Upon Tyne, Tyne And Wear, NE1 3NN	0191 269 5454	0191 269 5455	4	130
5	Darnton EGS	The Coach House, Leeds, West Yorkshire, LS25 5DU	01977 681001	01977 681006	1	110
6	Chetwood Associates	12-13 Clerkenwell Green, City, London, EC1R 0QJ	020 7490 2400	020 7250 1916 (FPS)	4	85
7	Building Design Partnership	16 Brewhouse Yard, City, London, EC1V 4LJ	020 7812 8000	020 7812 8399	3	80
8	PHP Architects	The Old Rectory, Northampton, Northamptonshire, NN7 3AQ	01604 858916	01604 859123 (FPS)	5	74
9	PRC Architects Limited	5 St Mary's Road, Surbiton, Surrey, KT6 4JG	020 8399 5188	020 8399 3863 (FPS)	2	62
10	RPS Group Plc	20 Milton Park, Abingdon, Oxfordshire, OX14 4SH	01235 438000	01235 864451 (FPS)	5	59

TOP TEN Key Contractors
November – December

Rank	Company Name	Address	Telephone	Fax	Awards	Value (£M)
1	Winvic Construction	19 Tenter Road, Northampton, Northamptonshire, NN3 6PZ	01604 678960 (CTPS)	01604 671021 (FPS)	15	226
2	VolkerWessels UK Limited	Hertford Road, Hoddesdon, Hertfordshire, EN11 9BX	01992 305000	01992 305001	6	163
3	Buckingham Group Contracting Limited	Blackpit Farm, Buckingham, Buckinghamshire, MK18 5LJ	01280 823355	01280 812830 (FPS)	7	151
4	Shepherd Construction Limited	Frederick House, York, North Yorkshire, YO10 4EA	01904 634431	01904 660242	2	122
5	Sisk & Son Limited	1 Curo Park, St Albans, Hertfordshire, AL2 2DD	01727 875551	01727 875761	2	114
6	McLaren Construction Limited	McLaren House, Brentwood, Essex, CM14 4EA	01277 205800	01277 205900 (FPS)	3	101
7	BAM Construction	Breakspear Park, Hemel Hempstead, Hertfordshire, HP2 4FL	01442 238300	01442 238301	3	100
8	Morgan Sindall Plc	Kent House, Westminster, London, W1W 8AJ	020 7307 9200	020 7307 9201	10	88
9	Gallagher Group Limited	Leitrim House, Maidstone, Kent, ME20 7NS	01622 716543	01622 882366 (FPS)	2	86
10	Readie Construction Limited	Unit 15 Falcon Business Centre, Romford, Essex, RM3 8UR	01708 332800	01708 332801	5	82

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MEDICAL & HEALTH
FALL IN VALUE OF CONTRACTS IN NOVEMBER

The value of contracts decreased slightly in November for the Medical & Health sector, continuing what has been a challenging year so far.

Levels of activity in the Medical & Health sector were down slightly by -0.9% in November 2013 compared to October 2013, with the total value of contracts awarded of £166 million, based on a three month rolling average (see Fig. 8.1). This is 36.5% higher than the levels in November 2012 which was a particularly low month. In the three months to November, value of contracts are down by -25.1% on the previous three months and -0.6% down on the same period in 2012 indicating the relatively poor year the sector has experienced.

Projects by region

Scotland was the main location of development in the sector this month capturing 37.9% of activity, a substantial 32.6% increase from November 2012 (see Fig. 8.2 & 8.4). London was the other notable location of activity for medical and health projects registering 20.9% of activity by value in November 2013, a 15.3% increase from last year.

Types of projects

Public hospitals are the dominant types of contracts within the sector accounting for 51% of the value of contracts in November 2013 (see Fig. 8.3), a 7% increase from the same month last year. Hospices, nursing & psychiatric homes accounted for 24% of the value of contracts this month which was an 8% increase from November 2012.

> Levels of activity were down slightly by -0.9% in November.

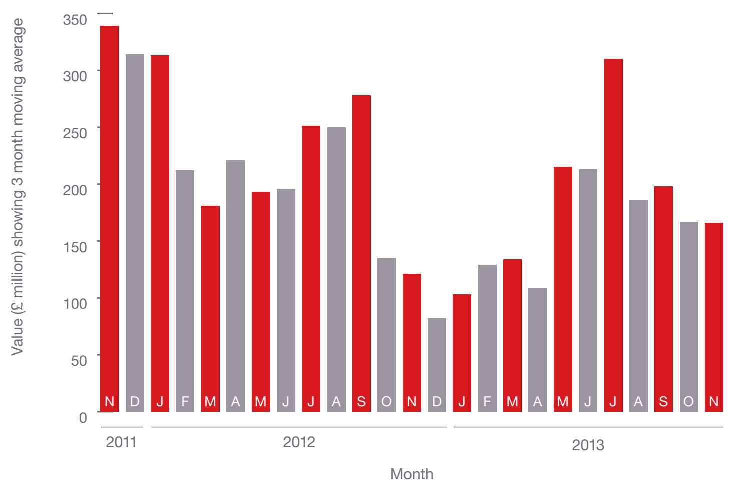

Fig. 8.1 **Project Value showing 3 month moving average** Source: Barbour ABI

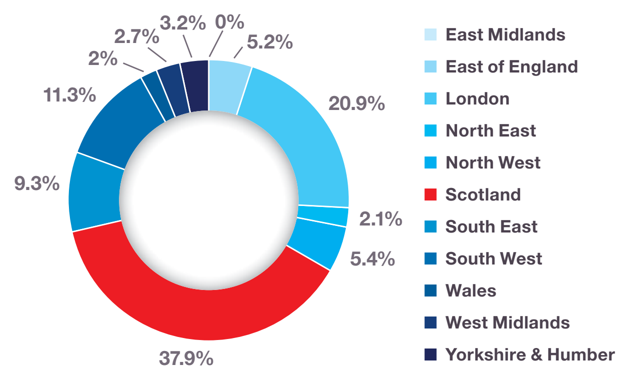

Fig. 8.2 **Value of Contracts by Region** Source: Barbour ABI

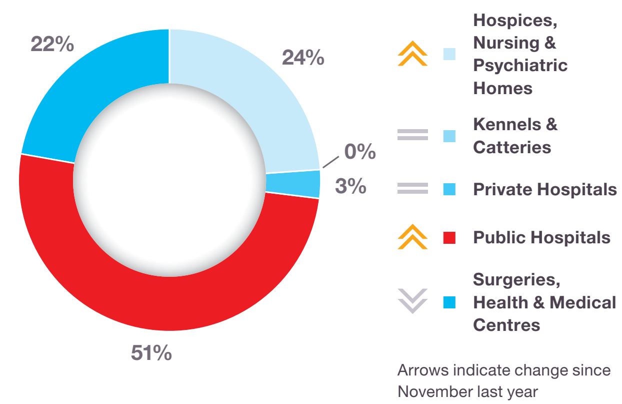

Fig. 8.3 **Types of Projects Awarded** Source: Barbour ABI

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The map and figures show how the activity has changed since November 2012

		+32.6%	Scotland *HOTTEST REGION*
-11.9%	East Midlands	-9.0%	South East
-3.7%	East of England	+11.3%	South West
+15.3%	London	+1.4%	Wales
-5.6%	North East	+2.7%	West Midlands
-36.3%	North West	+3.2%	Yorkshire & Humber

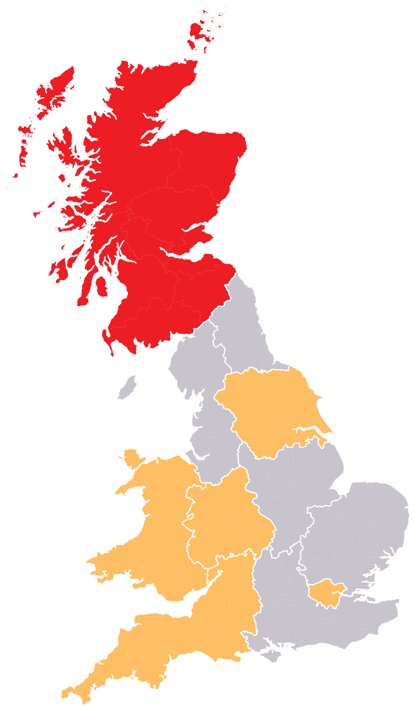

Fig. 8.4 **Change of Activity by Region** *(since last year)* Source: Barbour ABI

	2011 Actual	2012 Actual	2013 Estimate	2014 Forecast	2015 Forecast	2016 Prediction	2017 Prediction
Output	3,294	3,059	2,931	2,944	3,008	3,095	3,174
Growth	-28.5%	-7.1%	-4.2%	0.4%	2.2%	2.9%	2.5%

Fig. 8.5 **Sector Forecasts** Source: Construction Products Association

Outlook

The National Infrastructure Plan 2012 commits £4.6 billion in health and social care capital in 2014-2015, and £4.7 billion in 2015-2016 (including an investment of £1.4 billion in hospital upgrades and redevelopments) which suggests that this sector will improve in the medium term. The commitment to continue to protect health budgets was included in the latest Autumn Statement indicating this spending will occur. This is reflected in the latest CPA Forecasts (see Fig. 8.5) which estimate a 4.2% contraction this year with a modest 0.4% increase in 2014. Moderate growth is forecast to return in 2015 and beyond.

PROJECT IN FOCUS

www.keppiedesign.co.uk

Monklands District General Hospital – Radiotheraphy Centre £6,000,000

County	Strathclyde
Primary Category Sector	Medical & Health
Government Region	Scotland
Start Date	May 2014
End Date	November 2015
Contract Award Date	November 2013
Funding	Public
Stage	Detailed Planning/Contract Confirmed

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FALL IN VALUE OF CONTRACTS IN NOVEMBER

TOP TEN Key Clients November – December

Rank	Company Name	Address	Telephone	Fax	Awards	Value (£M)
1	Royal Liverpool and Broadgreen Hospital NHS Trust	Prescot Street, Liverpool, Merseyside, L7 8XP	0151 706 2000		2	336
2	West London Mental Health NHS Trust	Broadmoor Hospital, Crowthorne, Berkshire, RG45 7EG	01344 773111		1	285
3	Cambridge University Hospitals NHS Foundation Trust	Addenbrookes Hospital, Cambridge, Cambridgeshire, CB2 0QQ	01223 245151	01223 217220 (FPS)	5	124
4	Cwm Taff NHS Trust	Prince Charles Hospital, Merthyr Tydfil, Mid Glamorgan, CF47 9DT	01685 721721	01685 728128	1	120
5	NHS Lothian	Royal Edinburgh Hospital, Edinburgh, Lothian, EH10 5HF	0131 537 6000 (CTPS)		1	42
6	Birmingham & Solihull Lift Limited	Unit 5, The Triangle, Worcester, Worcestershire, WR5 2QX	01782 222995	01782 287775	1	31
7	Bupa Limited	15-19 Bloomsbury Way, Westminster, London, WC1A 2BA	020 7656 2000	020 7656 2700	2	31
8	NHS Forth Valley	Stirling Community Hospital, Stirling, Stirlingshire, FK8 2AU	01786 434000		2	31
9	NHS Greater Glasgow and Clyde Health Board	Gartnavel Royal Hospital, Glasgow, Strathclyde, G12 0XH	0141 211 3600	0141 211 0224	3	29
10	Sheffield Children's Hospital (NHS)	Western Bank, Sheffield, South Yorkshire, S10 2TH	0114 271 7000	0114 272 1870 (FPS)	5	27

TOP TEN Key Architects November – December

Rank	Company Name	Address	Telephone	Fax	Awards	Value (£M)
1	NBBJ	The Clove Building, Greenwich, London, SE1 2NQ	020 7939 3700	020 7939 3799	2	455
2	Nightingale Associates	Princes Manor Barn, Oxford, Oxfordshire, OX11 0LU	01235 820222 (TPS)	01235 820145	8	348
3	HKS International Limited	82 Dean Street, Westminster, London, W1D 3SP	020 7292 9494 (TPS)	020 7292 9495	1	335
4	Sheppard Robson	77 Parkway, Camden Town, London, NW1 7PU	020 7504 1700	020 7504 1701 (FPS)	1	335
5	Cooper Architecture	Capital Tower, Southwark, London, SE1 8RT	020 3170 0820		1	335
6	Oxford Architects Partnership	Bagley Croft, Oxford, Oxfordshire, OX1 5BS	01865 329100 (TPS)	01865 326822 (FPS)	1	285
7	Avanti Architects Limited	361-373 City Road, City, London, EC1V 1AS	020 7278 3060	020 7278 3366 (FPS)	6	74
8	Archial Group Plc	Tennyson House, Westminster, London, W1W 5PA		020 7580 6688	3	54
9	Boswell Mitchell & Johnston	The Hub, Glasgow, Strathclyde, G51 1DZ	0141 271 3200	0141 271 3201	3	42
10	One Creative Environment	5 The Triangle, Worcester, Worcestershire, WR5 2QX	01905 362300 (CTPS)	01905 362333	3	36

TOP TEN Key Contractors November – December

Rank	Company Name	Address	Telephone	Fax	Awards	Value (£M)
1	Carillion Plc	Construction House, Wolverhampton, West Midlands, WV1 4HY	01902 422431	01902 316371 (FPS)	1	335
2	Kier Group PLC	Tempsford Hall, Sandy, Bedfordshire, SG19 2BD	01767 640111	01767 640002	1	331
3	Interserve Plc	Interserve House, Reading, Berkshire, RG10 9JU	0118 932 0123 (CTPS)	0118 932 0206 (FPS)	17	169
4	Bison Manufacturing Limited	Gresley Park, Swadlincote, Derbyshire, DE11 0BB	01283 817500	01283 817570	3	123
5	Galliford Try Construction South	2 Cowley Business Park, Uxbridge, Middlesex, UB8 2AD	01895 855000	01895 855099	12	107
6	BAM Construction	Breakspear Park, Hemel Hempstead, Hertfordshire, HP2 4FL	01442 238300	01442 238301	9	90
7	Willmott Dixon Construction Limited	Spirella 2, Letchworth Garden City, Hertfordshire, SG6 4GY	01462 671852	01462 681852 (FPS)	7	61
8	Balfour Beatty Group Limited	130 Wilton Road, Westminster, London, SW1V 1LQ	020 7216 6800	020 7216 6950	16	56
9	Morgan Sindall Plc	Kent House, Westminster, London, W1W 8AJ	020 7307 9200	020 7307 9201	10	37
10	Vinci Construction UK Limited	Astral House, Watford, Hertfordshire, WD24 4WW	01923 233433		8	36

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EDUCATION
CONTRACTS AWARDED RISE IN SECTOR

The Education sector had a good month in November with a 9.3% monthly increase in the value of contracts awarded continuing its strong end to 2013.

The value of contracts awarded in the Education sector was £587 million in November based on a three month rolling average (see Fig. 9.1), a 9.3% increase from October 2013. This figure was 83.5% higher than November 2012 indicating that this sector is having a comparatively strong year so far. While the values of contract awards in the three months to October were -3.9% lower than the previous three months they were 41.8% higher than the same period last year.

Projects by region

The main location of activity this month was the East of England which accounted for 18.8% of the value of projects, a 5% increase from November 2012 (see Fig. 9.2 & 9.4). The other region which performed strongly this month was the North East with 14.5% of education projects, a 13.5% increase from November 2012. London experienced a -11.9% fall in project activity compared to November 2012.

Types of project

Colleges/Universities accounted for the highest proportion of contracts awarded in the education sector in November 2013 (see Fig. 9.3). This type of project was 35% of the total value awarded, which was the same as November 2012. State primary schools were the other major project type in November accounting for 35% of the total value awarded, a slight -1% drop from November 2012.

> The value of contracts awarded was £587 million in November.

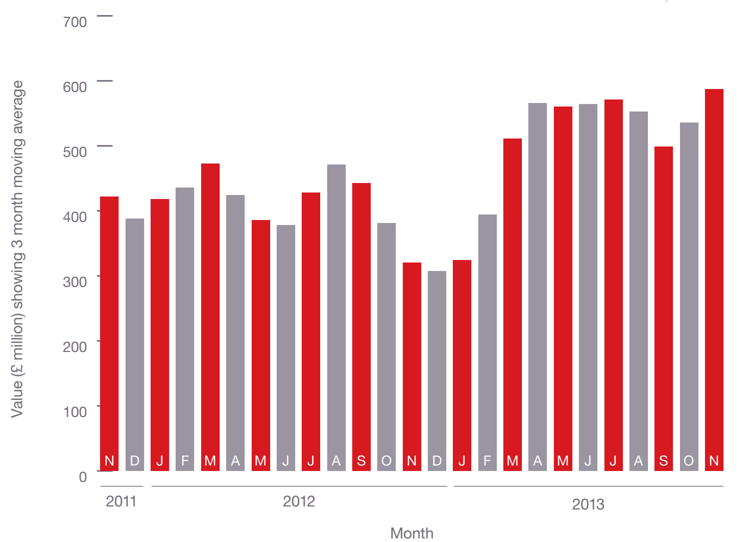

Fig. 9.1 **Project Value showing 3 month moving average** Source: Barbour ABI

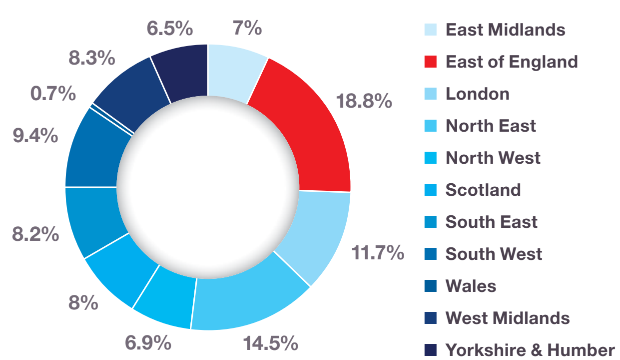

Fig. 9.2 **Value of Contracts by Region** Source: Barbour ABI

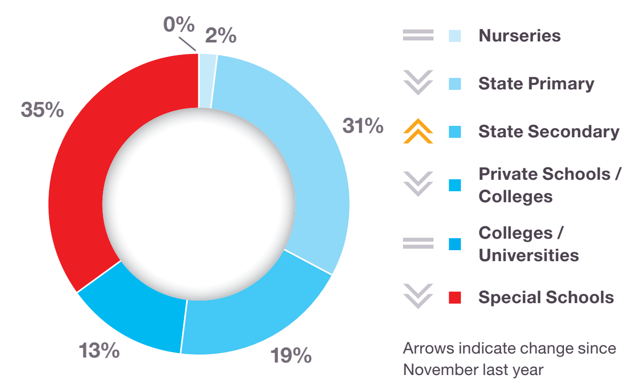

Fig. 9.3 **Types of Projects Awarded** Source: Barbour ABI

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The map and figures show how the activity has changed since November 2012

		-3.6%	Scotland
+1.7%	East Midlands	-2.4%	South East
+5.0%	East of England	+4.9%	South West
-11.9%	London	-3.8%	Wales
+13.5%	North East *HOTTEST REGION*	-7.4%	West Midlands
-0.2%	North West	+4.4%	Yorkshire & Humber

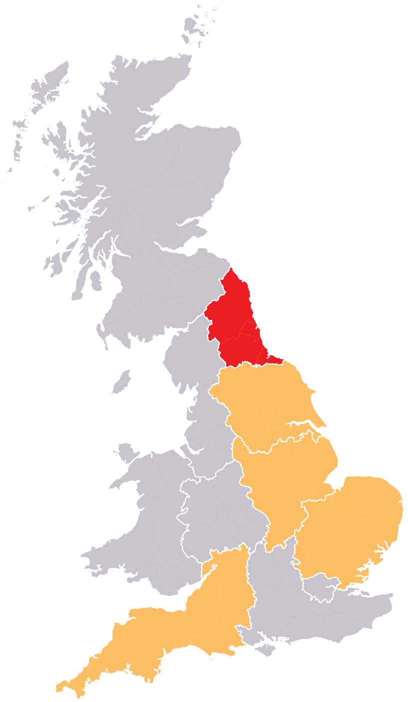

Fig. 9.4 **Change of Activity by Region** *(since last year)* Source: Barbour ABI

	2011 Actual	2012 Actual	2013 Estimate	2014 Forecast	2015 Forecast	2016 Prediction	2017 Prediction
Output	9,876	8,047	7,179	7,076	7,170	7,337	7,579
Growth	-1.4%	-18.5%	-10.8%	-1.4%	1.3%	2.3%	3.3%

Fig. 9.5 **Sector Forecasts** Source: Construction Products Association

Outlook

In the Autumn Statement the government announced it will remove controls on the number of students who can attend higher education institutions in 2015-2016 and that it will create an additional 30,000 student places at publicly funded institutions in 2014-15. It also committed £40 million to deliver 20,000 apprenticeships in the next two years. This is a potential boost to the levels of output in the sector in the coming years.

In the near term, the levels of output in the sector are forecast to decline by 10.8% this year and 1.4% next year (see Fig. 9.5). However, the forecast for 2015 is for 1.3% growth, followed by 2.3% and 3.3% growth in 2016 and 2017. At present Barbour ABI do not expect any major revisions to these figures, given that it is government investment that is most likely to drive growth and that is likely to remain constant in the foreseeable future.

PROJECT IN FOCUS

Sheffield Hallam University – Charles Street Project
£30,000,000

County	South Yorkshire
Primary Category Sector	Education
Government Region	Yorkshire & Humber
Start Date	January 2014
End Date	October 2015
Contract Award Date	November 2013
Funding	Mainly Public
Stage	Contract/Detail Approval

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TOP TEN Key Clients

November – December

Rank	Company Name	Address	Telephone	Fax	Awards	Value (£M)
1	Department For Education	Castle View House, Runcorn, Cheshire, WA7 2AA	0370 000 2288	01928 738248	59	510
2	Newcastle University	7 Park Terrace, Newcastle Upon Tyne, Tyne And Wear, NE1 7RU	0191 222 6000	0191 222 6613	2	200
3	City of Glasgow College	190 Cathedral Street, Glasgow, Strathclyde, G1 2TG	0141 552 3941		1	200
4	Science Central	Citywall, Newcastle Upon Tyne, Tyne And Wear, NE1 4JH	0191 231 2200		1	200
5	Swansea University	Singleton Park, Swansea, West Glamorgan, SA2 8PP	01792 205678 (TPS)	01792 295157 (FPS)	3	126
6	The Welsh Government	Cardiff Bay, Cardiff, South Glamorgan, CF99 1NA	0845 010 3300 / 0300 061 5630	029 2082 6233 (FPS)	1	100
7	Department for Education & Skills	Caxton House, Westminster, London, SW1H 9NA	0370 000 2288		11	86
8	Aberdeenshire Council	Woodhill House, Aberdeen, Grampian, AB16 5GB	0845 608 1207	01224 664470 (FPS)	3	83
9	London Borough of Hillingdon	Civic Centre, Uxbridge, Middlesex, UB8 1UW	01895 250111 (CTPS)	01895 250619 (FPS)	18	69
10	Frank Barnes School for Deaf Children	Jubilee Waterside Centre, Camden Town, London, N1C 4PF	020 7391 7040	020 7391 7048	1	65

TOP TEN Key Architects

November – December

Rank	Company Name	Address	Telephone	Fax	Awards	Value (£M)
1	Faulkner Browns	Dobson House, Newcastle Upon Tyne, Tyne And Wear, NE12 6QW	0191 268 3007	0191 268 5227	8	268
2	Reiach & Hall	6 Darnaway Street, Edinburgh, Lothian, EH3 6BG	0131 225 8444	0131 225 5079	3	239
3	Michael Laird Architects	5 Forres Street, Edinburgh, Lothian, EH3 6DE	0131 226 6991	0131 226 2771 (FPS)	1	200
4	Associated Architects	1 Severn Street Place, Birmingham, West Midlands, B1 1SE	0121 233 6600	0121 200 1564 (FPS)	30	181
5	Building Design Partnership	16 Brewhouse Yard, City, London, EC1V 4LJ	020 7812 8000	020 7812 8399	12	173
6	Stride Treglown Limited	Promenade House, Bristol, Avon, BS8 3NE	0117 974 3271 (TPS)	0117 974 5207	20	145
7	Bond Bryan Partnership	The Congregational Church, Sheffield, South Yorkshire, S10 1LP	0114 266 2040 (TPS)	0114 268 7021	16	124
8	Ryder Architecture	Cooper Studios, Newcastle Upon Tyne, Tyne And Wear, NE1 3NN	0191 269 5454	0191 269 5455	12	108
9	Aedas	Norwich Union House, Huddersfield, West Yorkshire, HD1 2LR	01484 537411 (TPS)	01484 511207 (FPS)	27	103
10	Morley Architects	18 Hatton Place, City, London, EC1N 8RU	020 7430 2444	020 7430 2443	2	101

TOP TEN Key Contractors

November – December

Rank	Company Name	Address	Telephone	Fax	Awards	Value (£M)
1	Willmott Dixon Construction Limited	Spirella 2, Letchworth Garden City, Hertfordshire, SG6 4GY	01462 671852	01462 681852 (FPS)	91	543
2	Kier Group PLC	Tempsford Hall, Sandy, Bedfordshire, SG19 2BD	01767 640111	01767 640002	102	407
3	BAM Construction	Breakspear Park, Hemel Hempstead, Hertfordshire, HP2 4FL	01442 238300	01442 238301	44	380
4	McAlpine Limited	Eaton Court, Hemel Hempstead, Hertfordshire, HP2 7TR	01442 233444	01442 243819 / 230024	18	364
5	Balfour Beatty Group Limited	130 Wilton Road, Westminster, London, SW1V 1LQ	020 7216 6800	020 7216 6950	61	318
6	Morgan Sindall Plc	Kent House, Westminster, London, W1W 8AJ	020 7307 9200	020 7307 9201	58	248
7	Miller Construction Limited	Miller House, 2 Lockside View, Edinburgh, Lothian, EH12 9DH	0870 336 5000	0870 336 5315	28	214
8	Wates Construction Limited	Wates House, Leatherhead, Surrey, KT22 7SW	01372 861000		33	164
9	ISG	Aldgate House, City, London, EC3N 1AG	020 7247 1717	020 7247 8656 (FPS)	42	141
10	Carillion Plc	Construction House, Wolverhampton, West Midlands, WV1 4HY	01902 422431	01902 316371 (FPS)	16	139

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