economic & construction MARKET REVIEW

Barbour ABI Building

AUGUST 2014

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

SKIP TO THIS SECTION

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

SKIP TO THIS SECTION

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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Provider of the Government's Construction and Infrastructure Pipeline

HM Government

Chosen provider of Construction New Orders estimates to the ONS and communal dwellings data

Office for National Statistics

construction products association

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ECONOMIC CONTEXT

Q2 FIGURES SHOW OUTPUT CONTINUES TO RISE

Preliminary figures from the ONS show UK GDP growth in the second quarter of 2014 was 0.8% meaning that the economy is now back to its pre recession peak.

With a strong first half to the year the UK economy is on course to grow by more than 3% this year, one of the fastest growth rates in the G7 (see Fig. 1.1).

However, a closer analysis at the fundamentals of growth within the economy demonstrates that only the service sector is above its pre-recession peak, with all other sectors still below the level recorded at the start of 2008 (see Fig. 1.2).

The latest unemployment figures also showed a further decline in the number of people out of work (see Fig. 1.3). There were 2.08 million unemployed people in April to June 2014 down by 294,000 from the previous year. This means that the unemployment rate is now 6.4%, its lowest rate since late 2008.

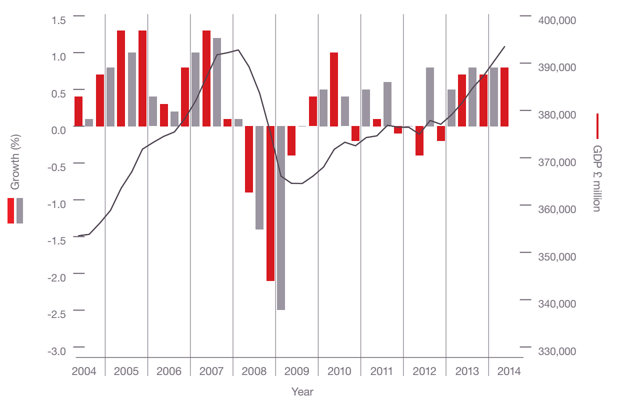

Fig. 1.1 **UK GDP** Source: ONS

The latest forecasts from the Bank of England predict that GDP growth will maintain at 0.8% in Q3. The Bank is also confident that there is significant slack in the economy allowing it to grow without rapid inflation. It maintains the view that business investment will increase this year with some evidence in official statistics. If business investment does maintain its increase the longer term outlook for UK economic performance will be substantially improved.

Other news this month which supports the improving economic environment includes:

- **The EY Item Club predicts that the UK will be the fastest growing economy in the G7 this year spurred by strong capital investment**
- **The IMF increased its projection for UK economic growth to 3.2% for 2014, an increase of 0.4% from April**
- **A CIPD Survey showed that only 2% of employers had recorded a significant growth in starting salaries, down from 2.4% last year**

The Bank of England Inflation Report was also released this month which painted a broadly positive picture of the UK economy. It highlighted the continuing improvement in output and unemployment and noted that business investment levels are increasing. However, it also noted that productivity and wage growth remain weak and it is unsure of the reasons or the extent to which this will endure. It is Barbour ABI's view that the near term outlook for the UK economy is good but the addressing the productivity puzzle will be vital in ensuring sustainable economic growth.

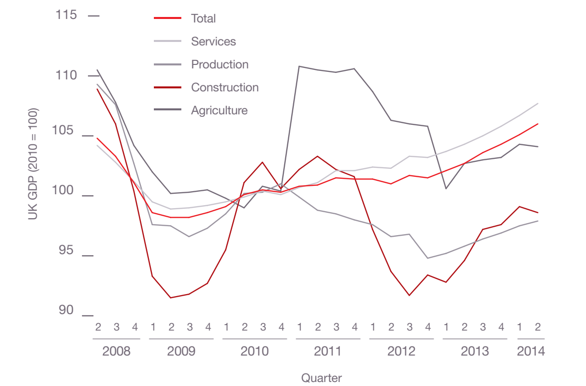

Fig. 1.2 **UK GDP** Source: ONS

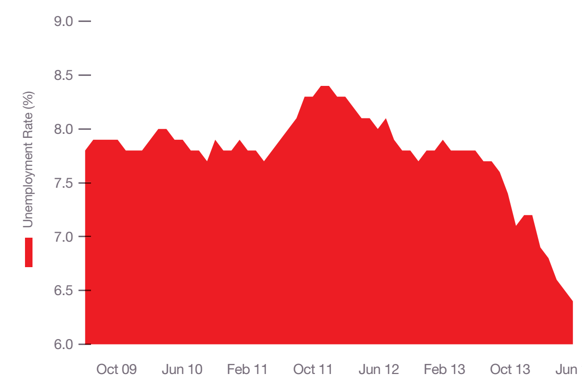

Fig. 1.3 **Unemployment Rate** Source: ONS

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THE CONSTRUCTION SECTOR
GROWTH FLAT IN THE SECOND QUARTER

The latest figures from the ONS show that the construction sector in the UK was flat between Q1 2014 and Q2 2014. This consisted of a strong April, weaker May and improved June.

Comparing Q2 output levels with the same period in 2013 showed an increase of 4.8%. However, the construction sector still remains 10.3% below the levels of output recorded in Q1 2008, before the start of the economic downturn.

It is clear that it is the housing sector that is driving growth within the industry (see Fig. 2.1). New Private Housing increased by 3% from the previous quarter and 17.1% from the corresponding quarter in 2013. At the same time new Public Housing increased by 5.2% between Q1 and Q2 2014 and 27.7% from Q2 2013. Output in the Private Commercial sector fell this quarter, decreasing by 4.3% in Q2 2014 from Q1 2014. Infrastructure declined by 3.9% in the same period. This highlights that the growth patterns within the industry are reliant on housing and broader improvements are needed to ensure a robust recovery.

Further analysis shows that output in the commercial sector is 38% below the level recorded before the recession which demonstrates the long term challenge to the industry (see Fig. 2.2).

	% change	
	Q2 2013 – Q2 2014	Q1 2014 – Q2 2014
Total All Work	**4.8**	**0.0**
All New Work	**5.1**	**-0.4**
Public Housing	27.7	5.2
Private Housing	17.1	3.0
Infrastructure	-8.2	-3.9
Public (ex Infrastructure)	-2.6	-0.2
Private Industrial	16.7	9.6
Private Commercial	0.5	-4.3
Repair & Maintenance	**4.3**	**0.6**
Public Housing	-0.7	-1.3
Private Housing	3.9	-2.2
Non-Housing	6.1	3.1

Fig. 2.1 **Construction Activity by Sector** *(chained volume measure)* Source: ONS

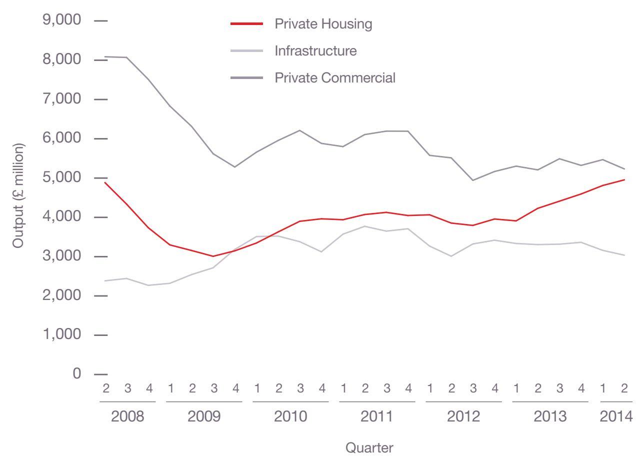

Fig. 2.2 **Construction Output** Source: ONS

The CPA/Barbour ABI Index

The CPA/Barbour ABI Index which measures the level of contracts awarded using January 2010 as its base month recorded a reading of 128 for July. This is a slight fall from last month but continues to support the view that overall activity in the industry remains strong (see Fig. 2.3). Private Housing has increased its reading this month after falling back recently demonstrating the continuing high levels of activity in the sector. The reading for Commercial Offices and Commercial Retail fell back with readings of 137 and 130 respectively. This is further evidence of a lack of momentum in the commercial sector, the traditional largest sector in the industry.

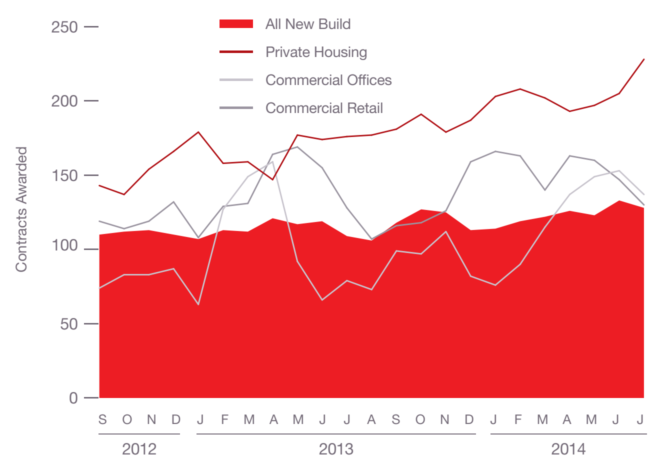

Fig. 2.3 **Contracts Awarded** Source: CPA/Barbour ABI

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Construction Sector

According to Barbour ABI data on all contract activity, July witnessed a slight decrease in construction levels with the value of new contracts awarded at £5.1 billion, based on a three month rolling average (see Fig. 2.5). This is a small 3.2% decrease from June though it is a 6.2% increase on the value recorded in July 2013, an indication of a stronger summer for construction this year. The number of construction projects within the UK in July increased by 9.8% on June, and is 19.1% higher than July 2013.

The majority of the contracts awarded in July by value were in the South East and London, which accounted for 15% each of the UK total (see Fig. 2.4). The main reason for this was the £150 million Smart Motorway project on the M3 in Surrey awarded to Balfour Beatty month and the £100 million contract for The Corniche, a residential development as part of the regeneration of Vauxhall Nine Elms. The North West recorded 12% of the value contracts in July and the East of England accounted for 11%. In the North West the redevelopment of Manchester Business School which was valued at £40 million and in the East of England it was the contract for Gateway Peterborough, a major warehousing and distribution centre valued at £140 million.

Type of Projects

Residential had the highest proportion of contracts awarded by value in July with 37% of the total (see Fig. 2.6). This demonstrates the continuing strength of the residential sector within the industry. Infrastructure (21%) and Education (15%) were the next highest sectors this month by value of contracts awarded.

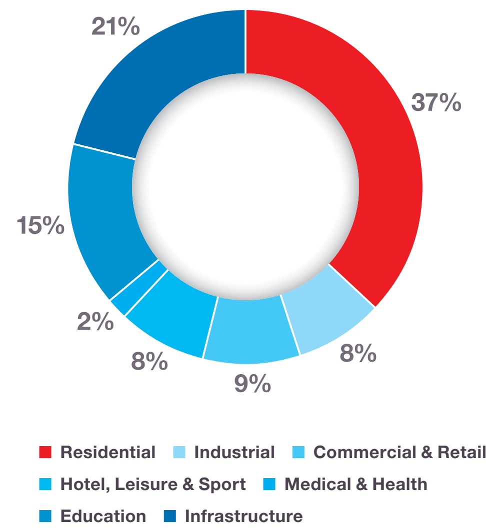
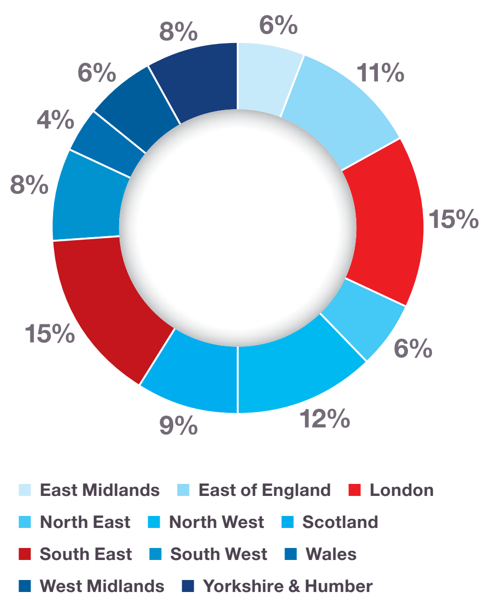


Fig. 2.6 **Type of Projects** Source: Barbour ABI



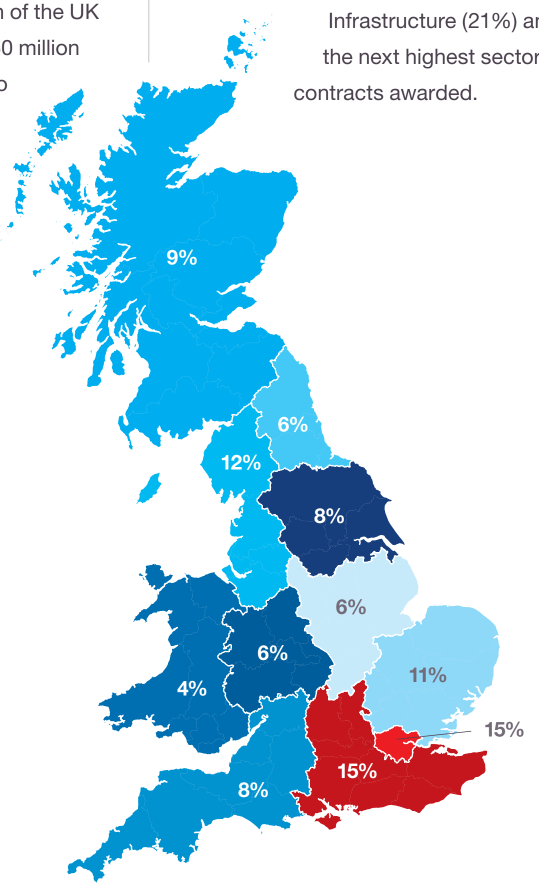


Fig. 2.4 **Locations of Contracts Awarded** Source: Barbour ABI

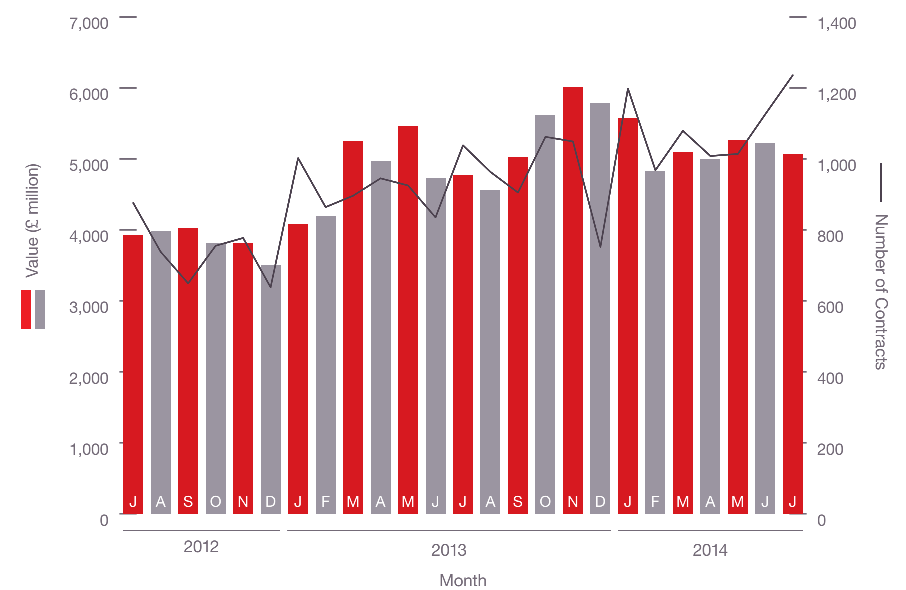


Fig. 2.5 **Construction Activity Trends** Source: Barbour ABI

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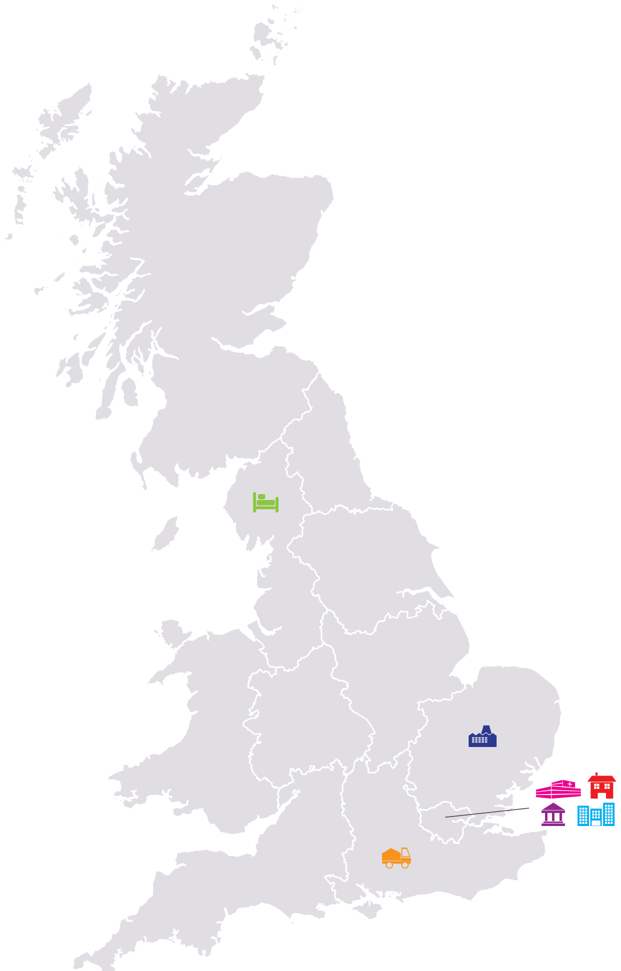
A snippet of this month's regional activity

Take a look at what regions have had the most activity.



- Residential
- Infrastructure
- Commercial & Retail
- Hotel, Leisure & Sport
- Industrial
- Medical & Health
- Education

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.

RESIDENTIAL
The Corniche – Hampton House Redevelopment – Nine Elms
£73,400,000

INFRASTRUCTURE
Mersey Gateway Bridge – Highway Improvement Works
£37,000,000

COMMERCIAL & RETAIL
Cotton Building – Spinningfields
£100,000,000

HOTEL, LEISURE & SPORT
Manchester Business School Redevelopment – Phase 1
£50,000,000

INDUSTRIAL
Plot 700 Winnersh Triangle
£100,000,000

MEDICAL & HEALTH
Queen Marys Hospital – Satellite Cancer Centre
£72,000,000

EDUCATION
Inverness Royal Academy – Scotlands Schools For The Future
£40,000,000

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INCREASE IN RESIDENTIAL VALUES IN JULY

The residential sector experienced an increase in contract award values in July and is higher than this time last year showing that the summer months have been strong.

Activity in the residential sector was high in July with the total value of contract awards at £1.7 billion, based on a three month rolling average (see Fig. 3.1). This is a 0.2% increase compared to June and is 14.9% higher than July 2013, indicating that the summer of this year has seen a further increase in activity. The number of units associated with residential contracts awarded increased by 7.8% between June and July 2014, based on a three month rolling average, and were 26.1% higher than July 2013, confirming the longer term increase in activity in the sector.

Sector Performance

The housing market remained at the forefront of the economic and political agenda this month when with a number of mixed messages relating to its future prospects. The latest house price indices for July from Nationwide showed that average house prices are rising at 10.6% annually, although this was down from 11.8% last month. Halifax reported similar figures with annual house price rises recorded at 10.2%. However, there is now an increasing amount of evidence that suggests the market is cooling with the latest RICS Residential Market Survey highlighting that demand for new homes fell for the first time in 18 months. In addition, Hamptons halved its forecast of London property price increases to 3% for next year citing the impact of measures such as Mortgage Market Review and other macro prudential tools as the reasons for this.

> "The number of units associated with residential contracts awarded increased by 7.8% between June and July 2014

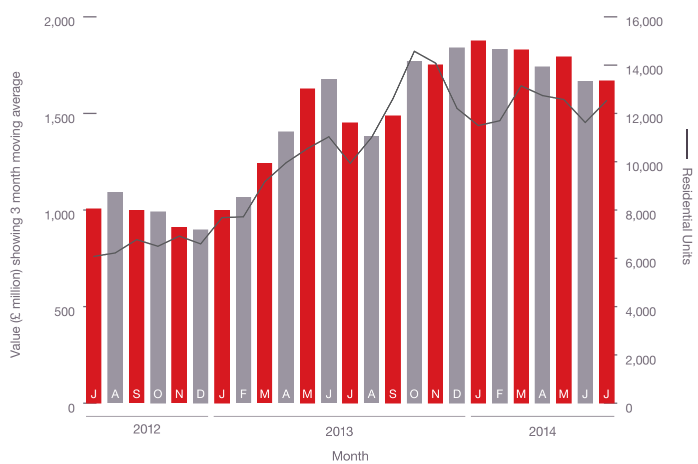

Fig. 3.1 **Project Value showing 3 month moving average** Source: Barbour ABI

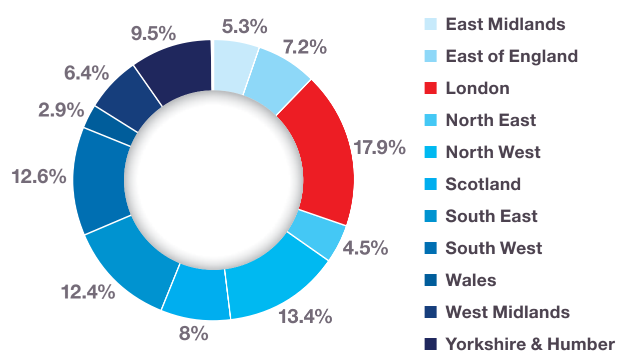

Fig. 3.2 **Value of Contracts by Region** Source: Barbour ABI

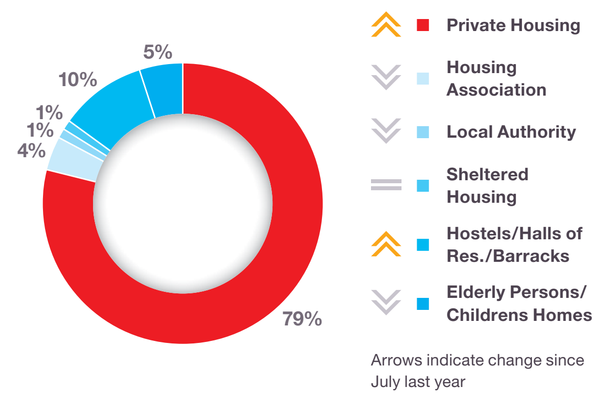

Fig. 3.3 **Type of Projects Awarded** Source: Barbour ABI

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The map and figures show how the activity has changed since July 2013			+2.5%	Scotland
-3.6%	East Midlands		-12.4%	South East
+2.4%	East of England		+5.8%	South West *HOTTEST REGION*
-4.1%	London		+1.7%	Wales
+1.1%	North East		+0.4%	West Midlands
+2.0%	North West		+4.2%	Yorkshire & Humber

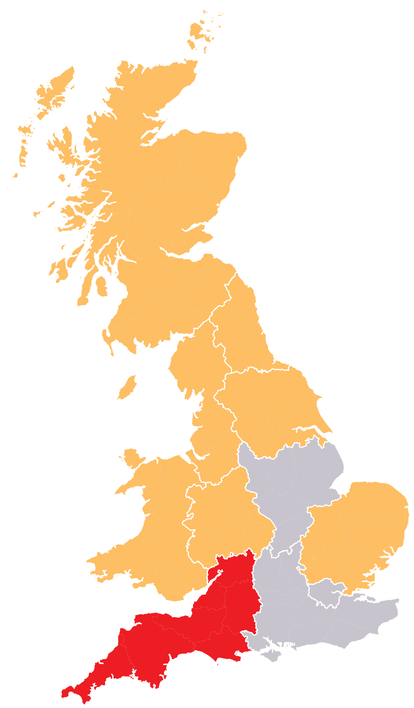

Fig. 3.4 **Change of Activity by Region** *(since last year)* Source: Barbour ABI

Projects by region

London is the main location of activity in the residential sector this month, accounting for 17.9% of the value of contracts awarded, although this was a decrease of 4.1% from the same month last year (see Fig. 3.2 & 3.4). London's prominence was primarily due to the award for The Corniche as part of the Vauxhall regeneration area, with a project value of £100 million. The North West, South West and South East were the next most popular locations for residential contracts this month accounting for 13.4%, 12.6% and 12.4% of contracts awarded respectively.

Type of Projects

The type of projects awarded in the residential sector was dominated by private housing this month (see Fig. 3.3). Private housing accounted for 79% of the value of contracts awarded this month, an increase of 18% from the corresponding month last year.

> "The summer of this year has seen a further increase in activity

PROJECT IN FOCUS

The Corniche – Hampton House Redevelopment – Nine Elms £100,000,000

County	London
Primary Category Sector	Residential
Government Region	London
Start Date	April 2014
End Date	April 2018
Contract Award Date	July 2014
Funding	Private
Stage	Contract
Contractor	Berkeley Group Plc/St James Group

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INCREASE IN RESIDENTIAL VALUES IN JULY

TOP TEN Key Clients July – August

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Barratt Homes	Barratt House, Cartwright Way, Forest Business Park, Coalville, Leicestershire, LE67 1UF	01530 278278	198	3,029
2	Taylor Wimpey	Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR	01494 558323	182	2,549
3	Persimmon Homes Limited	Persimmon House, Fulford, York, North Yorkshire, YO19 4FE	01904 642199	205	2,062
4	Hutchison Whampoa	5 Hester Road, Mayfair, Battersea, London, SW11 4AN	020 7350 5640	2	1,010
5	Bellway Plc	Seaton Burn House, Dudley Lane, Seaton Burn, Newcastle Upon Tyne, Tyne And Wear, NE13 6BE	0191 217 0717/678 9980	83	940
6	Homes & Communities Agency	Arpley House, 110 Birchwood Boulevard, Birchwood, Warrington, Cheshire, WA3 7QH	0300 1234 500	14	933
7	Berkeley Group Plc/St James Group	Berkeley House, 19 Portsmouth Road, Cobham, Surrey, KT11 1JG		27	931
8	Ministry of Defence	Whitehall, Westminster, London, SW1A 2HB	020 7218 9000	16	803
9	Galliford Try Construction South	2 Cowley Business Park, High Street, Cowley, Uxbridge, Middlesex, UB8 2AD	01895 855000	66	753
10	The Peel Group	Peel Management, Peel Dome, The Trafford Centre, Manchester, Greater Manchester, M17 8PL	0161 629 8200	2	750

TOP TEN Key Architects July – August

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Farrell and Partners	7 Hatton Street, St Johns Wood, London, NW8 8PL	020 7258 3433	4	1,077
2	Persimmon Homes Limited	Persimmon House, Fulford, York, North Yorkshire, YO19 4FE	01904 642199	85	913
3	Foster & Partners	Riverside, 22 Hester Road, Battersea, London, SW11 4AN	020 7738 0455	4	772
4	RPS Group Plc	20 Milton Park, Abingdon, Oxfordshire, OX14 4SH	01235 438000	20	697
5	Barratt Homes	Barratt House, Cartwright Way, Forest Business Park, Coalville, Leicestershire, LE67 1UF	01530 278278	46	660
6	5plus Architects	4th Floor The Hive, 47 Lever Street, Manchester, Greater Manchester, M1 1FN	0161 228 0211	1	650
7	AHR	5-8 Hardwick Street, City, London, EC1R 4RG	020 7837 9789	1	650
8	Scott Brownrigg Limited	St Catherines Court, 46-48 Portsmouth Road, Guildford, Surrey, GU2 4DU	01483 568686	10	628
9	Faulks Perry Culley & Rech	Lockington Hall, Lockington, Derby, Derbyshire, DE74 2RH	01509 672772	17	608
10	Taylor Wimpey	Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR	01494 558323	35	607

TOP TEN Key Contractors July – August

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Barratt Homes	Barratt House, Cartwright Way, Forest Business Park, Coalville, Leicestershire, LE67 1UF	01530 278278	212	2,739
2	Taylor Wimpey	Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR	01494 558323	182	2,684
3	Persimmon Homes Limited	Persimmon House, Fulford, York, North Yorkshire, YO19 4FE	01904 642199	209	2,101
4	Bellway Plc	Seaton Burn House, Dudley Lane, Seaton Burn, Newcastle Upon Tyne, Tyne And Wear, NE13 6BE	0191 217 0717/678 9980	87	1,032
5	Berkeley Group Plc/St James Group	Berkeley House, 19 Portsmouth Road, Cobham, Surrey, KT11 1JG		22	859
6	Galliford Try Construction South	2 Cowley Business Park, High Street, Cowley, Uxbridge, Middlesex, UB8 2AD	01895 855000	97	812
7	Keepmoat Regeneration Limited	The Waterfront, Lakeside Boulevard, Doncaster, South Yorkshire, DN4 5PL	01302 346620 (CTPS)	90	704
8	Morgan Sindall Plc	Kent House, 14-17 Market Place, Westminster, London, W1W 8AJ	020 7307 9200	70	656
9	Brookfield Multiplex Construction Europe Limited	99 Bishopsgate, 2nd Floor, City, London, EC2M 3XD	020 7659 3500	5	595
10	Redrow Homes (South Midlands) Limited	Redrow House, St David's Park, Deeside, Clwyd, CH5 3RX	01244 520 044	63	575

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INFRASTRUCTURE

INFRASTRUCTURE CONTRACT VALUES DECREASE IN JULY

The value of infrastructure contracts decreased but there are still concerns over longer term growth as the value of orders is below those seen last year.

The value of contracts awarded in the infrastructure sector decreased in July with the total value awarded £1.1 billion based on a three month rolling average (see Fig. 4.1). This is 10.4% lower than the previous month and 4.2% lower than July 2013. In the three months to July the total value of contract awards was £3.3 billion based on a three month rolling average. This is 11.7% higher than the previous three months but 2.7% lower than the same period of 2013. This indicates the continued challenges that the infrastructure sector faces with a longer term decline in the value of activity concerning given the size of the sector.

Projects by region

The main location of infrastructure projects this month was the South East with 29.9% of the total value, an increase of 21.8% from July 2013 (see Fig. 4.2 & 4.4). This is due to the M3 Smart Motorway project in Surrey which is valued at £150 million and the A21 Dualling scheme in Tonbridge valued at £72 million. The North East was the other major location for infrastructure contracts accounting for 14.1% of the contracts awarded, although this was a 5.1% decrease from last year. The award of the contract to improve the A1 from Coal House to Metro Centre, which is valued at £64 million, was included in this.

Type of Projects

The awards of a wind farm in the Highlands and a solar farm in Norfolk means that utilities are the major type of contract this month (see Fig. 4.3). This is followed by transport which is due to the M3 Smart Motorway and A road improvements in the North East project awards.

> The infrastructure sector faces a longer term decline in the value of activity

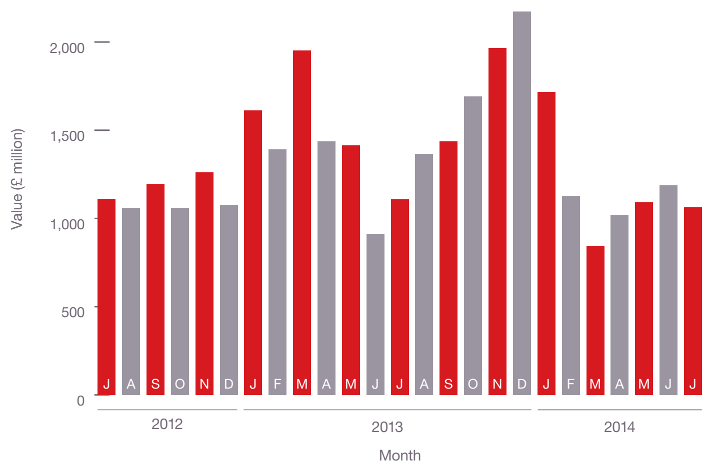

Fig. 4.1 **Project Values** Source: Barbour ABI

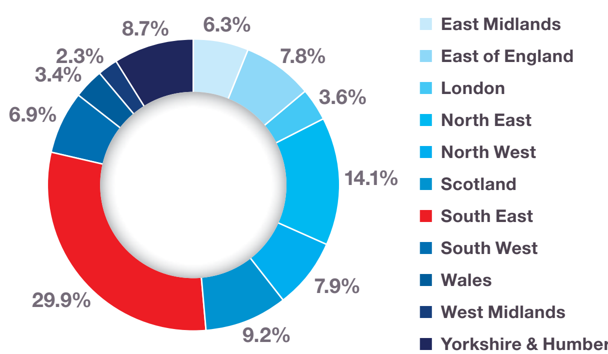

Fig. 4.2 **Value of Contracts by Region** Source: Barbour ABI

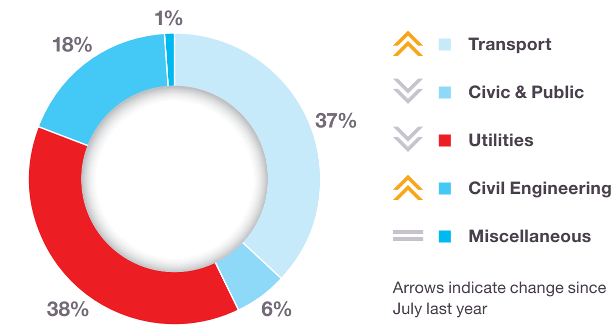

Fig. 4.3 **Type of Projects Awarded** Source: Barbour ABI

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INFRASTRUCTURE CONTRACT VALUES DECREASE IN JULY

The map and figures show how the activity has changed since July 2013

		+0.2%	Scotland
+3.1%	East Midlands	+21.8%	South East *HOTTEST REGION*
+1.8%	East of England	-8.9%	South West
-21.1%	London	+0.9%	Wales
-5.1%	North East	+2.2%	West Midlands
-0.2%	North West	+5.4%	Yorkshire & Humber

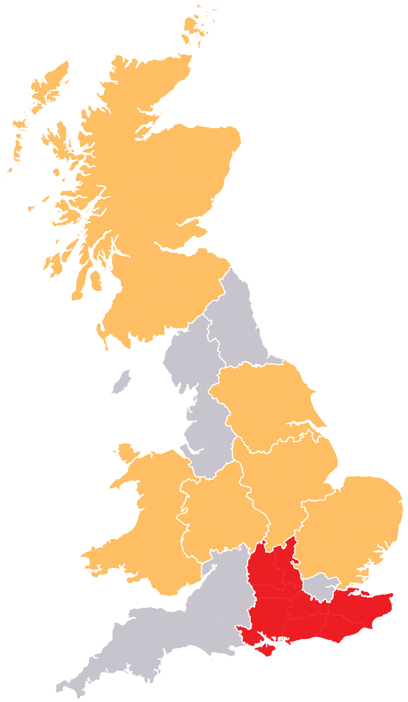

Fig. 4.4 **Change of Activity by Region** *(since last year)* Source: Barbour ABI

Outlook

Budget 2014 provided a financial update to the National Infrastructure Plan. It also announced a series of additional infrastructure projects that would receive funding this year including:

- **An extra £140 million of new funding to restore and repair flood defences**
- **An extra £200 million to set up a pothole challenges fund**
- **A £270 million guarantee to support the Mersey Gateway Bridge**
- **A £20 million scheme for repairs to cathedrals**
- **£100 million to Greater Cambridge until 2019-20 to support transport and infrastructure projects**

These projects should provide a boost to the infrastructure sector in the coming years.

> Utilities are the major type of contract this month

PROJECT IN FOCUS

Mersey Gateway Bridge – Highway Improvement Works £30,000,000

County	Cheshire
Primary Category Sector	Infrastructure
Government Region	North West
Start Date	April 2014
End Date	April 2017
Contract Award Date	July 2014
Funding	Private
Stage	Contract
Contractor	The Merseylink Consortium

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INFRASTRUCTURE CONTRACT VALUES DECREASE IN JULY

TOP TEN Key Clients
July – August

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Halton Borough Council	Municipal Building, Kingsway, Widnes, Cheshire, WA8 7QF	0151 424 2061	3	650
2	Mersey Gateway Project Office	First Floor, Unit 15, Turnstone Business Park, Mulberry Avenue, Widnes, Cheshire, WA8 0WN	0151 495 4091	1	600
3	Thames Water Utilities Limited	Clearwater Court, Vastern Road, Reading, Berkshire, RG1 8DB	0845 9200 888/ 0800 980 8800	4	251
4	Countryside Properties (UK) Limited	Countryside House, The Drive, Great Warley, Brentwood, Essex, CM13 3AT	01277 260000	1	200
5	Network Rail Infrastructure Limited	Kings Place, 90 York Way, Islington, London, N1 9AG	020 7557 8000	51	192
6	BAA Lynton Plc	Medici Court, 67-69 New Bond Street, Westminster, London, W1S 1DF	020 7907 9200	8	181
7	Leeds City Council	The Leonardo Building, 2 Rossington Street, Leeds, West Yorkshire, LS2 8HD	0113 222 4444	1	160
8	Highways Agency	123 Buckingham Palace Road, Westminster, London, SW1W 9HA	0845 955 6575	5	101
9	Stockport Metropolitan Borough Council	Town Hall, Edward Street, Stockport, Cheshire, SK1 3XE	0161 480 4949	1	100
10	Manchester City Council	Town Hall, Albert Square, Manchester, Greater Manchester, M60 2LA	0161 234 5000 (CTPS)	1	100

TOP TEN Key Architects
July – August

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Hyder Consulting UK Limited	Manning House, 22 Carlisle Place, Westminster, London, SW1P 1JA	020 3014 9000 (CTPS)	1	250
2	Aukett Swanke	25 Christopher Street, City, London, EC2A 2BS	020 7454 8200	1	200
3	Stockport Metropolitan Borough Council	Town Hall, Edward Street, Stockport, Cheshire, SK1 3XE	0161 480 4949	1	100
4	Foster & Partners	Riverside, 22 Hester Road, Battersea, London, SW11 4AN	020 7738 0455	1	80
5	Atkins	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW	01372 726140	5	78
6	Fereday Pollard Architects	Second Floor, 34-35 Great Sutton Street, City, London, EC1V 0DX	020 7253 0303	1	70
7	Lavender Architect	52 High Street, Market Harborough, Leicestershire, LE16 7AF	01858 288007	1	60
8	Lightsource Renewable Energy Limited	4th Floor 20 Old Bailey, City, London, EC4M 7AN	0333 200 0755	3	40
9	LDA Design	Worton Rectory Park, Oxford, Oxfordshire, OX29 4SX	01865 887050 (TPS)	3	33
10	Cooper Cromar	Eagle Building, 10th Floor, 215 Bothwell Street, Glasgow, Strathclyde, G2 7ED	0141 332 2570	2	32

TOP TEN Key Contractors
July – August

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Kier Group PLC	Tempsford Hall, Station Road, Sandy, Bedfordshire, SG19 2BD	01767 640111	6	662
2	Carillion Plc	Construction House, 24 Birch Street, Wolverhampton, West Midlands, WV1 4HY	01902 422431	15	260
3	AMK Joint Venture	Mid City Place, 71 High Holborn, Westminster, London, WC1V 6QS	020 7645 2000	1	250
4	BAM Nuttall	St James House, Knoll Road, Camberley, Surrey, GU15 3XW	01276 63484	14	195
5	Balfour Beatty Group Limited	130 Wilton Road, Westminster, London, SW1V 1LQ	020 7216 6800	15	176
6	Keepmoat Regeneration Limited	The Waterfront, Lakeside Boulevard, Doncaster, South Yorkshire, DN4 5PL	01302 346620 (CTPS)	1	160
7	Costain Limited	Vanwall Business Park, Vanwall Road, Maidenhead, Berkshire, SL6 4UB	01628 842444	6	117
8	Lend Lease Construction (EMEA) Limited	EMEA Head Office, 20 Triton Street, Regents Place, London, NW1 3BF	0203 430 9000	2	91
9	Spencer Limited	1 Humber Quays, Wellington Street West, Hull, Humberside, HU1 2BN	0113 815 0015	5	90
10	Skanska UK	Maple Cross House, Denham Way, Maple Cross, Rickmansworth, Hertfordshire, WD3 9SW	01923 776666	5	88

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COMMERCIAL & RETAIL

FALL IN CONTRACT VALUES IN JULY

Contract values in the Commercial & Retail sector were lower this month compared to June but are now higher than this time last year.

The value of contracts awarded in the Commercial & Retail sector was £741 million in July based on a three month rolling average (see Fig. 5.1). This is a 13.5% decrease from June but a 1.8% increase from the July 2013 figure. In the three months to July the value of contracts was 12.2% above the previous three months and 0.6% higher than the same period in 2013.

Projects by region

London was the main location of activity in the sector this month with 29% of the value of all contracts awarded, although this was 2.1% lower than July 2013 (see Fig. 5.2 & 5.4). The major project in the commercial sector this month was the Communication House office redevelopment in Leicester Square.

Type of Projects

Offices were the dominant type of project in the sector accounting for 72% of the value of contracts awarded this month, although this was a 3% decrease on June 2013 (see Fig. 5.3). General retailing is the other significant sector with 15% of contract award value, which was a 1% drop from the July 2013 figure.

> London was the main location of activity in the sector this month

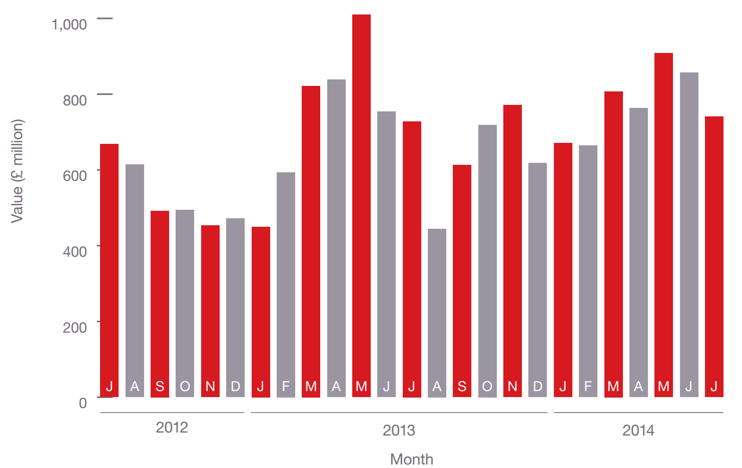

Fig. 5.1 **Project Values** Source: Barbour ABI

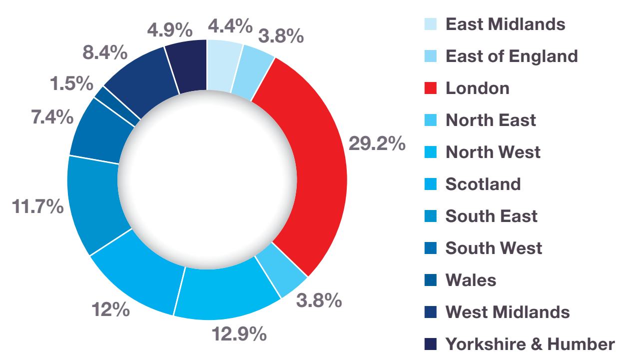

Fig. 5.2 **Value of Contracts by Region** Source: Barbour ABI

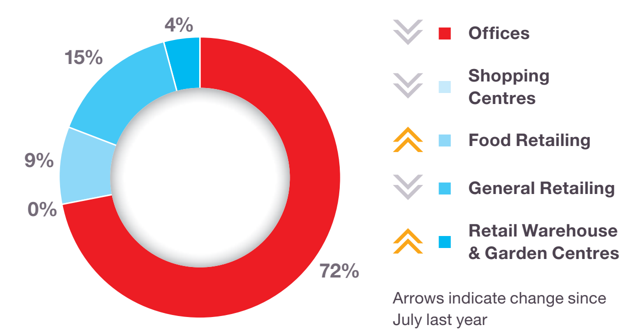

Fig. 5.3 **Type of Projects Awarded** Source: Barbour ABI

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The map and figures show how the activity has changed since July 2013

		-14.4%	Scotland
+0.6%	East Midlands	+7.0%	South East *HOTTEST REGION*
-4.6%	East of England	+3.2%	South West
+2.1%	London	-1.5%	Wales
+2.4%	North East	-1.0%	West Midlands
+4.3%	North West	+2.0%	Yorkshire & Humber

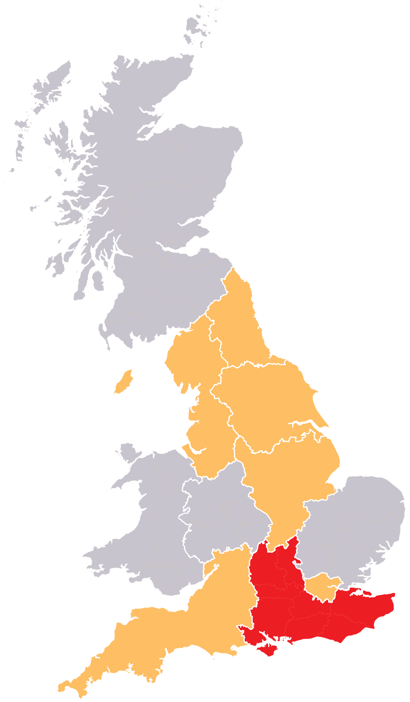

Fig. 5.4 **Change of Activity by Region** *(since last year)* Source: Barbour ABI

“In the three months to July the value of contracts was 12.2% above the previous three months and 0.6% higher than the same period in 2013

PROJECT IN FOCUS

Cotton Building – Spinningfields £30,000,000

County	Greater Manchester
Primary Category Sector	Commercial & Retail
Government Region	North West
Start Date	July 2014
End Date	September 2015
Contract Award Date	July 2014
Funding	Private
Stage	Subcontract
Contractor	McLaren Construction

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TOP TEN Key Clients
July – August

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Oxford Properties	6 New Street Square, New Fetter Lane, Suite 1200, City, London, EC4A 3BF	020 7822 8300	2	350
2	Brookfield Multiplex Construction Europe Limited	99 Bishopsgate, 2nd Floor, City, London, EC2M 3XD	020 7659 3500	1	340
3	Selfridges Limited	400 Oxford Street, Westminster, London, W1A 1AB	0800 123400	3	307
4	Stanhope Plc	Norfolk House, 31 St James Square, Westminster, London, SW1Y 4JJ		3	306
5	Mitsui Fudosan	7th Floor, Berger House, 38 Berkeley Square, City, London, W1J 5AE	020 7318 4370 (CTPS)	1	300
6	LXB Properties PLC	Grafton House, 2nd Floor, 2-3 Golden Square, Westminster, London, W1F 9HR	020 7432 7900	8	247
7	J Sainsbury Plc	33 Holborn, City, London, EC1N 2HT	020 7695 6000	26	206
8	Roydhouse Investments Limited	Roydhouse Farm, Sharp Lane, Almondbury, Huddersfield, West Yorkshire, HD4 6SX		1	200
9	Helical Bar Plc	11-15 Farm Street, Westminster, London, W1J 5RS	020 7629 0113	4	182
10	Stoke-on-Trent City Council	Civic Centre, Glebe Street, Stoke on Trent, Staffordshire, ST4 1HH	01782 234567	2	171

TOP TEN Key Architects
July – August

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Make Architects	13 Fitzroy Street, Westminster, London, W1T 4BQ	020 7636 5151	9	762
2	Fletcher Priest Architects Limited	Middlesex House, 34-42 Cleveland Street, Westminster, London, W1T 4JE	020 7034 2200	3	327
3	Gensler Associates	Aldgate House, 33 Aldgate High Street, City, London, EC3N 1AH	020 7073 9600	6	319
4	Sheppard Robson	77 Parkway, Camden Town, London, NW1 7PU	020 7504 1700	6	218
5	DLA Design Group	55 St Pauls Street, Leeds, West Yorkshire, LS1 2TE	0113 887 3100	3	204
6	Harris Partnership	2 St Johns, Wakefield, West Yorkshire, WF1 3QA	01924 291 800	52	197
7	RHWL Partnership	Ivory House, St Katharine Docks, Tower Hamlets, London, E1W 1AT	020 7480 1500	3	190
8	Allford Hall Monaghan Morris	2nd Floor, Block C, Morelands, 5-23 Old Street, City, London, EC1V 9HL	020 7251 5261	6	188
9	GEHL Architects	GL. Kongevej 1, 4.tv., DK-1610 Copenhagen V	0045 32950951	1	170
10	Halliday Fraser Munro	Carden Church, 6 Carden Place, Aberdeen, Grampian, AB10 1UR	01224 388700	10	155

TOP TEN Key Contractors
July – August

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Mace Limited	155 Moorgate, City, London, EC2M 6XB	020 3522 3000 (TPS)	15	575
2	Brookfield Multiplex Construction Europe Limited	99 Bishopsgate, 2nd Floor, City, London, EC2M 3XD	020 7659 3500	7	544
3	ISG	Aldgate House, 33 Aldgate High Street, City, London, EC3N 1AG	020 7247 1717	52	476
4	Bowmer & Kirkland Limited	High Edge Court, Heage, Belper, Derbyshire, DE56 2BW	01773 853131	28	455
5	McAlpine Limited	Eaton Court, Maylands Avenue, Hemel Hempstead, Hertfordshire, HP2 7TR	01442 233444	8	402
6	Kier Group PLC	Tempsford Hall, Station Road, Sandy, Bedfordshire, SG19 2BD	01767 640111	19	334
7	Wates Construction Limited	Wates House, Station Approach, Leatherhead, Surrey, KT22 7SW	01372 861000	9	290
8	Laing O'Rourke	Bridge Place, Anchor Boulevard, Crossways, Dartford, Kent, DA2 6SN	01322 296200	9	249
9	Skanska UK	Maple Cross House, Denham Way, Maple Cross, Rickmansworth, Hertfordshire, WD3 9SW	01923 776666	5	211
10	McLaren Construction Limited	McLaren House, 100 Kings Road, Brentwood, Essex, CM14 4EA	01277 205800	13	204

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INCREASE IN HOTEL, LEISURE & SPORT CONTRACT VALUE IN JULY

The Hotel, Leisure & Sport sector showed monthly and yearly increases in contract values, although over the longer term values have declined.

Contract award levels in the Hotel, Leisure & Sport sector were £364 million in July, based on a three month rolling average (see Fig. 6.1). This was 11.3% higher than June and 11.9% higher than July 2013. In the three months to July the value of contracts was 26.6% lower than the previous three months. This was a decrease of 7.1% compared to the same period in 2013 indicating a longer term decline in activity over the year.

Projects by region

The North West was the main location for activity in this sector accounting for 29.3% of the value of contracts awarded, which was 21.3% higher than at this time last year (see Fig. 6.2 & 6.4). The largest project in the North West this month was the £40 million project at Barons Quay Regeneration in Cheshire which included a hotel and a leisure centre.

Type of Projects

Hotels/motels are the highest proportion of contracts awarded this month at 59% of total value which is 27% lower than July 2013 (see Fig. 6.3). This was followed by Leisure Centres with 19% of the contracts awarded and Audience/Exhibition centres following behind with 14% of the contracts awarded.

> A longer term decline in activity over the year

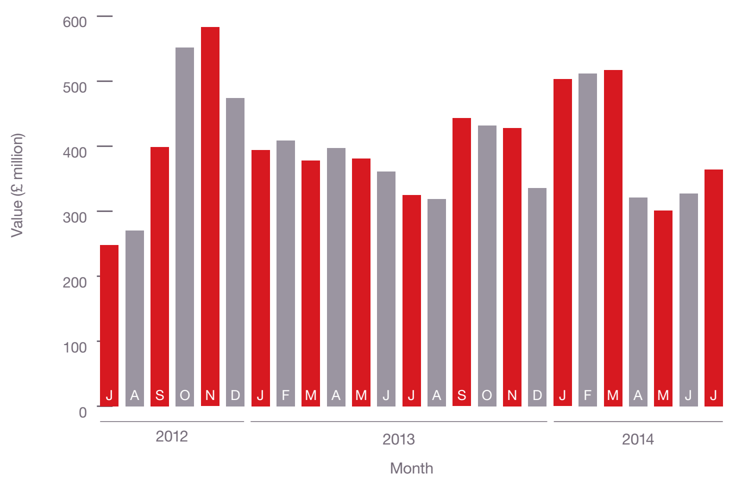

Fig. 6.1 **Project Values** Source: Barbour ABI

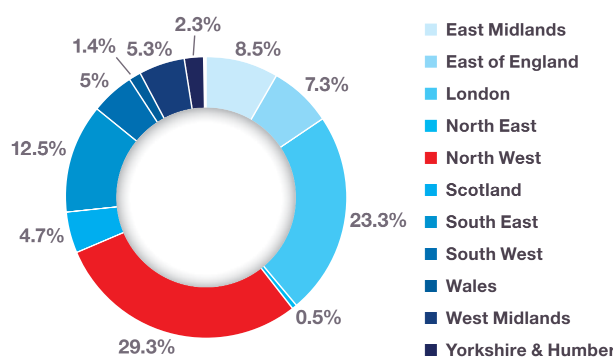

Fig. 6.2 **Value of Contracts by Region** Source: Barbour ABI

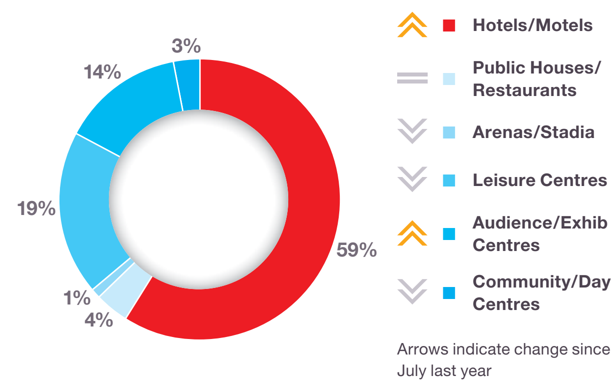

Fig. 6.3 **Type of Projects Awarded** Source: Barbour ABI

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INCREASE IN HOTEL, LEISURE & SPORT CONTRACT VALUE IN JULY

The map and figures show how the activity has changed since July 2013

		-1.1%	Scotland
+6.1%	East Midlands	+7.4%	South East
-1.1%	East of England	-4.9%	South West
-19.1%	London	-0.6%	Wales
-2.6%	North East	-3.6%	West Midlands
+21.3%	North West *HOTTEST REGION*	-1.6%	Yorkshire & Humber

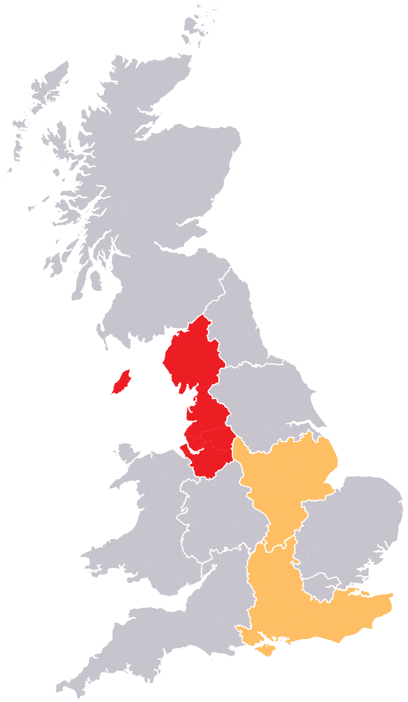

Fig. 6.4 **Change of Activity by Region** *(since last year)* Source: Barbour ABI

> The largest project in the North West this month was the £40 million project at Barons Quay Regeneration in Cheshire

PROJECT IN FOCUS

Manchester Business School Redevelopment – Phase 1 £40,000,000

County	Greater Manchester
Primary Category Sector	Hotel, Leisure & Sport
Government Region	North West
Start Date	July 2014
End Date	July 2016
Contract Award Date	July 2014
Funding	Private
Stage	Contract
Contractor	GB Building Solutions Limited

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INCREASE IN HOTEL, LEISURE & SPORT CONTRACT VALUE IN JULY

TOP TEN Key Clients
July – August

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Cardiff County Council	County Hall, Atlantic Wharf, Cardiff, South Glamorgan, CF10 4UW	029 2087 2087	2	216
2	London Borough of Newham	Third Floor, West Side, 1000 Dockside Road, Victoria Dock, London, E16 2QU	020 8430 2000	1	154
3	Olympic Delivery Authority (ODA)	23rd Floor, 1 Churchill Place, Canary Wharf, Poplar, London, E14 5HN	020 3201 2000	1	154
4	London Legacy Development Corporation	Level 10, 1 Stratford Place, Montfichet Road, Stratford, London, E20 1EJ	020 3288 1800	1	154
5	Whitbread PLC	Whitbread Court, Houghton Hall Business Court, Porz Avenue, Dunstable, Bedfordshire, LU5 5XE	01582 499499	27	151
6	Lateral Property Group Limited	16 Victoria Avenue, Harrogate, North Yorkshire, HG1 1ED	01423 534080	1	135
7	Essex County Cricket Club	New Writtle Street, Chelmsford, Essex, CM2 0PG	01245 252420 (CTPS)	1	100
8	Cheshire West & Chester Council	HQ, 58 Nicholas Street, Chester, Cheshire, CH1 2NP	0300 123 8123	4	83
9	Marstons Inns and Taverns	Marstons House, Brewery Road, Wolverhampton, West Midlands, WV1 4JT	01902 711811	23	67
10	Marsh Wall Chelsea LLP	38-40 Chamberlayne Road, Kensal Rise, City, London, NW10 3JE	Not Listed	1	60

TOP TEN Key Architects
July – August

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Populous	14 Blades Court, Deodar Road, Putney, London, SW15 2NU	020 8874 7666	4	265
2	Hole Architects	9th Floor, 69 Park Lane, Croydon, Surrey, CR0 1JD	020 8662 4600	3	222
3	Scott Brownrigg Limited	St Catherines Court, 46-48 Portsmouth Road, Guildford, Surrey, GU2 4DU	01483 568686	2	216
4	LDA Design	Worton Rectory Park, Oxford, Oxfordshire, OX29 4SX	01865 887050 (TPS)	1	154
5	Archial Group Plc	Tennyson House, 159-165 Great Portland Street, Westminster, London, W1W 5PA		6	153
6	DLA Design Group	55 St Pauls Street, Leeds, West Yorkshire, LS1 2TE	0113 887 3100	2	136
7	Woolford Architects Limited	Gunnery House, Gunnery Terrace, Leamington Spa, Warwickshire, CV32 5PE	01926 430304	1	100
8	Leach Rhodes & Walker LLP	West Riverside, New Bailey Street, Manchester, Greater Manchester, M3 5AA	0161 833 0211	2	100
9	Axiom Architects	Brooklands Yard, Southover High Street, Lewes, East Sussex, BN7 1HU	01273 479269 (TPS)	31	100
10	AFLS & P Architects Limited	The Cornerhouse, 91-93 Farringdon Road, City, London, EC1M 3LN	020 7831 8877	11	99

TOP TEN Key Contractors
July – August

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Balfour Beatty Group Limited	130 Wilton Road, Westminster, London, SW1V 1LQ	020 7216 6800	8	236
2	McAleer & Rushe Limited	17-19 Dungannon Road, Cookstown, County Tyrone, BT80 8TL	028 8676 3741 (CTPS)	10	204
3	Kier Group PLC	Tempsford Hall, Station Road, Sandy, Bedfordshire, SG19 2BD	01767 640111	14	152
4	GMI Construction Group Plc	Middleton House, Westland Road, Leeds, West Yorkshire, LS11 5UH	0113 276 0505	1	135
5	ISG	Aldgate House, 33 Aldgate High Street, City, London, EC3N 1AG	020 7247 1717	11	114
6	Interserve Plc	Interserve House, Ruscombe Park, Twyford, Reading, Berkshire, RG10 9JU	0118 932 0123 (CTPS)	10	114
7	Laing O'Rourke	Bridge Place, Anchor Boulevard, Crossways, Dartford, Kent, DA2 6SN	01322 296200	4	107
8	Willmott Dixon Construction Limited	Spirella 2, Icknield Way, Letchworth Garden City, Hertfordshire, SG6 4GY	01462 671852	8	89
9	Morgan Sindall Plc	Kent House, 14-17 Market Place, Westminster, London, W1W 8AJ	020 7307 9200	16	89
10	Bowmer & Kirkland Limited	High Edge Court, Heage, Belper, Derbyshire, DE56 2BW	01773 853131	11	75

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INDUSTRIAL

ACTIVITY INCREASES IN THE INDUSTRIAL SECTOR THIS MONTH

The Industrial sector experienced a monthly increase in contract values but performance has significantly improved since this time last year with contracts for large warehouses increasing.

Activity in the industrial sector increased in July with the value of contracts awarded at £374 million, based on a rolling three month average (see Fig. 7.1). This is an increase of 9.9% on the value in June and is 40.2% above the figure recorded this time last year. In the three months to July the total value of contracts was £1 billion which was 1% higher the previous three months but 32.9% higher than the same quarter last year.

Projects by region

The East of England is the region with the highest value of activity this month with 44.4% of the contracts awarded, an increase of 40.2% on July 2013 (see Fig. 7.2 & 7.4). This was principally due to the award of a contract for the Gateway Park Distribution Park in Cambridgeshire valued at £140 million.

Type of Projects

The types of project awarded in the sector were predominantly warehouse/storage which accounted for 58% of contract value in July 2014, a 6% increase on the corresponding month last year (see Fig. 7.3). This is once again due to the award of the Gateway Park Distribution Centre in Cambridgeshire.

> An increase of 9.9% on the value in June

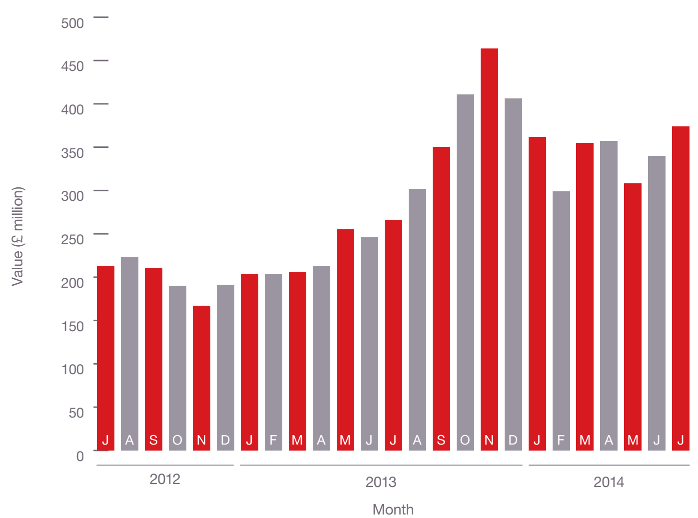

Fig. 7.1 **Project Values** Source: Barbour ABI

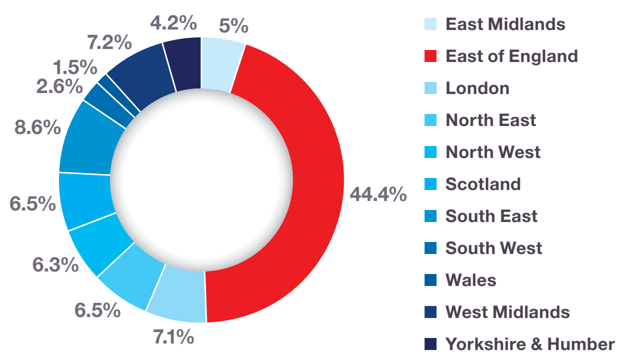

Fig. 7.2 **Value of Contracts by Region** Source: Barbour ABI

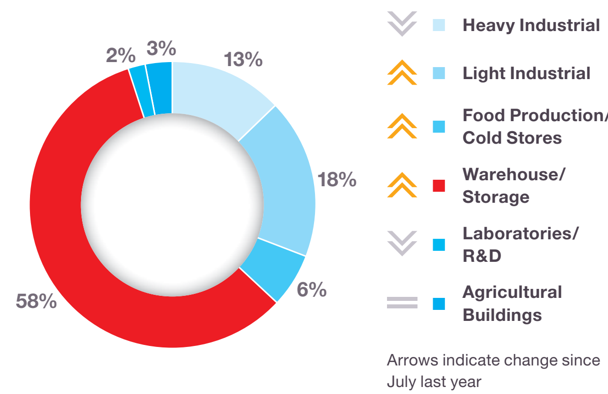

Fig. 7.3 **Type of Projects Awarded** Source: Barbour ABI

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ACTIVITY INCREASES IN THE INDUSTRIAL SECTOR THIS MONTH

The map and figures show how the activity has changed since July 2013

		-7.0%	Scotland
-8.0%	East Midlands	-17.9%	South East
+40.2%	East of England *HOTTEST REGION*	-2.1%	South West
+4.9%	London	-2.7%	Wales
+2.5%	North East	-0.4%	West Midlands
-3.2%	North West	-6.2%	Yorkshire & Humber

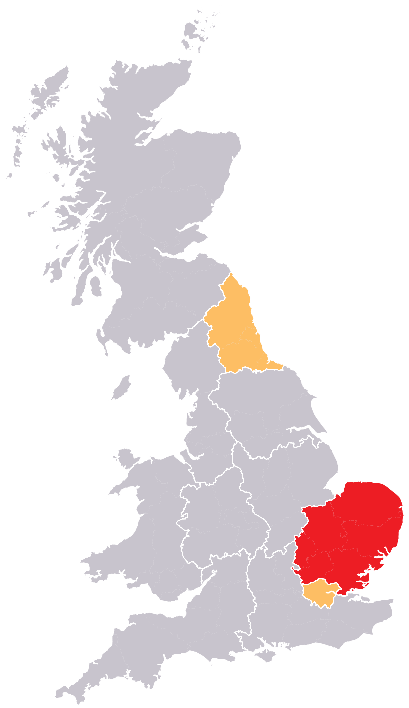

Fig. 7.4 **Change of Activity by Region** *(since last year)* Source: Barbour ABI

> The East of England is the region with the highest value of activity this month with 44.4% of the contracts awarded

PROJECT IN FOCUS

Plot 700 Winnersh Triangle
£10,070,000

County	Berkshire
Primary Category Sector	Industrial
Government Region	South East
Start Date	August 2014
End Date	February 2016
Contract Award Date	July 2014
Funding	Private
Stage	Contract
Contractor	Winvic Construction

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ACTIVITY INCREASES IN THE INDUSTRIAL SECTOR THIS MONTH

TOP TEN Key Clients
July – August

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Prologis Developments Limited	Prologis House, 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY	0121 224 8700	11	258
2	Roxhill Developments Limited	Lumonics House, Valley Drive, Swift Valley, Rugby, Warwickshire, CV21 1TQ	01788 422200	9	203
3	British Airways Plc	PO Box 365, Uxbridge, Middlesex, UB7 0GB	0844 493 0787	1	178
4	SNF Gas and Oil Limited	Solutions House, Ripley Close, Normanton Industrial Estate, Normanton, West Yorkshire, WF6 1TB	01924 311000	2	165
5	Simons Construction Limited	991 Doddington Road, Lincoln, Lincolnshire, LN6 3AA	01522 505000	1	140
6	BP Exploration Operating Company	Sullom Voe Terminal, Mossbank, Shetland, Islands, ZE2 9TU		1	125
7	The Macallan Distillery	The Macallan Distillery, Craigellachie, Charlestown of Aberlour, Aberlour, Grampian, AB38 9RX	01340 871471	1	100
8	Edrington Group	2500 Great Western Road, Glasgow, Strathclyde, G15 6RW	0141 940 4000	1	100
9	Aldi Stores Limited	Holly Lane, Atherstone, Warwickshire, CV9 2SQ	01827 711800	3	100
10	Merchant Place Developments	The Studio, Sinclair Court, Darrell Street, Newcastle Upon Tyne, Tyne And Wear, NE13 7DS	0191 236 1013	1	82

TOP TEN Key Architects
July – August

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Stephen George & Partners	170 London Road, Leicester, Leicestershire, LE2 1ND		7	380
2	Michael Sparks Associates	11 Plato Place, St Dionis Road, Fulham, London, SW6 4TU	020 7736 6162	17	188
3	AJA Architects LLP	1170 Elliot Court, Herald Avenue, Coventry Business Park, Coventry, West Midlands, CV5 6UB	024 7625 3200	10	161
4	Chetwood Associates	12-13 Clerkenwell Green, City, London, EC1R 0QJ	020 7490 2400	4	140
5	Ryder Architecture	Cooper Studios, 14-18 Westgate Road, Newcastle Upon Tyne, Tyne And Wear, NE1 3NN	0191 269 5454	4	125
6	Rogers Stirk Harbour and Partners	Thames Wharf Studios, Rainville Road, Hammersmith, London, W6 9HA	020 7385 1235	1	100
7	PHP Architects	The Old Rectory, 31 Rectory Lane, Milton Malsor, Northampton, Northamptonshire, NN7 3AQ		7	90
8	Cornish Architects	Peer House, 8-14 Verulam Street, Westminster, London, WC1X 8LZ	020 7400 2120	3	88
9	Dalkin Scotton Partnership	305 Fort Dunlop, Fort Parkway, Birmingham, West Midlands, B24 9FD	0121 747 1943	3	76
10	Blyth & Blyth	West Point, 4 Redheughs Rigg, Edinburgh, Lothian, EH12 9DQ	0131 474 2700	7	73

TOP TEN Key Contractors
July – August

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Winvic Construction	19 Tenter Road, Moulton Park, Northampton, Northamptonshire, NN3 6PZ	01604 678960 (CTPS)	20	333
2	Roxhill Developments Limited	Lumonics House, Valley Drive, Swift Valley, Rugby, Warwickshire, CV21 1TQ	01788 422200	2	165
3	McLaren Construction Limited	McLaren House, 100 Kings Road, Brentwood, Essex, CM14 4EA	01277 205800	3	160
4	Jacobs Limited	Jacobs House, 427 London Road, Earley, Reading, Berkshire, RG6 1BL	01189 635 331	3	128
5	Buckingham Group Contracting Limited	Blackpit Farm, Silverstone Road, Stowe, Buckingham, Buckinghamshire, MK18 5LJ	01280 823355	12	125
6	Shepherd Construction Limited	Frederick House, Fulford Road, York, North Yorkshire, YO10 4EA	01904 634431	2	122
7	Robertson Construction	10 Perimeter Road, Pinefield Industrial Estate, Elgin, Grampian, IV30 6AE	01343 548621	5	103
8	Henry Boot PLC	Banner Cross Hall, Ecclesall Road, Sheffield, South Yorkshire, S11 9PD	0114 255 5444	7	101
9	VolkerFitzpatrick	Hertford Road, Hoddesdon, Hertfordshire, EN11 9BX	01992 305000	2	100
10	McAlpine Limited	Eaton Court, Maylands Avenue, Hemel Hempstead, Hertfordshire, HP2 7TR	01442 233444	4	97

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MEDICAL & HEALTH
SIGNIFICANT DECREASE IN VALUE OF CONTRACTS

The values of medical & health contracts decreased in July month-on-month and are lower than those recorded last year so longer term patterns point to fall in activity.

Levels of activity in the Medical & Health sector decreased by 43.2% in July 2014 compared to last month, with the total value of contracts awarded £135 million based on a three month rolling average (see Fig. 8.1). This is 56.5% lower than the levels in July 2013. In the three months to July the value of contracts increased by 36.4% on the previous three months, but was 19.5% down on the same period in 2013, indicating the longer term decline in the value of contracts awarded in the sector.

Projects by region

London was the main location of development in the sector this month capturing 27% of activity, a substantial 25.6% increase from July 2013 (see Fig. 8.2 & 8.4). This is mainly due to the award of the St Bartholomews North Wing block which has a value of £10 million. The North West was the second most prominent region with the Prestwich Hospital Recovery Academy which is valued £5 million.

Type of Projects

The award of three higher value NHS contracts in July means that public hospitals are the dominant sub-sector this month accounting for 64% of the value of contracts in July 2014, a 54% increase from the same month last year (see Fig. 8.3).

> "Longer term decline in the value of contracts awarded in the sector

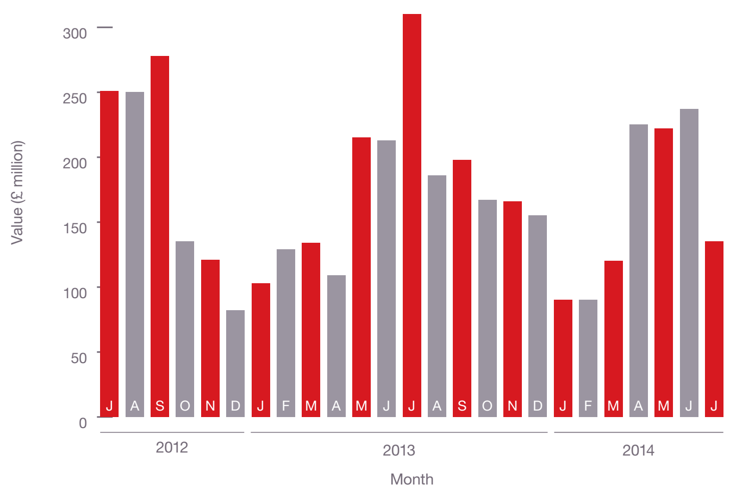

Fig. 8.1 **Project Values** Source: Barbour ABI

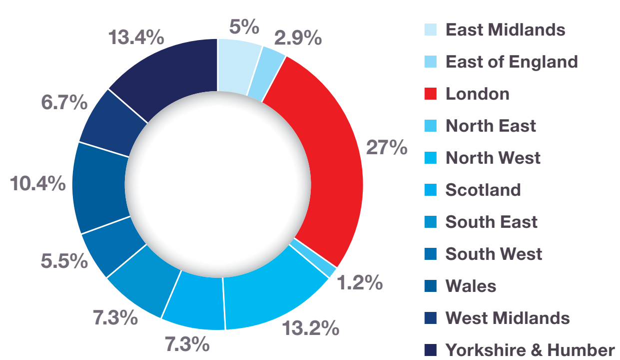

Fig. 8.2 **Value of Contracts by Region** Source: Barbour ABI

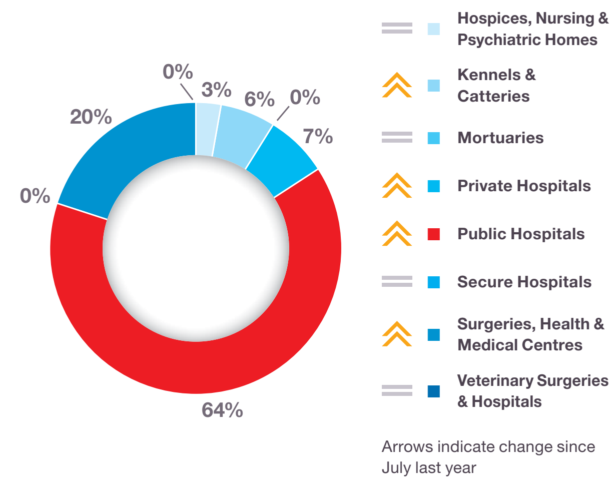

Fig. 8.3 **Type of Projects Awarded** Source: Barbour ABI

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SIGNIFICANT DECREASE IN VALUE OF CONTRACTS

The map and figures show how the activity has changed since July 2013		+6.5%	Scotland
+3.6%	East Midlands	-71.2%	South East
-0.2%	East of England	+3.9%	South West
+25.6%	London *HOTTEST REGION*	+9.0%	Wales
+0.0%	North East	+5.5%	West Midlands
+9.2%	North West	+8.2%	Yorkshire & Humber

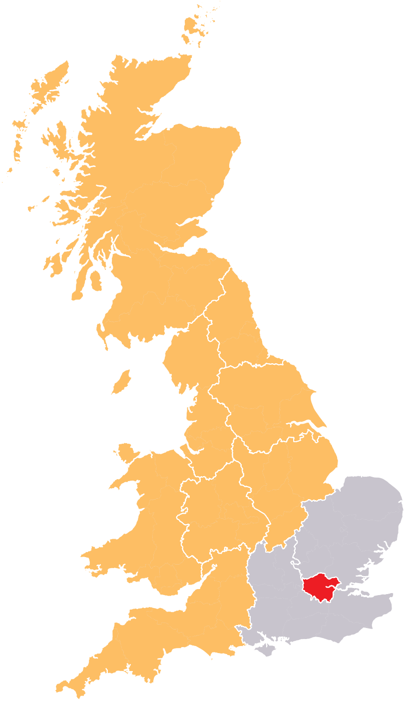

Fig. 8.4 **Change of Activity by Region** *(since last year)* Source: Barbour ABI

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 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 Budget in March indicating this spending will occur.

> Public hospitals are the dominant sub-sector this month

PROJECT IN FOCUS

Queen Marys Hospital – Satellite Cancer Centre
£6,000,000

County	Kent
Primary Category Sector	Medical & Health
Government Region	South East
Start Date	July 2014
End Date	July 2015
Contract Award Date	July 2014
Funding	Public
Stage	Subcontract
Contractor	Arien Contractors Limited

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SIGNIFICANT DECREASE IN VALUE OF CONTRACTS

TOP TEN Key Clients

July – August

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Royal Liverpool and Broadgreen Hospital NHS Trust	Prescot Street, Liverpool, Merseyside, L7 8XP	0151 706 2000	3	338
2	Royal National Orthopaedic Hospital NHS Trust	Brockley Hill, Stanmore, Middlesex, HA7 4LP	020 8954 2300	1	263
3	Christie Hospital NHS Trust	Christie Hospital, 550 Wilmslow Road Withington, Manchester, Greater Manchester, M20 4BX	0161 446 3000	1	250
4	Aintree University Hospitals NHS Foundation Trust	Aintree University Hospital, Lower Lane, Aintree, Liverpool, Merseyside, L9 7AL	0151 525 5980	2	104
5	Royal Infirmary of Edinburgh NHS Trust	51 Little France Crescent, Old Dalkeith Road, Edinburgh, Lothian, EH16 4SA	0131 536 1000 (CTPS)	1	72
6	Great Ormond Street Hospital NHS Trust	Great Ormond Street, Westminster, London, WC1N 3JH	020 7405 9200 (CTPS)	1	60
7	The Trustees of the London Clinic	20 Devonshire Place, Westminster, London, W1G 6BW	020 7935 4444	1	58
8	University Hospitals of Leicester NHS Trust	Leicester Royal Infirmary, Infirmary Square, Leicester, Leicestershire, LE1 5WW	0300 303 1573 (CTPS)	1	48
9	Leicester Royal Infirmary NHS Trust	Gate 9, Havelock Street, Leicester, Leicestershire, LE1 5WW	0116 258 5715 (CTPS)	1	48
10	Ayrshire & Arran NHS Trust	Crosshouse Hospital, Kilmarnock Road, Kilmarnock, Strathclyde, KA2 0BE	01563 521133	1	46

TOP TEN Key Architects

July – August

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	HKS International Limited	82 Dean Street, Westminster, London, W1D 3SP	020 7292 9494 (TPS)	2	585
2	NBBJ	The Clove Building, 4-6 Maguire Street, Greenwich, London, SE1 2NQ	020 7939 3700	1	335
3	Devereux Architects Limited	Zeeta House, 200 Upper Richmond Road, Putney, London, SW15 2SH		3	264
4	HOK International Limited	Qube, 90 Whitfield Street, Westminster, London, W1T 4EZ	020 7636 2006	2	263
5	Keppie Design	160 West Regent Street, Glasgow, Strathclyde, G2 4RL	0141 204 0066	8	120
6	IBI Group	Chadsworth House, Wilmslow Road, Handforth, Wilmslow, Cheshire, SK9 3HP	01625 542200	5	109
7	Building Design Partnership	16 Brewhouse Yard, Clerkenwell, City, London, EC1V 4LJ	020 7812 8000	3	83
8	HLM Architects	46 Loman Street, Southwark, London, SE1 0EH	020 7921 4800	1	72
9	Nightingale Associates	Princes Manor Barn, Reading Road, Harwell, Oxford, Oxfordshire, OX11 0LU	01235 820222 (TPS)	9	70
10	P+HS Architects	The Old Station, Station Road, Stokesley, Middlesbrough, Cleveland, TS9 7AB	01642 712684	13	68

TOP TEN Key Contractors

July – August

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Carillion Plc	Construction House, 24 Birch Street, Wolverhampton, West Midlands, WV1 4HY	01902 422431	3	340
2	Interserve Plc	Interserve House, Ruscombe Park, Twyford, Reading, Berkshire, RG10 9JU	0118 932 0123 (CTPS)	16	335
3	Willmott Dixon Construction Limited	Spirella 2, Icknield Way, Letchworth Garden City, Hertfordshire, SG6 4GY	01462 671852	6	86
4	Kier Group PLC	Tempsford Hall, Station Road, Sandy, Bedfordshire, SG19 2BD	01767 640111	13	82
5	Brookfield Multiplex Construction Europe Limited	99 Bishopsgate, 2nd Floor, City, London, EC2M 3XD	020 7659 3500	5	80
6	Balfour Beatty Group Limited	130 Wilton Road, Westminster, London, SW1V 1LQ	020 7216 6800	9	77
7	Skanska UK	Maple Cross House, Denham Way, Maple Cross, Rickmansworth, Hertfordshire, WD3 9SW	01923 776666	4	61
8	Coffey Construction Limited	93-95 Greenford Road, Harrow, Middlesex, HA1 3QF	020 8426 4944 (CTPS)	1	58
9	Vinci Construction UK Limited	Astral House, Imperial Way, Watford, Hertfordshire, WD24 4WW	01923 233433	8	53
10	Galliford Try Construction South	2 Cowley Business Park, High Street, Cowley, Uxbridge, Middlesex, UB8 2AD	01895 855000	8	53

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EDUCATION

INCREASE IN THE VALUE OF CONTRACTS IN JULY

The Education sector grew this month and activity is still much higher than this time last year indicating better long term performance in this sector.

The value of contracts awarded in the Education sector was £714 million in July based on a three month rolling average (see Fig. 9.1), a 17.4% increase from June. This figure was 25.1% higher than July 2013 indicating the sectors improvement over the past year. The values of contract awards in the three months to July were 15.6% higher than the same period last year, showing the longer term growth in contracts awarded.

Projects by region

The main location of activity this month was London which accounted for 15.1% of the value of projects, although this was a 5.7% decrease from July 2013 (see Fig. 9.2 & 9.4). This is primarily due to the award of two larger contracts, one for Whitefriars Community School and the other for Wembley High Technology College Expansion, valued at £20 million and £11 million respectively. Scotland witnessed the second highest share of contracts this month with two Scotlands Schools for the Future contracts worth £37.5 million and £27 million respectively.

Type of Projects

Colleges/universities accounted for 31% of contract value in July, a decrease of 3% from July 2013 (see Fig. 9.3). State secondary schools were the other major type of project accounting for 29% of contract value an increase of 12% on the corresponding month of 2013.

> Longer term growth in contracts awarded

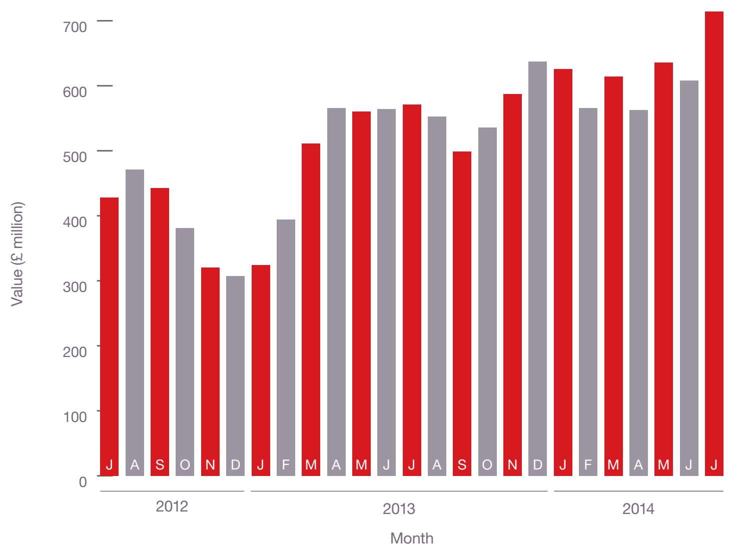

Fig. 9.1 **Project Values** Source: Barbour ABI

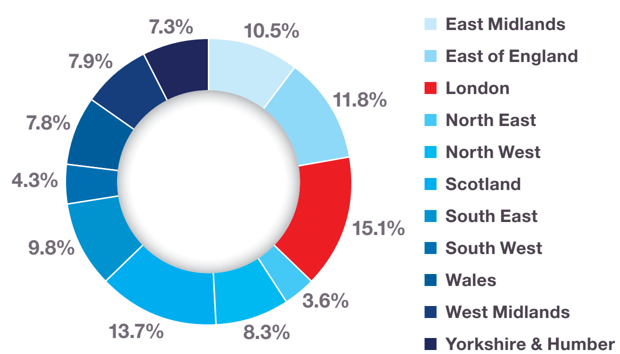

Fig. 9.2 **Value of Contracts by Region** Source: Barbour ABI

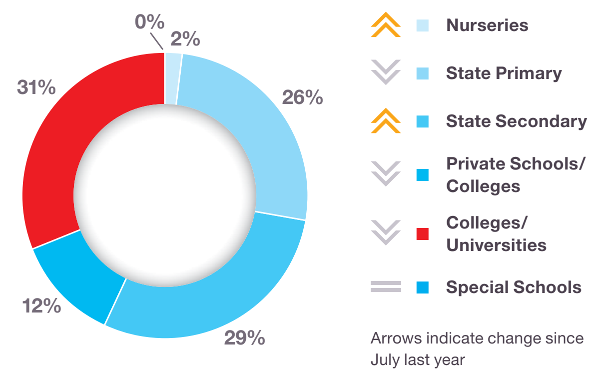

Fig. 9.3 **Type of Projects Awarded** Source: Barbour ABI

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The map and figures show how the activity has changed since July 2013

		+4.5%	Scotland
+3.7%	East Midlands	-1.5%	South East
+6.4%	East of England *HOTTEST REGION*	-9.2%	South West
-5.7%	London	+5.6%	Wales
+1.5%	North East	-1.5%	West Midlands
-6.0%	North West	+2.1%	Yorkshire & Humber

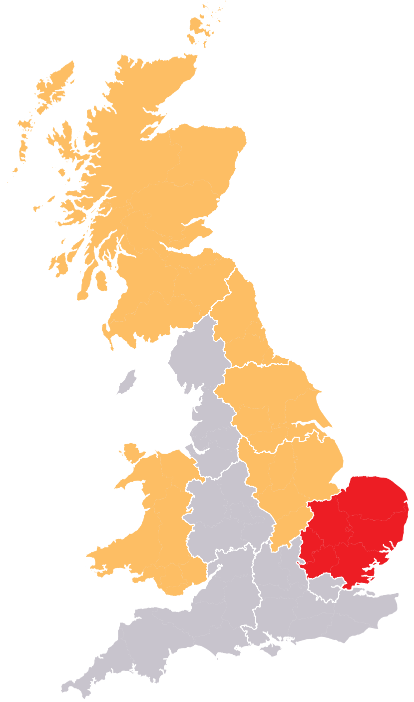

Fig. 9.4 **Change of Activity by Region** *(since last year)* Source: Barbour ABI

Outlook

In the Budget 2014 the Government announced a series of measures that will impact the value of contracts awarded in the Education sector in the coming years. These included:

- **£106 million over 5 years to fund around 20 additional Centres for Doctoral Training**
- **An additional £85 million in 2014/15 and 2015/16 to extend the Apprenticeship Grant for Employers scheme**

> London accounted for 15.1% of the value of projects

PROJECT IN FOCUS

Inverness Royal Academy – Scotlands Schools For The Future £35,500,000

County	Highlands
Primary Category Sector	Education
Government Region	Scotland
Start Date	August 2014
End Date	June 2016
Contract Award Date	July 2014
Funding	Public
Stage	Contract
Contractor	Miller Developments Limited

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INCREASE IN THE VALUE OF CONTRACTS IN JULY

TOP TEN Key Clients

July – August

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Department For Education	Castle View House, East Lane, Runcorn, Cheshire, WA7 2AA	0370 000 2288	87	701
2	Kent County Council	County Hall, County Road, Maidstone, Kent, ME14 1XQ	03000 414141	36	125
3	Ministry of Defence	Whitehall, Westminster, London, SW1A 2HB	020 7218 9000	3	123
4	Laing Plc	Allington House, 150 Victoria Street, Westminster, London, SW1E 5LB	020 7901 3200	1	120
5	Cambridge University Hospitals NHS Foundation Trust	Addenbrookes Hospital, Hills Road, Cambridge, Cambridgeshire, CB2 0QQ	01223 245151	1	120
6	Imperial College London	Estates Division, South Kensington Campus, Exhibition Road, South Kensington, London, SW7 2DB	020 7589 5111	9	110
7	Highland Council	Glenurquhart Road, Inverness, Highlands, IV3 5NX	01463 702000	5	102
8	Cambridgeshire County Council	Castle Court, Shire Hall, Castle Hill, Cambridge, Cambridgeshire, CB3 0AP	0345 0455 200	22	75
9	North Lanarkshire Council	Civic Centre, Windmillhill Street, Motherwell, Strathclyde, ML1 1AB	01698 302222	4	62
10	University of Surrey	Estates Office, Stag Hill, Guildford, Surrey, GU2 7XH	01483 300800	6	58

TOP TEN Key Architects

July – August

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Bond Bryan Partnership	The Congregational Church, The Church Studio, Springvale Road, Sheffield, South Yorkshire, S10 1LP	0114 266 2040 (TPS)	32	249
2	AHR	Norwich Union House, High Street, Huddersfield, West Yorkshire, HD1 2LR	01484 537411 (TPS)	25	170
3	Sheppard Robson	77 Parkway, Camden Town, London, NW1 7PU	020 7504 1700	7	167
4	Archial Group Plc	Tennyson House, 159-165 Great Portland Street, Westminster, London, W1W 5PA		17	159
5	Ryder Architecture	Cooper Studios, 14-18 Westgate Road, Newcastle Upon Tyne, Tyne And Wear, NE1 3NN	0191 269 5454	12	152
6	JM Architects	64 Queen Street, Edinburgh, Lothian, EH2 4NA	0131 652 1666	6	141
7	Ellis Williams Architects	Wellfield, Chester Road, Preston Brook, Runcorn, Cheshire, WA7 3BA	01928 752200	23	125
8	AMEC Group PLC	76-78 Old Street, City, London, EC1V 9RU	020 3215 1700	1	121
9	NBBJ	The Clove Building, 4-6 Maguire Street, Greenwich, London, SE1 2NQ	020 7939 3700	2	121
10	Associated Architects	1 Severn Street Place, The Mailbox, Birmingham, West Midlands, B1 1SE	0121 233 6600	11	120

TOP TEN Key Contractors

July – August

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Kier Group PLC	Tempsford Hall, Station Road, Sandy, Bedfordshire, SG19 2BD	01767 640111	126	613
2	Interserve Plc	Interserve House, Ruscombe Park, Twyford, Reading, Berkshire, RG10 9JU	0118 932 0123 (CTPS)	77	504
3	BAM Construction	Breakspear Park, Breakspear Way, Hemel Hempstead, Hertfordshire, HP2 4FL	01442 238300	39	423
4	Willmott Dixon Construction Limited	Spirella 2, Icknield Way, Letchworth Garden City, Hertfordshire, SG6 4GY	01462 671852	66	408
5	Balfour Beatty Group Limited	130 Wilton Road, Westminster, London, SW1V 1LQ	020 7216 6800	52	270
6	Morgan Sindall Plc	Kent House, 14-17 Market Place, Westminster, London, W1W 8AJ	020 7307 9200	68	266
7	Laing O'Rourke	Bridge Place, Anchor Boulevard, Crossways, Dartford, Kent, DA2 6SN	01322 296200	16	250
8	Miller Developments Limited	Miller House, 2 Lockside View, Edinburgh Park, Edinburgh, Lothian, EH12 9DH	0870 336 5000	17	244
9	Galliford Try Construction South	2 Cowley Business Park, High Street, Cowley, Uxbridge, Middlesex, UB8 2AD	01895 855000	21	169
10	Wates Construction Limited	Wates House, Station Approach, Leatherhead, Surrey, KT22 7SW	01372 861000	28	167

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- Materials identified
- Detailed scheme and status information
- Subcontractor information

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