economic & construction MARKET REVIEW

Barbour ABI | Building | bd

JULY 2015

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

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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 Dall

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
SUMMER BUDGET SETS POLICY DIRECTION FOR UK ECONOMY

The Budget was set this month in what was the first major announcement from the Conservative government.

It provided an indication of the economic policies that the first majority Conservative government since 1997 will pursue. The headline measures focussed on the introduction of the National Living Wage as well as an increase in the personal tax allowance and reduction in corporation tax.

Within the Budget the Office for Budget Responsibility (OBR) updated its economic forecasts for the UK in the upcoming years with its estimate for growth this year now 2.4%, a slight decrease from the 2.5% forecast in the Spring Budget in March (see Fig. 1.1). The forecast for 2016 was unchanged at 2.3% growth, but the economy is now forecast to grow by 2.4% in both 2017 and 2018, an improvement from the 2.3% forecast in the Spring Budget.

Inflation forecasts were also reduced for 2015 from 0.2% to 0.1%, in response to the latest data which shows inflation falling (see Fig. 1.2). Given that the Bank of England target is 2% it shows how far the economy is from its desired inflation rate. The OBR's inflation target of 2.0% is predicted to be met in 2020, a year later than the Spring Budget predicted.

Average earnings growth was revised down slightly within this Budget with the OBR now forecasting 2.2% wage growth this year, when it expected the figure to be 2.3% when the Spring Budget was announced (see Fig. 1.3). However, average earnings growth is now expected to be stronger next year with 3.6% growth now forecast, up from 3.1% in the previous forecast.

Unemployment forecasts remained broadly similar in the Summer Budget, reflecting the rapid fall in unemployment levels in recent months with an estimate of 5.4% this year, compared to 5.3% in the Spring Budget (see Fig. 1.4). Unemployment is set to fall to 5.1% in 2016 and settle at the long-term rate of 5.4% in 2019. These forecasts imply that inflation will be on target and unemployment will be at its "natural" rate in 2020, indicating a healthy economy.

The many policy measures announced in the statement included:

- **Cutting the rate of corporation tax from 20% to 19% in 2017 and 18% in 2020**
- **The income tax personal allowance will be increased to £11,000 in 2016/17, and to £12,500 by the end of the Parliament**
- **The government will introduce a new National Living Wage (NLW) for workers aged 25 and above, by introducing a new premium on top of the National Minimum Wage (NMW)**
- **The government will reduce social housing rents in England by 1% a year for four years, requiring Housing Associations and Local Authorities to deliver efficiency savings**
- **The government will lower the cap on the total amount of benefits an out of work family can receive, from £26,000 to £20,000 (outside London)**
- **The government has committed to the establishment of a network of National Colleges to provide specialist high-level training in sectors that are critical to economic growth**
- **Starting from April 2017, relief on finance costs for landlords of residential property will be restricted to the basic rate of income tax.**

GDP	2014	2015	2016	2017	2018	2019	2020
Summer Budget	3.0	2.4	2.3	2.4	2.4	2.4	2.4
Spring Budget	2.4	2.5	2.3	2.3	2.3	2.4	

Fig. 1.1 **GDP Outlook** Source: OBR/ONS

Average Earnings	2014	2015	2016	2017	2018	2019	2020
Summer Budget	2.6	2.2	3.6	3.9	3.9	4.1	4.4
Spring Budget	2.2	2.3	3.1	3.7	4.0	4.4	

Fig. 1.3 **Average Earnings** Source: OBR

CPI (Inflation)	2014	2015	2016	2017	2018	2019	2020
Summer Budget	3.0	2.4	2.3	2.4	2.4	2.4	2.4
Spring Budget	2.4	2.5	2.3	2.3	2.3	2.4	

Fig. 1.2 **CPI (Inflation) Outlook** Source: OBR

Unemployment Rate	2014	2015	2016	2017	2018	2019	2020
Summer Budget	6.2	5.4	5.1	5.2	5.3	5.4	5.4
Spring Budget	6.2	5.3	5.2	5.3	5.3	5.3	

Fig. 1.2 **CPI (Inflation) Outlook** Source: OBR

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THE CONSTRUCTION SECTOR

CONTRACT AWARD ACTIVITY BOOSTED BY MAJOR PROJECTS

The latest figures from the ONS show that the construction sector in the UK shrank by 1.3% between April and May 2015.

However comparing output levels with May last year showed an increase of 1.3%. It is further evidence that, despite monthly fluctuations, the longer term performance of the sector remains strong.

New Private Housing declined between April and May by 5.6% which was a major reason for the overall fall in construction output (see Fig. 2.1). However, output was 8.9% higher than May 2014 indicating that New Private Housing is still driving industry growth over the longer term. Output in the Private Commercial sector fell by 0.3% between April and May, and by 3.4% on May 2014. On a more positive note the infrastructure sector increased by 5.7% in May and by 16.2% on a year earlier. This highlights that the growth patterns within the industry are still reliant on housing although the yearly increase in infrastructure output is encouraging for future growth prospects.

	% change	
	May 2014 – May 2015	**April 2015 – May 2015**
Total All Work	**1.3**	**-1.3**
All New Work	**3.2**	**-1.5**
Public Housing	-10.7	-6.4
Private Housing	8.9	-5.6
Infrastructure	16.2	5.7
Public (ex Infrastructure)	-0.6	-1.4
Private Industrial	-3.1	-3.3
Private Commercial	-3.4	-0.3
Repair & Maintenance	**-1.7**	**-1.0**
Public Housing	-1.3	1.8
Private Housing	-2.8	-0.8
Non-Housing	-4.8	-1.9

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

> June witnessed an increase in construction activity levels

The CPA/Barbour ABI Index which measures the level of contracts awarded using January 2010 as its base month recorded a reading of 144 for June (see Fig. 2.2). This is an increase from the previous month and continues to support the view that overall activity in the industry remains strong. The readings for Private Housing decreased in the month after a large increase last month. However, Commercial Offices continue to fall with a reading of 96 compared to 115 last month. However, Commercial Retail increased in June with a reading of 138 and industrial factories recorded a reading of 468, up from 442 in May.

The Construction Sector

According to Barbour ABI data on all contract activity, June witnessed an increase in construction activity levels with the value of new contracts awarded £6.2 billion, based on a three month rolling average (see Fig. 2.4). This is a 10.6% increase from May and an 18.7% increase on the value recorded in June 2014. The number of construction projects within the UK in June increased by 17.1% on May, but were 10.4% lower than June 2014.

Projects by Region

The majority of the contracts awarded in June by value were in London, accounting for 39% of the UK total. This is followed by Scotland with 16% of contract value awarded and the East of England with 12% of value (see Fig. 2.3). The strong performance of London is primarily due to the award of the £2.1 billion contract at Wood Wharf, part of the Canary Wharf development. A ten year commercially led project also providing residential units and

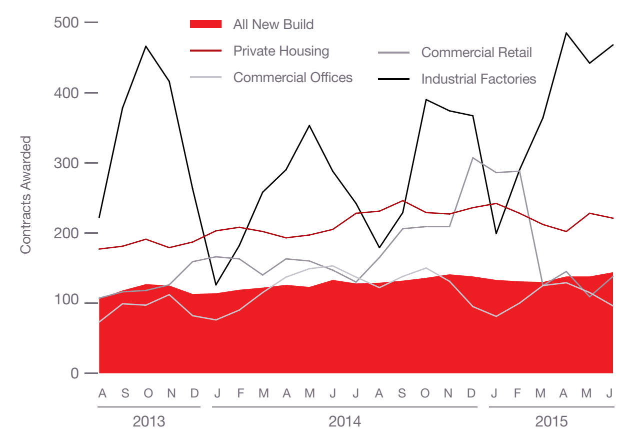

Fig. 2.2 **Contracts Awarded** Source: CPA/Barbour ABI

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hotel and leisure uses it is set to result in significant construction activity in the area. In Scotland, the award of the contract to start construction at the Sullom Voe Gas Sweetening Plant in the Shetland Islands valued at £500 million accounts for its strong performance in June. In addition, despite recent announcements on the curtailment of onshore wind farm subsidies, the contract to construct a 288 MW wind farm in Dumfries & Galloway was another reason why Scotland had a high share of contract value in June. This contract is valued at £300 million and includes 99 turbines and is set to be completed by the start of 2018.

Type of Projects

Commercial & retail had the highest proportion of contracts awarded by value in June with 31% of the total value of projects awarded (see Fig. 2.5). The Wood Wharf contract at Canary Wharf contributed to the sector's strong performance in June. The infrastructure sector also had a strong month in June accounting for 27% of the value awarded. The Kilgallioch Forest wind farm in Dumfries & Galloway was a major contributor to infrastructure in June but there were also two improvement contracts for the A14 awarded, at a total value of £600 million.

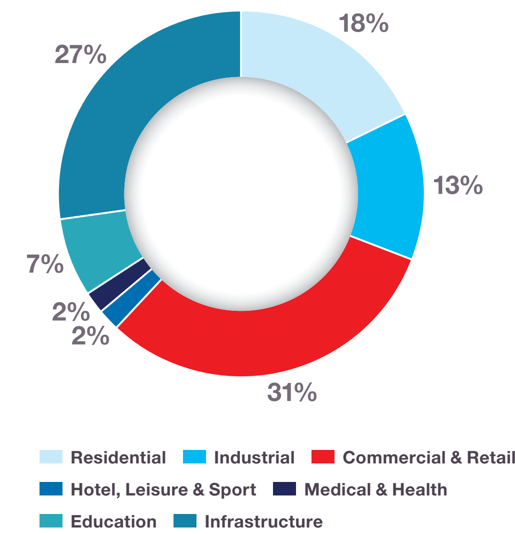
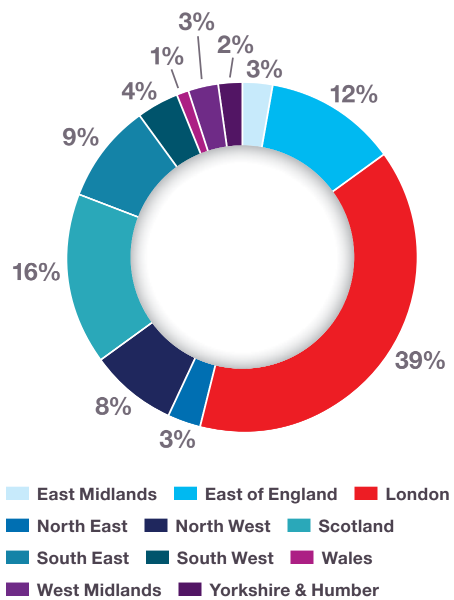


Fig. 2.5 **Type of Projects** Source: Barbour ABI

> “The growth patterns within the industry are still reliant on housing

> “The majority of the contracts awarded by value were in London



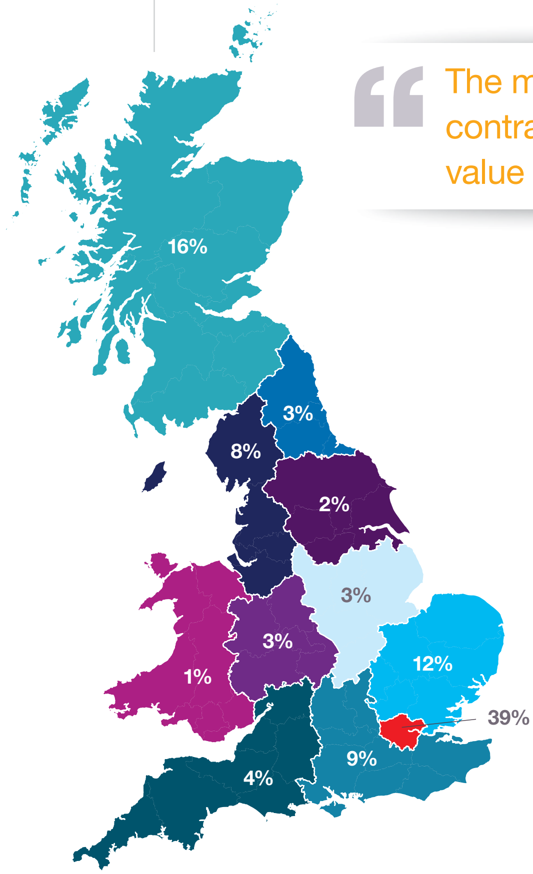


Fig. 2.3 **Locations of Contracts Awarded** Source: Barbour ABI

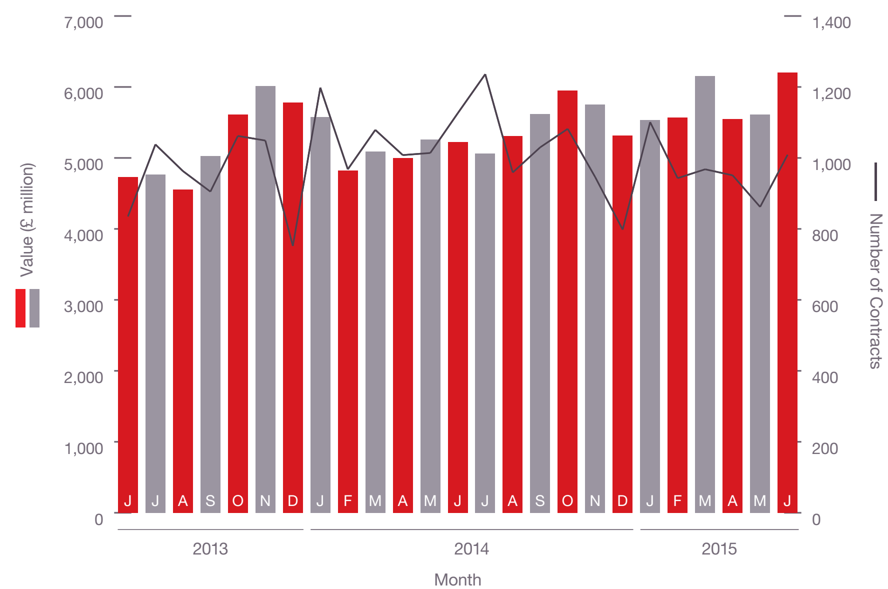


Fig. 2.4 **Construction Activity Trends** Source: Barbour ABI

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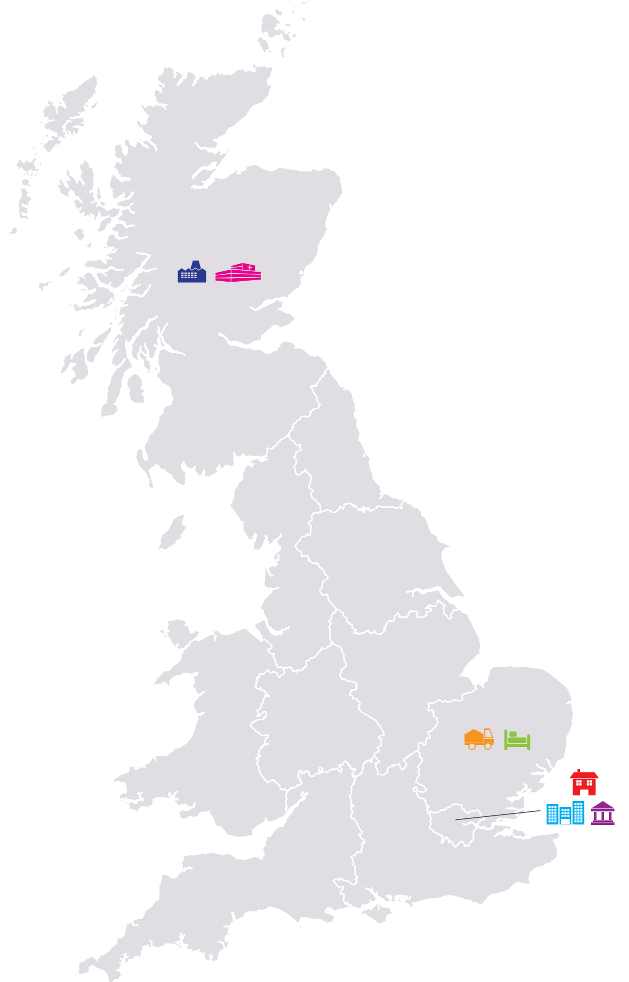
A snippet of this month's regional activity

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

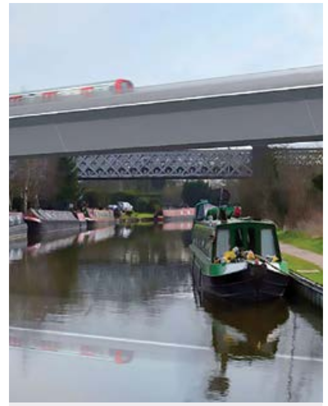


- Residential
- Infrastructure
- Commercial & Retail
- Hotel, Leisure & Sport
- Industrial
- Medical & Health
- Education

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
Olympic Way – Student Accommodation
£47,000,000



INFRASTRUCTURE
Croxley Rail Link Project
£70,500,000

COMMERCIAL & RETAIL
8 Salisbury Square, Salisbury Square House – Office Extension
£33,000,000

HOTEL, LEISURE & SPORT
363 Union Street – Hotel
£11,000,000

INDUSTRIAL
Aldi Distribution Centre – Cardiff
£25,000,000

MEDICAL & HEALTH
Woodside Health Centre
£18,000,000

EDUCATION
Dean Trust Ardwick School – Educational Facility
£26,000,000

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RESIDENTIAL

RESIDENTIAL UNITS DECLINE IN JUNE

June was another relatively subdued month for contracts awarded in the residential sector however units are still higher than this time in 2014.

Activity in the residential sector decreased in June with the total number of units awarded 11,214, based on a three month rolling average (see Fig. 3.1). This is a 7% decrease compared to May but is 2% higher than June 2014, indicating that the residential sector is still performing strongly over the longer term. The value of projects associated with residential contracts awarded decreased by 4% between May and June based on a three month rolling average, and is 12.4% lower than June 2014. Taken together these statistics suggest a slowdown in recent months in the sector after its strong performance recently. Given that the long term fundamentals that have been driving growth, in particular help for first time buyers, are set to continue it suggests this is a temporary blip rather than a long term change.

Sector Performance

The latest house price indices for June from Nationwide showed that average house prices are rising at 3.3% annually, a fall from 4.6% in May. This shows that annual house price growth is now running at less than half the level recorded at the start of 2015. In contrast, the Halifax reported annual house price rises of 9.6% in June, an increase from 8.6% in May. Trading conditions for house builders remain strong however with Bovis Homes reporting a record of 1,525 completions in the first half of the year.

The Summer Budget also had a number of measures that could potentially impact the residential sector. Of particular importance were the proposals to cut social rents by 1% each year, which some fear will impact the viability of social housing development. The Government also announced that from April 2017, the first £1 million of a home's value will be free from inheritance tax but tax incentives for buy-to-let mortgages will be reduced.

In addition the Government's Productivity Plan introduced a number of measures designed to increase house building rates in the UK including intervening to ensure council's produce a Local

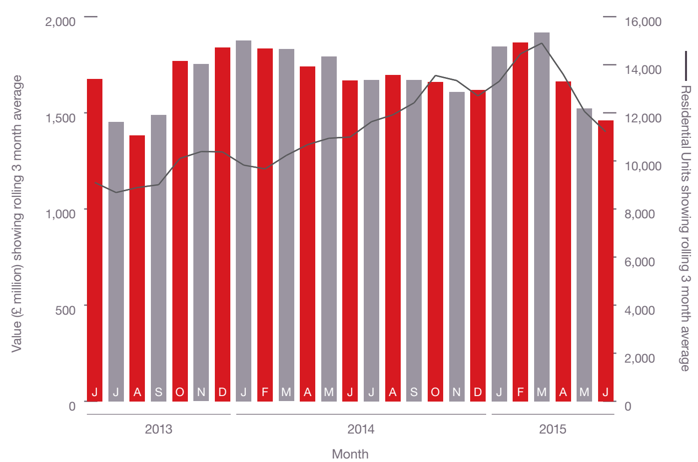

FIG. 3.1

Residential: **Project Value showing 3 month moving average** Source: Barbour ABI

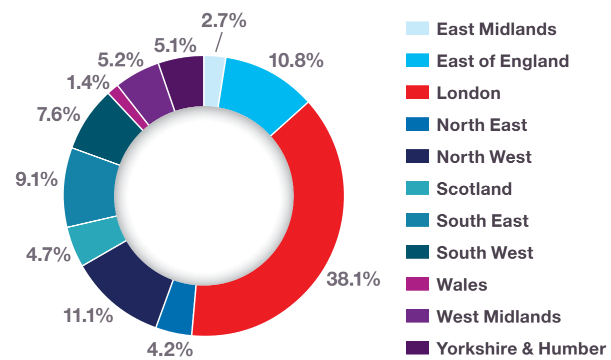

FIG. 3.2

Residential: **Value of Contracts by Region** Source: Barbour ABI

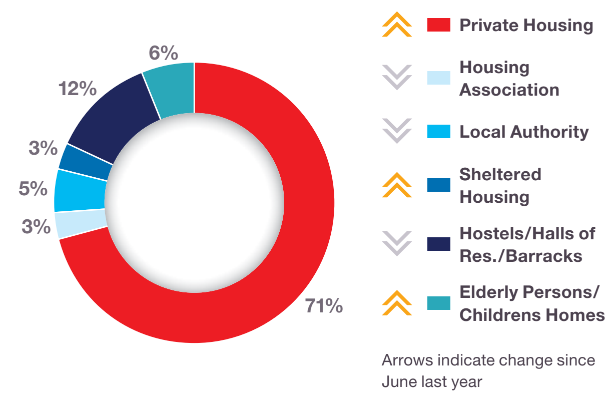

FIG. 3.3

Residential: **Type of Projects Awarded** Source: Barbour ABI

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The map and figures show how the activity has changed since June 2014		-2.1%	Scotland	
-3.6%	East Midlands	-8.7%	South East	
+7.2%	East of England	+0.6%	South West	
+17.2%	London *HOTTEST REGION*	-1.5%	Wales	
+2.2%	North East	-0.6%	West Midlands	
-4.1%	North West	-6.5%	Yorkshire & Humber	

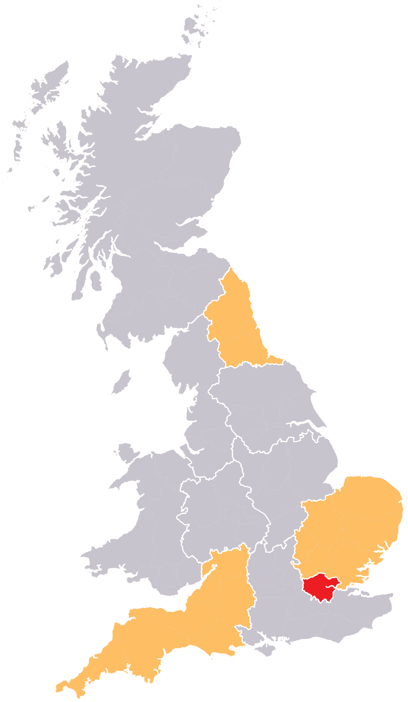

FIG. 3.4

Residential: **Change of Activity by Region** *(since last year)* Source: Barbour ABI

Plan committing to housing targets. It also vowed to strengthen the "duty to co-operate" between planning authorities to speed up development and legislate to grant automatic permission for housing on brown field sites. There were a number of other measures the impact of which will be closely monitored in the coming years.

Projects by region

London is the main location of activity in the residential sector this month, accounting for 38.1% of the value of contracts awarded, an increase of 17.2% from the same month last year (see Fig. 3.2 & 3.4). Contracts such as The Stage in Shoreditch which aims to deliver 385 apartments at an estimated value of £80 million contribute to the regions share this month. Another contract to deliver student accommodation at Olympic Way valued at £87 million is another reason for London's strong performance in June.

Type of Projects

The type of projects awarded in the residential sector was dominated by private housing in June (see Fig. 3.3). Private housing accounted for 71% of the value of contracts awarded this month, an increase of 11% from the corresponding month last year. After private housing, the next largest project type were hostels/halls of residence projects which accounted for 12% of the value awarded, a decrease of 9% from the corresponding month last year.

PROJECT IN FOCUS

www.tatehindle.co.uk

Olympic Way – Student Accommodation £47,000,000

County	London
Primary Category Sector	Residential
Government Region	London
Start Date	December 2014
End Date	August 2016
Contract Award Date	June 2015
Funding	Private
Stage	Subcontract
Contractor	RG Group

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RESIDENTIAL UNITS DECLINE IN JUNE

TOP TEN Key Clients

Jul 2014 – Jun 2015

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Persimmon Homes Limited	Persimmon House, Fulford, York, North Yorkshire, YO19 4FE	01904 642199	215	2,713
2	Taylor Wimpey	Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR	01494 558323	170	2,584
3	Barratt Homes	Barratt House, Cartwright Way, Coalville, Leicestershire, LE67 1UF	01530 278278	163	2,174
4	Bellway Plc	Seaton Burn House, Dudley Lane, Newcastle Upon Tyne, Tyne And Wear, NE13 6BE	0191 217 0717 (CTPS)	97	1,093
5	Berkeley Group Plc/St James Group	Berkeley House, 19 Portsmouth Road, Cobham, Surrey, KT11 1JG	020 3675 1502	30	923
6	Bovis Homes Limited (South East Region)	The Manor House, North Ash Road, Longfield, Kent, DA3 8HQ	01474 872427 (CTPS)	52	814
7	Redrow Homes (South Midlands) Limited	Redrow House, St Davids Park, Deeside, Clwyd, CH5 3RX	01244 520 044	57	765
8	Galliford Try Construction	2 Cowley Business Park, Uxbridge, Middlesex, UB8 2AD	01895 855000	63	688
9	Bloor Homes	Ashby Road, Swadlincote, Derbyshire, DE12 7JP	01530 270100	48	552
10	Countryside Properties (UK) Limited	Countryside House, The Drive, Brentwood, Essex, CM13 3AT	01277 260000	39	490

TOP TEN Key Architects

Jul 2014 – Jun 2015

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Persimmon Homes Limited	Persimmon House, Fulford, York, North Yorkshire, YO19 4FE	01904 642199	99	1,152
2	Taylor Wimpey	Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR	01494 558323	50	735
3	Barton Willmore	The Blade, Reading, Berkshire, RG1 3BE	0118 943 0000 (CTPS)	31	527
4	RPS Group Plc	20 Western Avenue, Abingdon, Oxfordshire, OX14 4SH	01235 821888	19	390
5	Barratt Homes	Barratt House, Cartwright Way, Coalville, Leicestershire, LE67 1UF	01530 278278	33	387
6	Maccreanor Lavington Architects	19-21 Nile Street, Islington, London, N1 7LL	020 7336 7353	11	374
7	Pegasus Planning Group	Suite 4B, 113 Portland Street, Manchester, Greater Manchester, M1 6DW	0161 393 3399	22	349
8	Glenn Howells Architects	321 Bradford Street, Birmingham, West Midlands, B5 6ET	0121 666 7640 (CTPS)	8	327
9	Faulks Perry Culley & Rech	Lockington Hall, Lockington, Derby, Derbyshire, DE74 2RH	01509 672772	20	309
10	Stride Treglown Limited	Promenade House, The Promenade, Bristol, Avon, BS8 3NE	0117 974 3271 (TPS)	14	296

TOP TEN Key Contractors

Jul 2014 – Jun 2015

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Barratt Homes	Barratt House, Cartwright Way, Coalville, Leicestershire, LE67 1UF	01530 278278	170	2,345
2	Taylor Wimpey	Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR	01494 558323	172	2,195
3	Bellway Plc	Seaton Burn House, Dudley Lane, Newcastle Upon Tyne, Tyne And Wear, NE13 6BE	0191 217 0717 (CTPS)	100	1,127
4	Galliford Try Construction	2 Cowley Business Park, Uxbridge, Middlesex, UB8 2AD	01895 855000	92	958
5	Bovis Homes Limited (South East Region)	The Manor House, North Ash Road, Longfield, Kent, DA3 8HQ	01474 872427 (CTPS)	49	799
6	Berkeley Group Plc/St James Group	Berkeley House, 19 Portsmouth Road, Cobham, Surrey, KT11 1JG	020 3675 1502	29	788
7	Redrow Homes (South Midlands) Limited	Redrow House, St Davids Park, Deeside, Clwyd, CH5 3RX	01244 520 044	58	743
8	Countryside Properties (UK) Limited	Countryside House, The Drive, Brentwood, Essex, CM13 3AT	01277 260000	44	608
9	Bloor Homes	Ashby Road, Swadlincote, Derbyshire, DE12 7JP	01530 270100	48	552
10	Keepmoat Regeneration Limited	The Waterfront, Doncaster, South Yorkshire, DN4 5PL	0161 876 6000	63	539

The ranking tables are compiled from Barbour ABI database and are based on the total value of contracts awarded over the previous 12 month period. The values represent the construction cost of each project.

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INFRASTRUCTURE CONTRACT VALUES INCREASE IN JUNE

A number of road and power projects awarded in June saw the value of infrastructure contracts increase and values are significantly higher than this time in 2014.

The value of contracts awarded in the infrastructure sector decreased in June with the total value awarded £1.7 billion based on a three month rolling average (see Fig. 4.1). This is a 9.1% decrease from the previous month but is 43.5% higher than June 2014. In the three months to June the total value of contract awards was £5.1 billion based on a three month rolling average. This is 33.8% higher than the previous three months and 53.3% higher than the same period in 2014. This indicates a significant improvement on last year's performance and is potentially a boost to overall growth in the construction industry should it continue.

Projects by region

The East of England dominated infrastructure contracts in June, accounting for 34.5% of the value awarded, a 32.3% increase on June 2014 (see Fig. 4.2 & 4.4). The two contracts to upgrade the A14 in Cambridgeshire, both valued at £300 million, are the main reasons for the high proportion of contracts awarded in June. Scotland also had a high proportion of contract award value, with 20.6% of the value awarded. This was a 14.3% increase on June 2014 and is primarily due to the award of the Kilgallioch Forest wind farm in Dumfries and Galloway valued at £300 million.

Type of Projects

These two road contracts to upgrade the A14 mean that civil engineering are the dominant project type in June (see Fig. 4.3). They account for 47% of the value awarded, which is a 40% increase from June 2014.

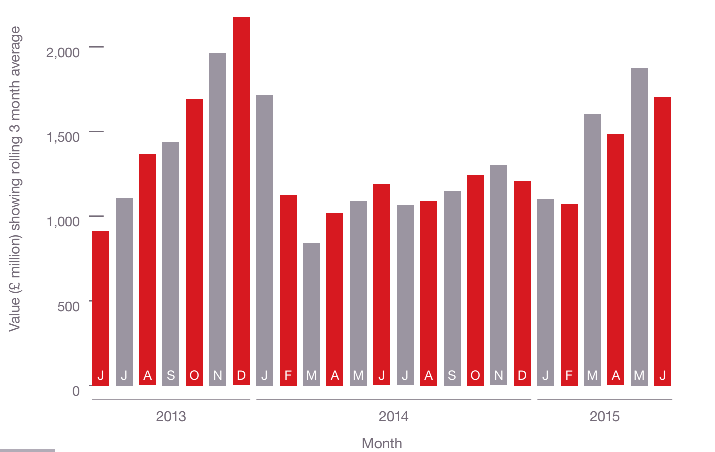

FIG. 4.1
Infrastructure: **Project Value showing 3 month moving average** Source: Barbour ABI

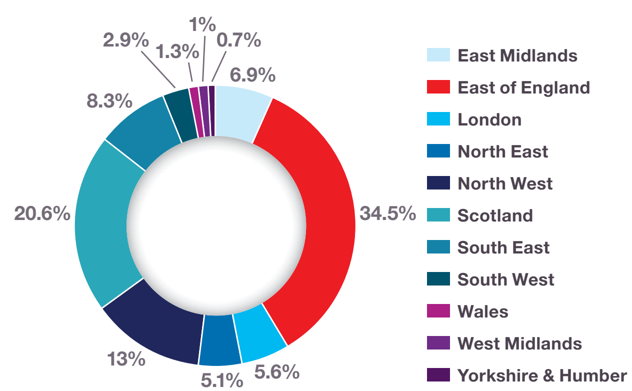

FIG. 4.2
Infrastructure: **Value of Contracts by Region** Source: Barbour ABI

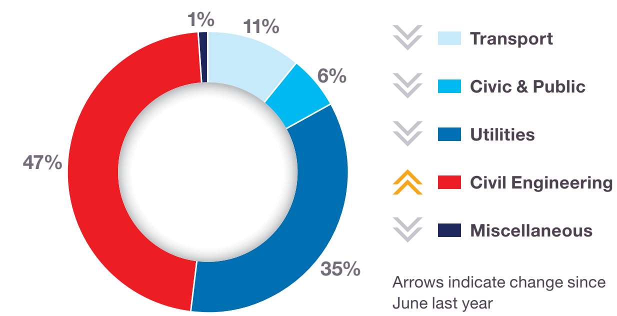

FIG. 4.3
Infrastructure: **Type of Projects Awarded** Source: Barbour ABI

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INFRASTRUCTURE CONTRACT VALUES INCREASE IN JUNE

The map and figures show how the activity has changed since June 2014		+14.3%	Scotland
+1.3%	East Midlands	-3.2%	South East
+32.3%	East of England *HOTTEST REGION*	-1.9%	South West
+2.2%	London	-23.7%	Wales
-4.2%	North East	-11.9%	West Midlands
-4.6%	North West	-0.6%	Yorkshire & Humber

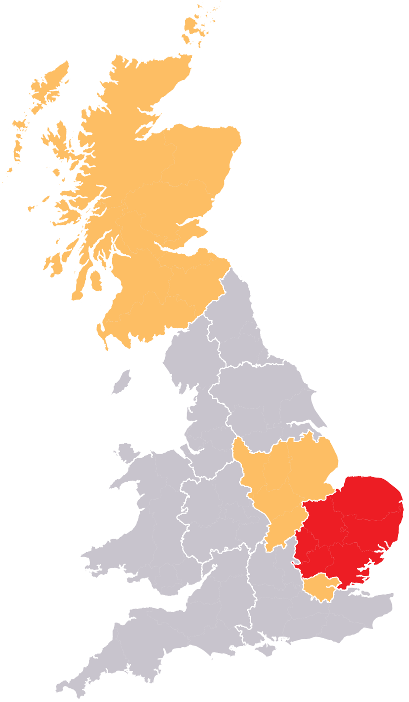

FIG. 4.4

Infrastructure: **Change of Activity by Region** *(since last year)* Source: Barbour ABI

Outlook

The Summer Budget 2015 announced that it will introduce a roads fund from the proceeds of Vehicle Excise Duty from the year 2020. This is to ensure sustained investment is made in road maintenance. It also committed to publishing a second Roads Investment Strategy for the years 2020-25. Other announcements included plans to extend devolution to the northern regions of England to build on the Northern Powerhouse concept and announced plans to establish Transport for the North (TFN) as a statutory body. Finally, the government plans to extend the Coastal Communities Fund by at least £90 million until 2020/21.

PROJECT IN FOCUS

Croxley Rail Link Project
£70,500,000

County	Hertfordshire
Primary Category Sector	Infrastructure
Government Region	East of England
Start Date	January 2016
End Date	January 2019
Contract Award Date	June 2015
Funding	Public
Stage	Contract
Contractor	Vinci Construction

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INFRASTRUCTURE CONTRACT VALUES INCREASE IN JUNE

TOP TEN Key Clients

Jul 2014 – Jun 2015

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Highways England	123 Buckingham Palace Road, Westminster, London, SW1W 9HA	0845 955 6575	67	1,608
2	Transport Scotland	Buchanan House, Glasgow, Strathclyde, G4 0HF	0141 272 7100	9	1,164
3	Aberdeen City Council	Town House, Aberdeen, Grampian, AB10 1AQ	01224 522000	7	1,087
4	Welsh Assembly Government	Cathays Park, Cardiff, South Glamorgan, CF10 3NQ	0300 060 3300	3	805
5	Battersea Power Station Development Company	Battersea Power Station, South Lambeth, London, SW8 5BN	020 7501 0688 (CTPS)	1	600
6	Scottish Office	St Andrews House, Edinburgh, Lothian, EH1 3DG	0131 556 8400	1	530
7	Network Rail Infrastructure Limited	Kings Place, Islington, London, N1 9AG	020 7557 8000	62	311
8	Environment Agency	Block 1 Government Building, Bristol, North East Somerset, BS10 6BF	03708 506 506	17	223
9	TFGM	2 Piccadily Place, Manchester, Greater Manchester, M1 3BG	0161 244 1000	1	165
10	Spencer Limited	1 Humber Quays, Hull, Humberside, HU1 2BN	0113 815 0015	1	150

TOP TEN Key Architects

Jul 2014 – Jun 2015

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Weston Williamson + Partners	12 Valentine Place, Southwark, London, SE1 8QH	020 7401 8877	1	600
2	Elevation Projects Limited	1st Floor, Hull, Humberside, HU2 8JU	01482 221155	1	150
3	Acanthus LW Architects	Voysey House, Chiswick, London, W4 4PN	020 8994 2288	1	71
4	Archial Group Plc	Tennyson House, Westminster, London, W1W 5PA	020 7580 0400	2	60
5	Pascall & Watson Architects	5 Carlson Court, Putney, London, SW15 2NQ	020 8874 1311(TPS)	14	54
6	URS Limited	Scott House, Alancon Link, Basingstoke, Hampshire, RG21 7PP	01256 310200 (CTPS)	3	51
7	Hawkins Brown Architects	159 St John Street, City, London, EC1V 4QJ	020 7336 8030	1	50
8	HB Architects	The Triforium, Rugby, Warwickshire, CV21 3DH	01788 576137	1	40
9	Staffordshire County Council	Number 1 Staffordshire Place, Stafford, Staffordshire, ST16 3TJ	0300 111 8000	2	38
10	Atkins	Woodcote Grove, Epsom, Surrey, KT18 5BW	01372 726140	4	35

TOP TEN Key Contractors

Jul 2014 – Jun 2015

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Aberdeen Roads Limited	North Point, Exploration Drive, Aberdeen, Grampian, AB23 8GX	0800 058 8350	5	1,060
2	Vinci Construction UK Limited	Astral House, Imperial Way, Watford, Hertfordshire, WD24 4WW	01923 233433	17	884
3	Balfour Beatty Group Limited	130 Wilton Road, Westminster, London, SW1V 1LQ	020 7216 6800	45	840
4	Costain/ Skanska JV	Vanwall Business Park, Maidenhead, Berkshire, SL6 4UB	01628 842444 / 01923 842444	2	600
5	Ferrovial Agroman Laing O'Rourke JV	10th Floor, BSI Building, Southwark, London, W4 4AL	020 8750 2100	1	600
6	John Graham Construction Limited	Ballygowan Road, County Down, Northern Ireland, BT26 6HX	02892 689 500	4	254
7	VolkerWessels UK Limited	Hertford Road, Hoddesdon, Hertfordshire, EN11 9BX	01992 305000	23	214
8	Carillion Plc	Construction House, 84 Salop Street, Wolverhampton, West Midlands, WV1 4HY	01902 422431	10	169
9	Costain and Carillion Joint Venture	Vanwall Business Park, Maidenhead, Berkshire, SL6 4UB	01628 842444	1	162
10	Amey Group	The Sherard Building, Edmund Halley Road, Oxford, Oxfordshire, OX4 4DQ	01865 713100	5	130

The ranking tables are compiled from Barbour ABI database and are based on the total value of contracts awarded over the previous 12 month period. The values represent the construction cost of each project.

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COMMERCIAL & RETAIL

INCREASE IN CONTRACT VALUES IN JUNE

economic & construction MARKET REVIEW

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Contract values in the commercial & retail sector were higher in June as major Wood Wharf project reaches contract award stage.

The value of contracts awarded in the commercial and retail sector was £1.2 billion in June based on a three month rolling average (see Fig. 5.1). This is a 99.8% increase from May and a 41% increase from the June 2014 figure. In the three months to June the value of contracts were 0.1% higher than the previous three months and 0.6% higher than the same period in 2014, indicating a very slight increase activity over the longer term.

Projects by region

As previously mentioned, the award of the commercially led contract at Wood Wharf, part of the Canary Wharf development means that London was the main location for commercial construction activity in June 2015. A ten year project valued at £2 billion it is by far one of the highest value commercial projects awarded in recent years. It means that London accounted for 84.2% of the value awarded in June, a 54.5% increase from June 2014 (see Fig. 5.2 & 5.4).

Type of Projects

The Wood Wharf contract also means that offices were the dominant type of project in the sector accounting for 90% of the value of contracts awarded this month, which is 22% higher than June 2014 (see Fig. 5.3).

> London was the main location for commercial construction activity in June 2015

FIG. 5.1

Commercial & Retail: **Project Value showing 3 month moving average** Source: Barbour ABI

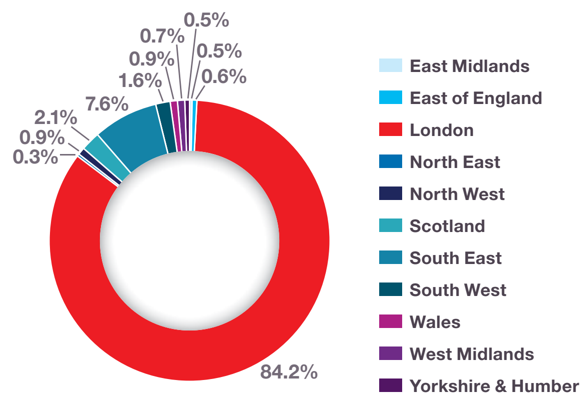

FIG. 5.2

Commercial & Retail: **Value of Contracts by Region** Source: Barbour ABI

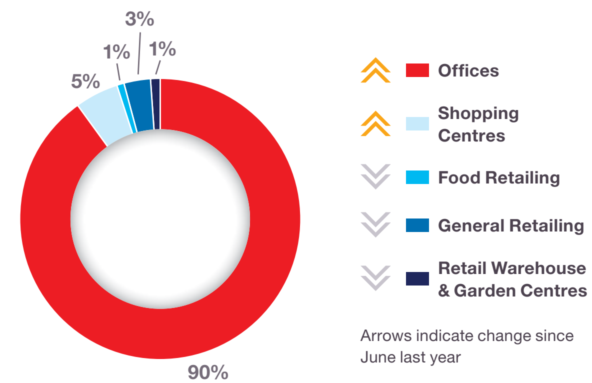

FIG. 5.3

Commercial & Retail: **Type of Projects Awarded** Source: Barbour ABI

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The map and figures show how the activity has changed since June 2014

		-3.6%	Scotland
-3.7%	East Midlands	-4.2%	South East
-6.5%	East of England	-5.6%	South West
+54.5%	London *HOTTEST REGION*	-0.1%	Wales
-0.5%	North East	-3.8%	West Midlands
-7.3%	North West	-19.1%	Yorkshire & Humber

FIG. 5.4

Commercial & Retail: **Change of Activity by Region** *(since last year)* Source: Barbour ABI

"The value of contracts awarded in the commercial and retail sector was £1.2 billion in June based on a three month rolling average

PROJECT IN FOCUS

8 Salisbury Square, Salisbury Square House – Office Extension £33,000,000

County	London
Primary Category Sector	Commercial & Retail
Government Region	London
Start Date	June 2015
End Date	December 2015
Contract Award Date	June 2015
Funding	Private
Stage	Subcontract
Contractor	BAM Construction

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INCREASE IN CONTRACT VALUES IN JUNE

TOP TEN Key Clients
Jul 2014 – Jun 2015

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	British Waterways	Brindley Suite, Willow Grange, Watford, Hertfordshire, WD17 4QA	01923 226422	1	2,000
2	Battersea Power Station Development Company	Battersea Power Station, South Lambeth, London, SW8 5BN	020 7501 0688 (CTPS)	2	601
3	Argent Estates Limited	11 Brindley Place, Birmingham, West Midlands, B1 2LP	0121 643 7799	2	500
4	The Crown Estate	16 New Burlington Place, Westminster, London, W1S 2HX	020 7851 5000 (CTPS)	4	442
5	Stanhope Plc	Norfolk House, 31 St James Square, Westminster, London, SW1Y 4JR	020 7170 1700	3	371
6	Land Securities Group	5 The Strand, Westminster, London, WC2N 5HR	020 7413 9000 (CTPS)	10	264
7	Canary Wharf Group PLC	1 Canada Square, Poplar, London, E14 5AB	020 7418 2000	2	208
8	Henderson Global Investors	201 Bishopsgate, City, London, EC2M 3AE	020 3727 8000	11	150
9	Saxon Land BV	117 Fenchurch Street, City, London, EC3M 5DY	020 7410 7300	1	150
10	West London & Suburban Property Investments Limited	25 Savile Row, City, London, W1S 2ER	Not Listed	1	125

TOP TEN Key Architects
Jul 2014 – Jun 2015

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Allies & Morrison Urban Practitioners	85 Southwark Street, Southwark, London, SE1 0HX	020 7921 0100	3	2,490
2	Kohn Pederson Fox (International) PA	7a Langley Street, Westminster, London, WC2H 9JA	020 3119 5300	2	2,005
3	Darling Associates	Greencoat House, 1 Greencoat Row, Westminster, London, SW1P 1PQ	020 7630 0500	2	2,001
4	Pelli Clarke Pelli Architects	1056 Chapel Street, New Haven, Connecticut, CT 06510	+1 203 777 2515	1	2,000
5	Stanton Williams	Diespecker Wharf, Islington, London, N1 8GH	020 7880 6400	1	2,000
6	BDP	16 Brewhouse Yard, City, London, EC1V 4LJ	020 7812 8000	13	804
7	Glenn Howells Architects	321 Bradford Street, Birmingham, West Midlands, B5 6ET	0121 666 7640 (CTPS)	2	690
8	Wilkinson Eyre Architects	33 Bowling Green Lane, City, London, EC1R 0BJ	020 7608 7900	3	613
9	Dixon Jones Limited	2-3 Hanover Yard, Islington, London, N1 8YA	020 7483 8888	1	440
10	Panter Hudspith Architects	4-8 Emerson Street, Southwark, London, SE1 9DU	020 7633 9425	1	440

TOP TEN Key Contractors
Jul 2014 – Jun 2015

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Canary Wharf Group PLC	1 Canada Square, Poplar, London, E14 5AB	020 7418 2000	2	2,008
2	Mace Limited	155 Moorgate, City, London, EC2M 6XB	020 3522 3000 (TPS)	23	900
3	Skanska UK	Maple Cross House, Rickmansworth, Hertfordshire, WD3 9SW	01923 776666	2	601
4	Laing O'Rourke	Bridge Place, Dartford, Kent, DA2 6SN	01322 296200	4	524
5	Carillion Plc	Construction House, 84 Salop Street, Wolverhampton, West Midlands, WV1 4HY	01902 422431	4	508
6	McAlpine Limited	Eaton Court, Maylands Avenue, Hemel Hempstead, Hertfordshire, HP2 7TR	01442 233444	13	375
7	Lendlease Construction (EMEA) Limited	EMEA Head Office, 20 Triton Street, G42, NW1 3BF	0203 430 9000	3	311
8	Morgan Sindall Plc	Kent House, Westminster, London, W1W 8AJ	020 7307 9200	36	286
9	Kier Group PLC	Tempsford Hall, Sandy, Bedfordshire, SG19 2BD	01767 640111 (CTPS)	16	278
10	McLaren Construction Limited	McLaren House, 100 Kings Road, Brentwood, Essex, CM14 4EA	01277 205800	11	275

The ranking tables are compiled from Barbour ABI database and are based on the total value of contracts awarded over the previous 12 month period. The values represent the construction cost of each project.

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HOTEL, LEISURE & SPORT

SLIGHT DECREASE IN CONTRACT VALUE IN JUNE

The hotel, leisure & sport sector showed monthly decreases in contract values and there are declines over the longer term indicating a subdued 2015 so far.

Contract award levels in the hotel, leisure & sport sector were £305 million in June, based on a three month rolling average (see Fig. 6.1). This was 23.1% lower than May and 6.6% lower than June 2014. In the three months to June the value of contracts was £1.1 billion, which was 3.1% higher than the previous three months. This was an increase of 12.6% compared to the same period in 2014 indicating longer term growth over the past year.

Projects by region

The East of England was the main location for hotel, leisure & sport contracts this month accounting for 21% of the value awarded, a 17.6% increase from June 2014 (see Fig. 6.2 & 6.4). In a month where individual contract awards were low, the contract to construct the Arsenal FC Player Performance Centre in St Albans is a key reason for the East of England's prominence. The contract is valued at £20 million and is due to be completed in 12 months.

Type of Projects

The Arsenal FC contract also means that leisure centres account for the highest proportion of contract value awarded in June. They accounted for 37% of the value awarded in June, a 26% increase on June 2014 (see Fig. 6.3).

> In the three months to June the value of contracts was £1.1 billion

FIG. 6.1

Hotel, Leisure & Sport: **Project Value showing 3 month moving average** Source: Barbour ABI

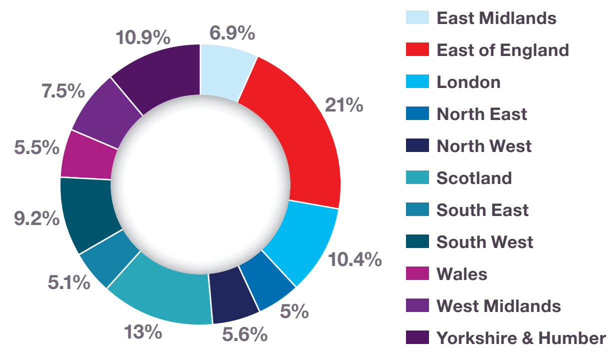

FIG. 6.2

Hotel, Leisure & Sport: **Value of Contracts by Region** Source: Barbour ABI

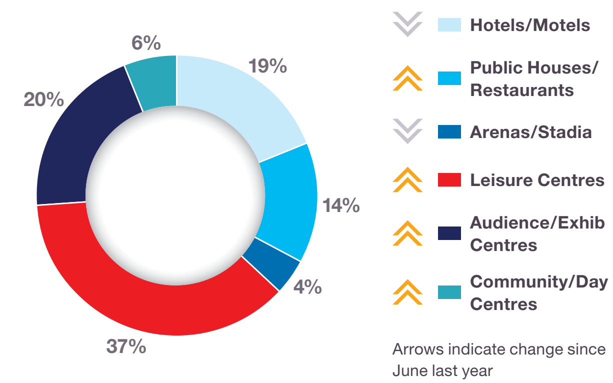

FIG. 6.3

Hotel, Leisure & Sport: **Type of Projects Awarded** Source: Barbour ABI

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SLIGHT DECREASE IN CONTRACT VALUE IN JUNE

The map and figures show how the activity has changed since June 2014			▲	+2.5%	Scotland
▲	+3.7%	East Midlands	▼	-2.1%	South East
▲	+17.6%	East of England *HOTTEST REGION*	▼	-3.7%	South West
▼	-40.1%	London	▲	+5.3%	Wales
▲	+1.9%	North East	▲	+3.9%	West Midlands
▲	+4.0%	North West	▲	+7.0%	Yorkshire & Humber

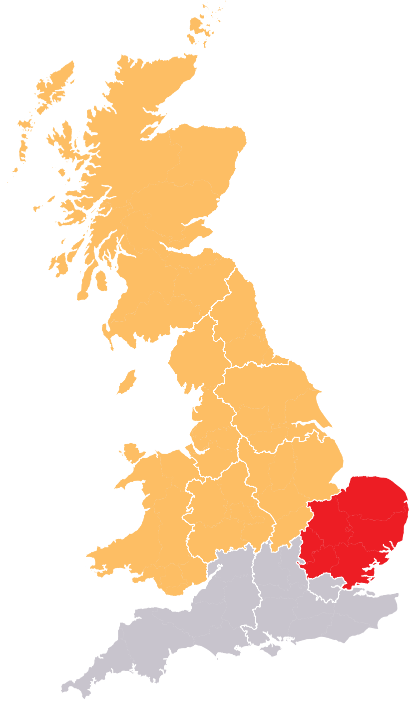

FIG. 6.4

Hotel, Leisure & Sport: **Change of Activity by Region** *(since last year)* Source: Barbour ABI

> "The Arsenal FC Player Performance Centre in St Albans is a key reason for the East of England's prominence

PROJECT IN FOCUS

363 Union Street – Hotel
£11,000,000

County	Aberdeenshire
Primary Category Sector	Hotel, Leisure & Sport
Government Region	Scotland
Start Date	August 2015
End Date	February 2017
Contract Award Date	June 2015
Funding	Private
Stage	Contract
Contractor	Ogilvie Construction

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SLIGHT DECREASE IN CONTRACT VALUE IN JUNE

TOP TEN Key Clients
Jul 2014 – Jun 2015

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	All England Lawn Tennis and Croquet Club	Church Road, Wimbledon, London, SW19 5AE	020 8944 1066	2	160
2	Radisson Edwardian Hotels Limited	140 Bath Road, Hayes, Middlesex, UB3 5AW	020 8759 6311	1	150
3	Berkeley Group Plc/St James Group	Berkeley House, Cobham, Surrey, KT11 1JG	020 3675 1502	2	142
4	Galliard Homes Limited	Sterling House, Langston Road, Loughton, Essex, IG10 3TS	020 8418 1000	2	104
5	Soho House Limited	40 Greek Street, Westminster, London, W1D 4EB	0207 851 2300	1	80
6	Capital Construction & Development Limited	Herschel House, 58 Herschel Street, Slough, Berkshire, SL1 1PG	Not Listed	1	80
7	Liverpool Football Club	Anfield Road, Liverpool, Merseyside, L4 0TH	0843 170 5555 / 0151 263 2361	2	76
8	Premier Inn London Putney Bridge Hotel	3 Putney Bridge Approach, Fulham, London, SW6 3JD	0871 527 8674	29	75
9	4C Hotels	13 Wadham Gardens, City, London, NW3 3DN	020 7419 1839	1	60
10	Marsh Wall Chelsea LLP	38-40 Chamberlayne Road, City, London, NW10 3JE	Not Listed	1	60

TOP TEN Key Architects
Jul 2014 – Jun 2015

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	EPR Architects	21 Douglas Street, Barnet, London, SW1P4PE	020 7834 4411	4	213
2	Woods Bagot	46-48 Foley Street, Westminster, London, W1W 7TY	020 7637 6880 (CTPS)	2	170
3	Grimshaw & Partners Limited	57 Clerkenwell Road, Westminster, London, EC1M 5NG	020 7291 4141	2	151
4	Simpson Architects	5-8 Roberts Place, City, London, EC1R 0BB	020 7549 4000 (CTPS)	1	140
5	Axiom Architects	Brooklands Yard, Lewes, East Sussex, BN7 1HU	01273 479269 (TPS)	26	103
6	Leach Rhodes & Walker LLP	West Riverside, Manchester, Greater Manchester, M3 5AA	0161 833 0211	3	101
7	Dexter Moren Associates	57d Jamestown Road, Camden Town, London, NW1 7DB	020 7267 4440	5	91
8	KSS Group Limited	1 James Street, Westminster, London, W1U 1DR	020 7907 2222	1	75
9	Broadway Malyan	3 Weybridge Business Park, Weybridge, Surrey, KT15 2BW	01932 845599 (TPS)	5	71
10	Holmes Miller	89 Minerva Street, Glasgow, Strathclyde, G3 8LE	0141 204 2080	3	59

TOP TEN Key Contractors
Jul 2014 – Jun 2015

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	ISG	Aldgate House, City, London, EC3N 1AG	020 7247 1717	17	141
2	Brookfield Multiplex Construction Europe Limited	99 Bishopsgate, City, London, EC2M 3XD	020 7659 3500	1	140
3	Willmott Dixon Construction Limited	Spirella 2, Letchworth Garden City, Hertfordshire, SG6 4GY	01462 671852 (CTPS)	16	128
4	Bay Construct Limited	64 Clerkenwell Road, Islington, London, EC1M 5PX	0203 714 7390	3	108
5	Ardmore Construction Limited	Byrne House, Jeffreys Road, Enfield, Middlesex, EN3 7UB	020 8344 0300	1	80
6	Bowmer & Kirkland Limited	High Edge Court, Belper, Derbyshire, DE56 2BW	01773 853131	7	77
7	Carillion Plc	Construction House, 84 Salop Street, Wolverhampton, West Midlands, WV1 4HY	01902 422431	1	75
8	HOC UK Limited	Jubilee House, City, London, NW9 8TZ	020 8200 5873	3	74
9	John Sisk & Son Limited	1 Curo Park, St Albans, Hertfordshire, AL2 2DD	01727 875551	2	54
10	Interserve Plc	Interserve House, Ruscombe Park, Reading, Berkshire, RG10 9JU	0118 932 0123 (CTPS)	9	52

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INDUSTRIAL

ACTIVITY INCREASES IN THE INDUSTRIAL SECTOR THIS MONTH

The industrial sector experienced an increase in contract value awarded in June and the value of work is still significantly higher than the same time in 2014.

Activity in the industrial sector increased in June with the value of contracts awarded £745 million, based on a three month rolling average (see Fig. 7.1). This equates to an increase of 53.4% on the value in May and is 119.2% above the figure recorded this time last year. In the three months to May the total value of contracts was £1.8 billion which was 3.9% higher the previous three months and 79% higher than the same quarter last year. This indicates the comparatively strong performance the sector has been experiencing in recent months.

Projects by region

Due to the award of the Sullom Voe Gas Sweetening Plant in Shetland, Scotland recorded the highest value of activity in June with 48.5% of the contracts awarded, an increase of 21.1% on June 2014. London had the next highest proportion of activity, accounting for 18.6% of contract award value, an increase of 13.4% on the corresponding month last year (see Fig. 7.2 & 7.4). The award of the contract to construct the facilities for the British Airways Bio Jet Fuel project in Thurrock, valued at £178 million was the major contributor to the contract value in London.

Type of Projects

The types of project awarded in the sector were predominantly heavy industrial which accounted for 70% of contract values, an increase of 59% from June 2014. Warehouse/storage projects had the second highest proportion of contracts by value in June accounting for 20% of contract value, albeit this was a decrease of 14% from June 2014 (see Fig. 7.3).

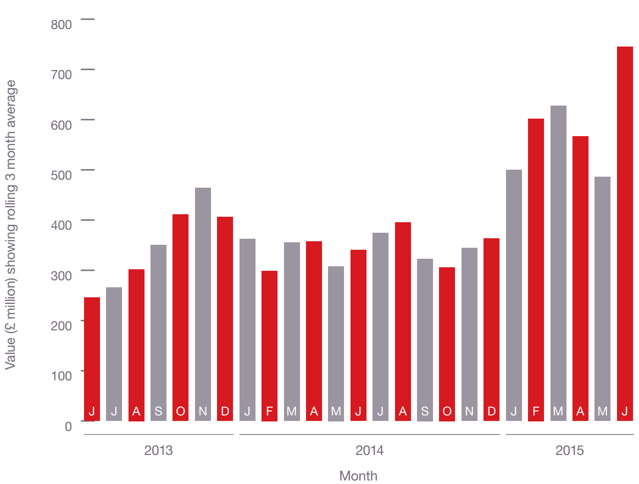

FIG. 7.1

Industrial: **Project Value showing 3 month moving average** Source: Barbour ABI

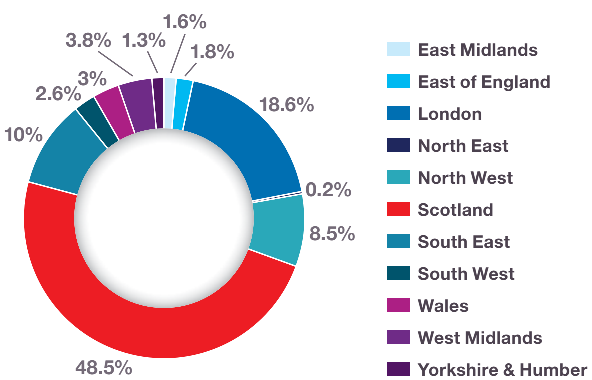

FIG. 7.2

Industrial: **Value of Contracts by Region** Source: Barbour ABI

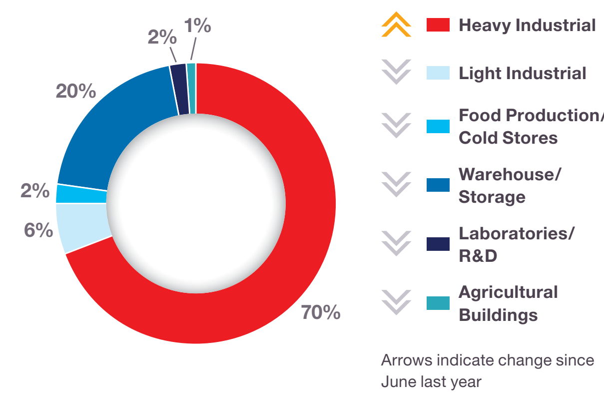

FIG. 7.3

Industrial: **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 June 2014

		+21.1%	Scotland *HOTTEST REGION*
-0.2%	East Midlands	-0.5%	South East
-5.8%	East of England	-3.1%	South West
+13.4%	London	-1.3%	Wales
-0.6%	North East	+1.0%	West Midlands
-6.3%	North West	-17.6%	Yorkshire & Humber

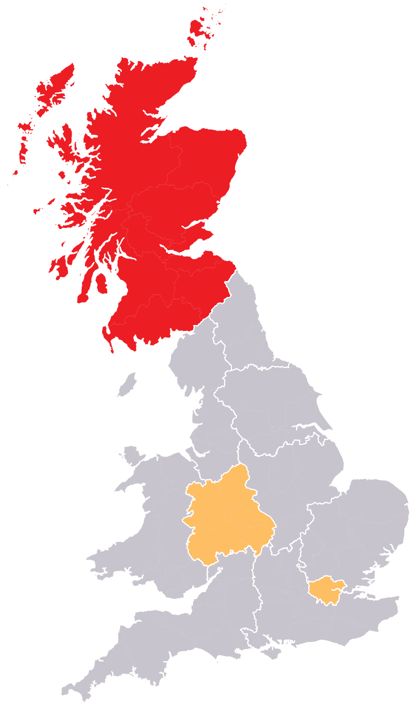

FIG. 7.4

Industrial: **Change of Activity by Region** *(since last year)* Source: Barbour ABI

“Scotland recorded the highest value of activity in June with 48.5% of the contracts awarded

PROJECT IN FOCUS

Aldi Distribution Centre – Cardiff
£25,000,000

County	South Glamorgan
Primary Category Sector	Industrial
Government Region	Wales
Start Date	Quarter 2 2015
End Date	March 2016
Contract Award Date	June 2015
Funding	Private
Stage	Subcontract
Contractor	DSP Construction

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ACTIVITY INCREASES IN THE INDUSTRIAL SECTOR THIS MONTH

TOP TEN Key Clients
Jul 2014 – Jun 2015

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	BP Exploration	Farburn Industrial Estate, Aberdeen, Grampian, AB21 7PB	01224 832000	1	500
2	BAE Systems Marine Limited	Bridge Road, Barrow in Furness, Cumbria, LA14 1AF	01229 823366	3	355
3	AstraZeneca	2 Kingdom Street, City, London, W2 6BD	020 7604 8000	1	300
4	Roxhill Developments Limited	Valley Drive, Swift Valley, Rugby, Warwickshire, CV21 1TQ	01788 422200	6	187
5	Sellafield Limited	Hinton House, Birchwood Park Avenue, Warrington, Cheshire, WA3 6GR	01925 832000	1	150
6	Institute Of Animal Health	Compton, Newbury, Berkshire, RG20 7NU	01635 578888	2	140
7	Aldi Stores Limited	Holly Lane, Atherstone, Warwickshire, CV9 2SQ	01827 711800	2	140
8	Bericote Properties Limited	8 Hamilton Terrace, Leamington Spa, Warwickshire, CV32 4LY	01926 315615 (CTPS)	6	133
9	Barwood Developments Limited	Grange Park Court, Northampton, Northamptonshire, NN4 5EA	0870 167 7600	3	124
10	Uniserve Group	Upminster Court, Upminster, Essex, RM14 1AL	01708 259400	2	110

TOP TEN Key Architects
Jul 2014 – Jun 2015

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Stephen George & Partners	170 London Road, Leicester, Leicestershire, LE2 1ND	0116 247 0557	14	354
2	BDP	16 Brewhouse Yard, City, London, EC1V 4LJ	020 7812 8000	1	300
3	Herzog & de Meuron UK Limited	65 Clerkenwell Road, City, London, EC1R 5BL	020 7025 2960	1	300
4	RPS Group Plc	20 Western Avenue, Abingdon, Oxfordshire, OX14 4SH	01235 821888	9	202
5	Michael Sparks Associates	11 Plato Place, Fulham, London, SW6 4TU	020 7736 6162	13	199
6	UMC Architects	Newark Beacon Office Park, Nottingham, Nottinghamshire, NG24 2TN	01636 653 027	10	196
7	AJA Architects LLP	1170 Elliot Court, Herald Avenue, Coventry, West Midlands, CV5 6UB	024 7625 3200	17	143
8	Smith Carter	1600 Buffalo Place, Winnipeg MB, Canada	+1 204 477 1260	2	140
9	DSP Architects	216 Fort Dunlop, Birmingham, West Midlands, B24 9FD	0121 747 1943	2	140
10	PHP Architects	The Old Rectory, Northampton, Northamptonshire, NN7 3AQ	01604 858916	6	140

TOP TEN Key Contractors
Jul 2014 – Jun 2015

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Petrofac	Bridge View, Aberdeen, Aberdeenshire, AB11 5QF	01224 247000 (TPS)	1	500
2	Winvic Construction	19 Tenter Road, Northampton, Northamptonshire, NN3 6PZ	01604 678960 (CTPS)	20	326
3	Buckingham Group Contracting Limited	Blackpit Farm, Buckingham, Buckinghamshire, MK18 5LJ	01280 823355	14	304
4	Skanska UK	Maple Cross House, Rickmansworth, Hertfordshire, WD3 9SW	01923 776666	1	300
5	McLaren Construction Limited	McLaren House, Brentwood, Essex, CM14 4EA	01277 205800	13	281
6	Bowmer & Kirkland Limited	High Edge Court, Belper, Derbyshire, DE56 2BW	01773 853131	7	200
7	Shepherd Construction Limited	Frederick House, York, North Yorkshire, YO10 4EA	01904 634431	3	170
8	M & W UK	Unit A2, Chippenham, Wiltshire, SN14 0GT	01249 455150	1	150
9	McAlpine Limited	Eaton Court, Hemel Hempstead, Hertfordshire, HP2 7TR	01442 233444	4	123
10	Kier Group PLC	Tempsford Hall, Sandy, Bedfordshire, SG19 2BD	01767 640111 (CTPS)	9	99

The ranking tables are compiled from Barbour ABI database and are based on the total value of contracts awarded over the previous 12 month period. The values represent the construction cost of each project.

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MEDICAL & HEALTH

SLIGHT DECREASE IN VALUE OF CONTRACTS IN JUNE

The monthly value of medical & health contracts decreased in June and were significantly below the values for June 2014.

Levels of activity in the medical & health sector decreased by 6.9% in June 2015 compared to May, with the total value of contracts awarded £159 million based on a three month rolling average (see Fig. 8.1). This is 33.1% lower than the values in June 2014. In the three months to June the value of contracts decreased by 11.9% on the previous three months and was 25.5% lower than the same period in 2014 indicating a longer term decrease in the value of contracts awarded in the sector.

Projects by region

Scotland was the main location of development in the sector this month capturing 28.7% of activity, although this was a 25.8% decrease from June 2014 (see Fig. 8.2 & 8.4). Two projects in particular contribute to Scotland's strong share of contracts in June. A contract to construct the Woodside Health Centre in Glasgow valued at £18 million and the development of Neurosurgical unit at the Southern General Hospital in Glasgow valued at £12 million are the two projects with the highest value.

Type of Projects

Public hospitals accounted for 52% of the contracts awarded in June 2015, although this was a decrease from the 91% share it had in June 2014. Surgeries, health and medical centres accounted for 24% of value awarded while hospices, nursing and psychiatric homes accounted for 23% of the value (see Fig. 8.3).

> Scotland was the main location of development in the sector

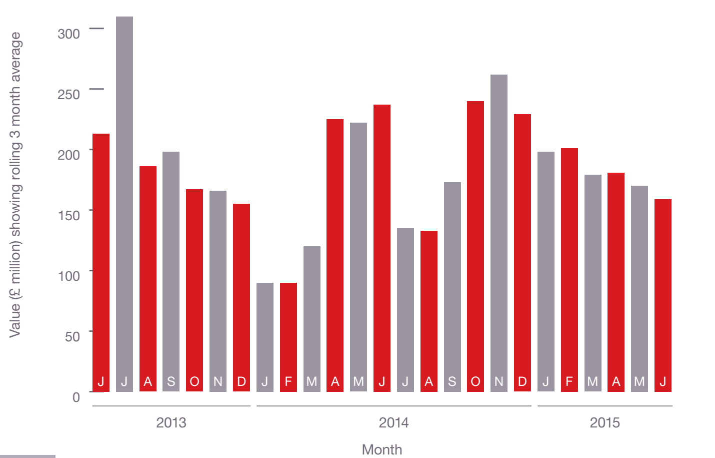

FIG. 8.1

Medical & Health: **Project Value showing 3 month moving average** Source: Barbour ABI

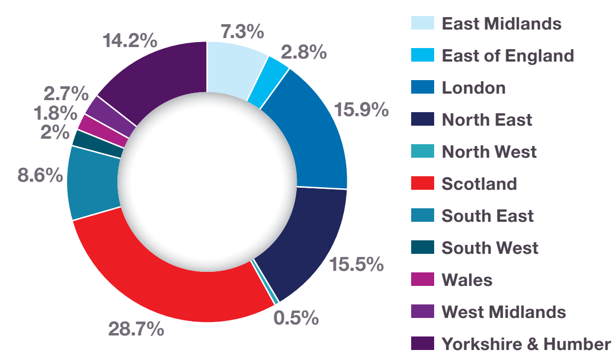

FIG. 8.2

Medical & Health: **Value of Contracts by Region** Source: Barbour ABI

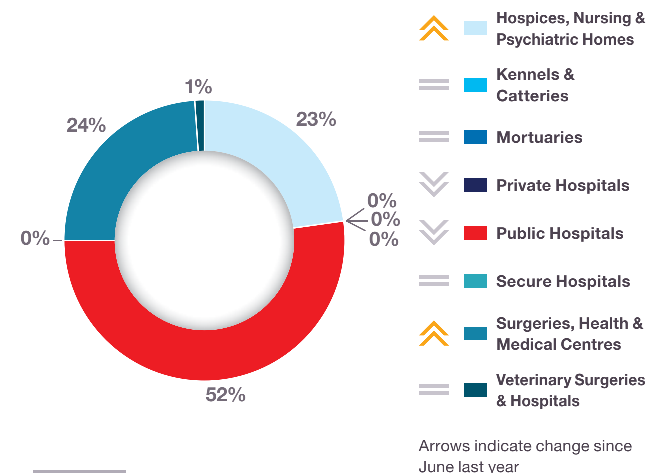

FIG. 8.3

Medical & Health: **Type of Projects Awarded** Source: Barbour ABI

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SLIGHT DECREASE IN VALUE OF CONTRACTS IN JUNE

The map and figures show how the activity has changed since June 2014

		-25.8%	Scotland
-14.7%	East Midlands	+5.8%	South East
+0.1%	East of England	+1.3%	South West
+10.5%	London	+1.8%	Wales
+15.5%	North East *HOTTEST REGION*	-2.0%	West Midlands
-2.3%	North West	+10.0%	Yorkshire & Humber

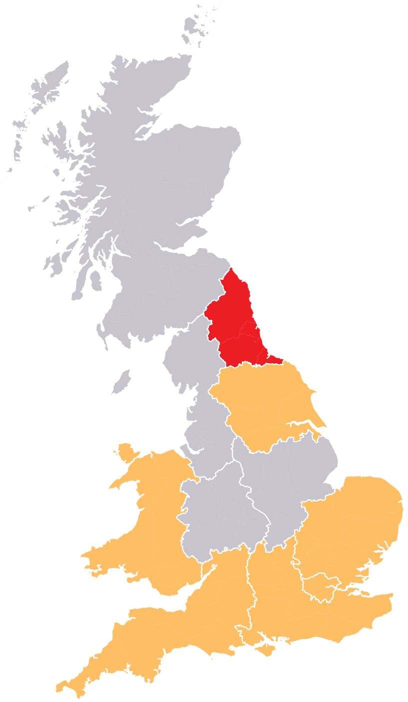

FIG. 8.4

Medical & Health: **Change of Activity by Region** *(since last year)* Source: Barbour ABI

Outlook

The Summer Budget 2015 commits to increasing NHS funding in England by £10 billion in real terms by 2020/21, above 2014/15 levels. This suggests that this sector will improve in the medium term but how much of this is available for capital projects remains to be seen.

> "A longer term decrease in the value of contracts awarded in the sector

PROJECT IN FOCUS

Woodside Health Centre
£18,000,000

County	Strathclyde
Primary Category Sector	Medical & Health
Government Region	Scotland
Start Date	February 2016
End Date	June 2017
Contract Award Date	June 2015
Funding	Public
Stage	Contract
Contractor	Morgan Sindall

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SLIGHT DECREASE IN VALUE OF CONTRACTS IN JUNE

TOP TEN Key Clients
Jul 2014 – Jun 2015

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Dumfries & Galloway Health Board	Crichton Royal Hospital, Dumfries, Dumfries and Galloway, DG1 4TG	01387 244000	1	200
2	Aneurin Bevan Health Board	Mamhilad House, Block A, Pontypool, Gwent, NP4 0YP	01873 732732 (CTPS)	1	180
3	Royal Infirmary of Edinburgh NHS Trust	51 Little France Crescent, Edinburgh, Lothian, EH16 4SA	0131 536 1000 (CTPS)	2	151
4	Papworth Hospital NHS Trust	Papworth Hospital, Cambridge, Cambridgeshire, CB23 3RE	01480 830541	1	140
5	Royal Liverpool and Broadgreen Hospital NHS Trust	Prescot Street, Liverpool, Merseyside, L7 8XP	0151 706 2000	5	120
6	Spire Healthcare Limited	PO Box 62647, City, London, EC1P 1JH	0800 169 1777	3	88
7	University of Glasgow	Gilbert Scott Building, University Avenue, Glasgow, Strathclyde, G12 8QQ	0141 330 2000 (TPS)	3	79
8	Birmingham Women's NHS Foundation Trust	Metchley Park Road, Birmingham, West Midlands, B15 2TG	0121 472 1377	1	63
9	The Trustees of the London Clinic	20 Devonshire Place, Westminster, London, W1G 6BW	020 7935 4444	1	55
10	Department Of Health	Richmond House, 79 Whitehall, Westminster, London, SW1A 2NS	020 7210 4850	11	49

TOP TEN Key Architects
Jul 2014 – Jun 2015

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Keppie Design	160 West Regent Street, Glasgow, Strathclyde, G2 4RL	0141 204 0066	5	205
2	BDP	16 Brewhouse Yard, City, London, EC1V 4LJ	020 7812 8000	3	197
3	Devereux Architects Limited	Zeeta House, 200 Upper Richmond Road, Putney, London, SW15 2SH	020 8780 1800	6	180
4	HLM Architects	46 Loman Street, Southwark, London, SE1 0EH	020 7921 4800	1	150
5	IBI Group	Princes Manor Barn, Reading Road, Oxford, Oxfordshire, OX11 0LU	01235 820222 (TPS)	11	149
6	HOK International Limited	Qube, Westminster, London, W1T 4EZ	020 7636 2006	1	140
7	P & HS Architects	The Old Station, Middlesbrough, Cleveland, TS9 7AB	01642 712684	17	131
8	Gilling Dod Architects	The Cruck Barn, Chorley, Lancashire, PR7 4AT	01257 260070	12	94
9	Halliday Meecham Partnership	111 Piccadilly, Manchester, Greater Manchester, M1 2HY	0161 661 5566	4	83
10	Boswell Mitchell & Johnston	The Hub, 70 Pacific Quay, Glasgow, Strathclyde, G51 1DZ	0141 271 3200	2	76

TOP TEN Key Contractors
Jul 2014 – Jun 2015

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Laing O'Rourke	Bridge Place, Dartford, Kent, DA2 6SN	01322 296200	6	466
2	Kier Group PLC	Tempsford Hall, Station Road, Sandy, Bedfordshire, SG19 2BD	01767 640111 (CTPS)	25	226
3	Brookfield Multiplex Construction Europe Limited	99 Bishopsgate, City, London, EC2M 3XD	020 7659 3500	7	175
4	Skanska UK	Maple Cross House, Denham Way, Rickmansworth, Hertfordshire, WD3 9SW	01923 776666	4	142
5	Vinci Construction UK Limited	Astral House, Imperial Way, Watford, Hertfordshire, WD24 4WW	01923 233433	10	124
6	Willmott Dixon Construction Limited	Spirella 2, Letchworth Garden City, Hertfordshire, SG6 4GY	01462 671852 (CTPS)	8	119
7	BAM Construction	Breakspear Park, Hemel Hempstead, Hertfordshire, HP2 4FL	01442 238300	6	116
8	Galliford Try Construction	2 Cowley Business Park, Uxbridge, Middlesex, UB8 2AD	01895 855000	9	94
9	Interserve Plc	Interserve House, Ruscombe Park, Reading, Berkshire, RG10 9JU	0118 932 0123 (CTPS)	17	66
10	Bouygues UK Limited	Elizabeth House, 39 York Road, Southwark, London, SE1 7NQ	020 7401 0020	1	45

The ranking tables are compiled from Barbour ABI database and are based on the total value of contracts awarded over the previous 12 month period. The values represent the construction cost of each project.

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EDUCATION

INCREASE IN THE VALUE OF CONTRACTS IN JUNE

Contract values in the education sector increased in June and activity is higher than this time last year indicating better long term performance in this sector.

The value of contracts awarded in the education sector was £622 million in June based on a three month rolling average, a 3% increase from May (see Fig. 9.1). This figure was 2.3% higher than June 2014 indicating a slight increase in activity in the sector this month. The values of contract awards in the three months to May were 1.4% higher than the same period last year, showing the longer term growth in contracts awarded.

Projects by region

London accounted for the largest proportion of contracts awarded in June, with 24.7% of the value awarded. This was a 15.4% increase on the equivalent month in 2014 (see Fig. 9.2 & 9.4). A number of Priority Schools Building Programme contracts were awarded in London in June which accounts for the high proportion of the value recorded in London. Scotland was home to 20.4% of education contracts awarded in June 2015, although this was a 5% decrease from June 2014. The award of the contract to construct the Largs Supercampus which will include education facilities for all stages of learning at a value of £52 million was the highest value contract awarded this month.

> London accounted for the largest proportion of contracts awarded in June

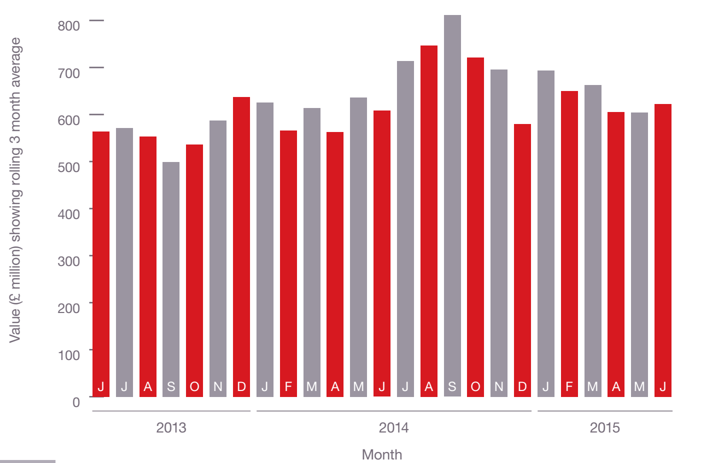

FIG. 9.1

Education: **Project Value showing 3 month moving average** Source: Barbour ABI

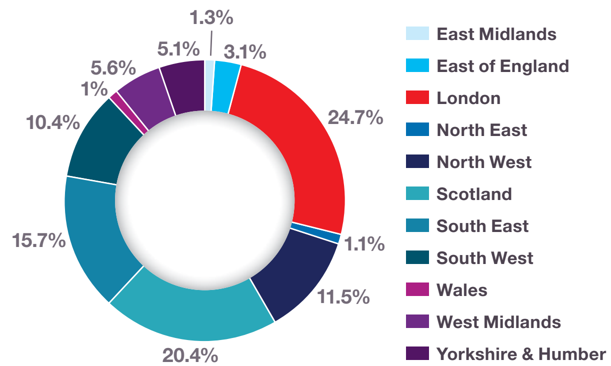

FIG. 9.2

Education: **Value of Contracts by Region** Source: Barbour ABI

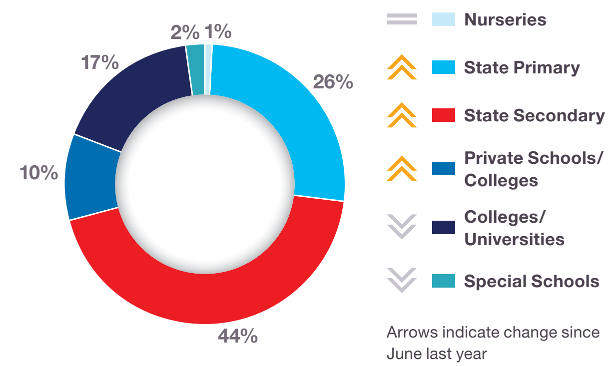

FIG. 9.3

Education: **Type of Projects Awarded** Source: Barbour ABI

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The map and figures show how the activity has changed since June 2014			-5.0%	Scotland	
-5.9%	East Midlands		+1.5%	South East	
-5.9%	East of England		+4.6%	South West	
+15.4%	London *HOTTEST REGION*		-0.6%	Wales	
0.0%	North East		-4.4%	West Midlands	
+1.7%	North West		-1.4%	Yorkshire & Humber	

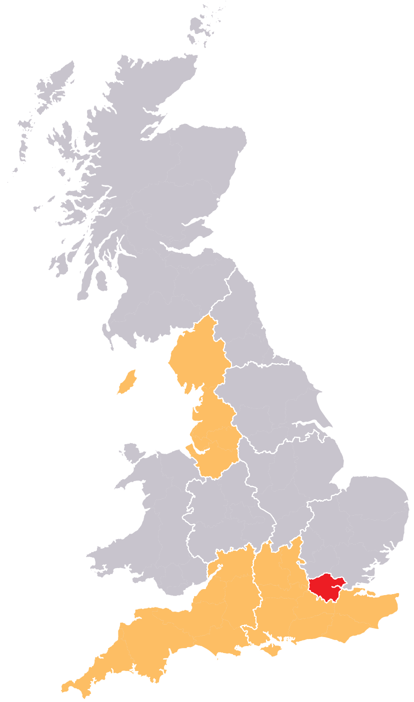


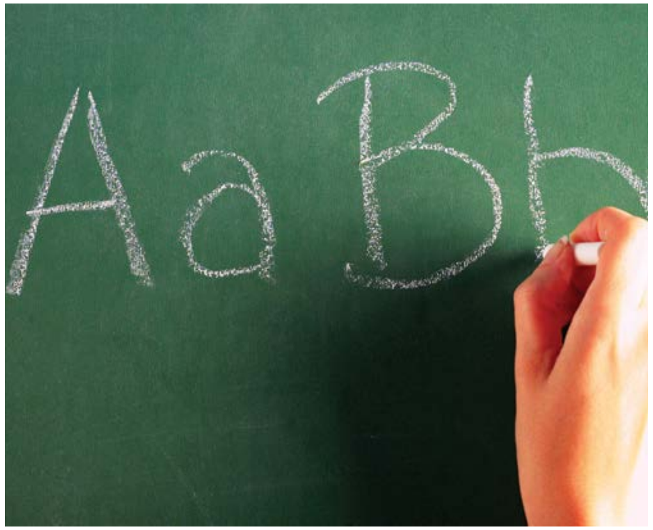
FIG. 9.4

Education: **Change of Activity by Region** *(since last year)* Source: Barbour ABI

Type of Projects

State secondary were the sub sector with the largest proportion of contracts in June 2015 accounting for 34% of total value awarded. This was a 10% increase on the proportion in June 2014 (see Fig. 9.3).

> "The values of contract awards in the three months to May were 1.4% higher than the same period last year



PROJECT IN FOCUS

Dean Trust Ardwick School – Educational Facility £20,000,000

County	Greater Manchester
Primary Category Sector	Education
Government Region	North West
Start Date	August 2015
End Date	August 2016
Contract Award Date	June 2015
Funding	Mainly Public
Stage	Contract
Contractor	Laing O'Rourke

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INCREASE IN THE VALUE OF CONTRACTS IN JUNE

TOP TEN Key Clients
Jul 2014 – Jun 2015

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Department For Education	Castle View House, Runcorn, Cheshire, WA7 2AA	0370 000 2288	76	744
2	University of Manchester	Oxford Road, Manchester, Greater Manchester, M13 9PL	0161 306 6000	14	268
3	Imperial College London	Estates Division, South Kensington Campus, South Kensington, London, SW7 2DB	020 7589 5111 (CTPS)	3	152
4	Kent County Council	County Hall, Maidstone, Kent, ME14 1XQ	03000 414141	30	113
5	Dumfries & Galloway Council	Militia House, English Street, Dumfries, Dumfries and Galloway, DG1 2HR	0303 333 3000	7	105
6	University of Cambridge	74 Trumpington Street, Cambridge, Cambridgeshire, CB2 1RW	01223 337770 (CTPS)	10	96
7	University of Northampton	Boughton Green Road, Northampton, Northamptonshire, NN2 7AL	01604 735500 (CTPS)	1	90
8	University of Edinburgh	The Old College, South Bridge, Edinburgh, Lothian, EH8 9YL	0131 650 1000	12	81
9	Cambridgeshire County Council	Castle Court, Shire Hill, Cambridge, Cambridgeshire, CB3 0AP	0345 0455 200	10	76
10	University of Oxford	The Malthouse, Tidmarsh Road, Oxford, Oxfordshire, OX1 1NQ	01865 270000 (CTPS)	7	64

TOP TEN Key Architects
Jul 2014 – Jun 2015

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Stride Treglown Limited	Promenade House, The Promenade, Bristol, Avon, BS8 3NE	0117 974 3271 (TPS)	38	299
2	Atkins	Woodcote Grove, Epsom, Surrey, KT18 5BW	01372 726140	29	291
3	Penoyre & Prasad Architects	28-42 Banner Street, City, London, EC1Y 8QE	020 7250 3477	2	245
4	AHR	Norwich Union House, High Street, Huddersfield, West Yorkshire, HD1 2LR	01484 537411 (TPS)	45	233
5	Mecanoo Architecten	Oude Delft 203, Holland	+31 15 279 8100	1	225
6	HLM Architects	46 Loman Street, Southwark, London, SE1 0EH	020 7921 4800	25	171
7	Bond Bryan Partnership	The Congregational Church, Springvale Road, Sheffield, South Yorkshire, S10 1LP	0114 266 2040 (TPS)	26	167
8	BDP	16 Brewhouse Yard, City, London, EC1V 4LJ	020 7812 8000	11	163
9	Holmes Miller	89 Minerva Street, Glasgow, Strathclyde, G3 8LE	0141 204 2080	10	153
10	Aukett Swanke	25 Christopher Street, City, London, EC2A 2BS	020 7454 8200	1	150

TOP TEN Key Contractors
Jul 2014 – Jun 2015

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Kier Group PLC	Tempsford Hall, Station Road, Sandy, Bedfordshire, SG19 2BD	01767 640111 (CTPS)	96	560
2	Morgan Sindall Plc	Kent House, Westminster, London, W1W 8AJ	020 7307 9200	89	476
3	Galliford Try Construction	2 Cowley Business Park, Uxbridge, Middlesex, UB8 2AD	01895 855000	72	467
4	Willmott Dixon Construction Limited	Spirella 2, Letchworth Garden City, Hertfordshire, SG6 4GY	01462 671852 (CTPS)	62	391
5	Interserve Plc	Interserve House, Reading, Berkshire, RG10 9JU	0118 932 0123 (CTPS)	45	356
6	BAM Construction	Breakspear Park, Hemel Hempstead, Hertfordshire, HP2 4FL	01442 238300	30	346
7	Laing O'Rourke	Bridge Place, Dartford, Kent, DA2 6SN	01322 296200	10	203
8	John Graham Construction Limited	Ballygowan Road, County Down, Northern Ireland, BT26 6HX	02892 689 500	15	171
9	Balfour Beatty Group Limited	130 Wilton Road, Westminster, London, SW1V 1LQ	020 7216 6800	23	164
10	ISG	Aldgate House, City, London, EC3N 1AG	020 7247 1717	27	156

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