economic & construction MARKET REVIEW

Barbour ABI | Building

JUNE 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.

SKIP TO THIS SECTION

FULL VERSION – AVAILABLE TO BARBOUR ABI CUSTOMERS & BUILDING SUBSCRIBERS ONLY

economic & construction MARKET REVIEW

JUNE 2014

To navigate just click on the tabs, buttons or page numbers and they will take you directly to your chosen section.

Barbour ABI
www.barbour-abi.com

Hinderton Point, Lloyd Drive,
Cheshire Oaks, Cheshire,
CH65 9HQ

T: 0151 353 3500
E: info@barbour-abi.com
@BarbourABI

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.

Hinderton Point, Lloyd Drive, Cheshire Oaks, Cheshire, CH65 9HQ

T: 0151 353 3500

E: info@barbour-abi.com

W: www.barbour-abi.com

@BarbourABI

Barbour ABI

UBM

UBM helps businesses do business, bringing the world's buyers and sellers together at events and online, as well as producing and distributing news and specialist content. Its 5,500 staff in more than 30 countries are organised into expert teams which serve commercial and professional communities, helping them to do business and their markets to work effectively and efficiently.

Ludgate House, 245 Blackfriars Road, London, SE1 9UY

T: 020 7921 5000

W: www.ubm.com

UBM

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.

To contact Michael either:

T: 020 7560 4141

E: michael.dall@ubm.com

@MichaelGDall

DOWNLOAD THE DATA IN THIS PDF COMING SOON

DOWNLOAD METHODOLOGY CLICK HERE ▶

Provider of the Government's Construction and Infrastructure Pipeline

HM Government

Chosen provider of Construction New Orders estimates to the ONS

Office for National Statistics

construction products association

To navigate just click on the tabs, buttons or page numbers and they will take you directly to your chosen section.

Barbour ABI
www.barbour-abi.com

Hinderton Point, Lloyd Drive, Cheshire Oaks, Cheshire, CH65 9HQ

T: 0151 353 3500

E: info@barbour-abi.com

@BarbourABI

ECONOMIC CONTEXT

UNEMPLOYMENT FALLS TO 6.6% IN LATEST FIGURES

Revised figures for UK GDP confirmed growth in Q1 was 0.8%, unchanged from the initial estimate.

The detailed results showed that all major components of the economy improved compared to the first quarter of 2013 (see Fig. 1.1). However, it is only the service sector which is back above its pre-recession peak. Since Q1 2013 there have been increases in Services of 2.9%, in Production by 2.5%, Manufacturing by 3.5% and Construction by 5.4%.

Unemployment fell again in the three months to April (see Fig. 1.2), and is now 6.6% compared to a peak of 8.4% in December 2011. The total number of people unemployed now stands at 2.16 million, down 161,000 on the previous quarter.

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

However, the level of government debt as a percentage of GDP is still significantly higher than pre-recession levels (see Fig. 1.3). Public Sector Net Debt now stands at 75.6% of GDP in April 2014 whereas in January 2008 it was 35.7%.

This month, the National Institute of Economic & Social Research predicted that the UK has now exceeded pre-recession level of activity by 0.2% in May. The IMF also gave a much improved outlook for the UK economy during its annual inspection visit commenting that “good macroeconomic performance is expected to persist.” Other news of note this month on the UK economy includes:

- **A survey by ManpowerGroup showed that employers in 11 of the 12 UK regions expect to increase staff levels in the next 3 months**
- **Industry body EEF raised its forecasts for growth in the manufacturing sector to 3.6% this year on the back of strong domestic demand**
- **A CBI survey for the service sector showed optimism rising at the fastest rate since the start of the survey**

The issue of house prices continue to dominate the economic debate with business secretary Vince Cable urging the Bank of England to intervene to ensure market stability. This, alongside a continuing export gap and comparatively low levels of business investment remain key challenges for the UK economy. It is Barbour ABI’s view that the near term outlook for the UK economy is good but the addressing these fundamental issues will be vital in ensuring sustainable economic growth.

> “Unemployment fell again in the three months to April

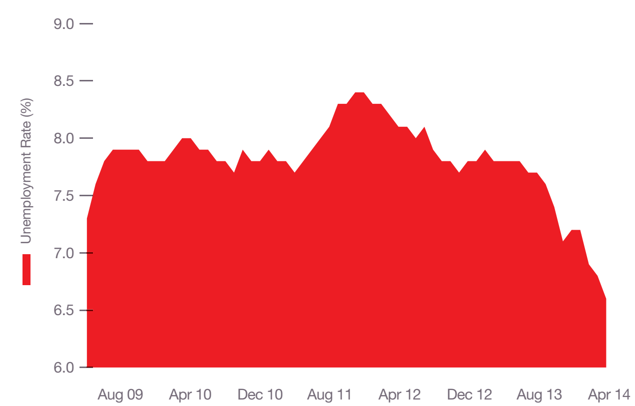


Fig. 1.2 **Unemployment Rate** Source: ONS

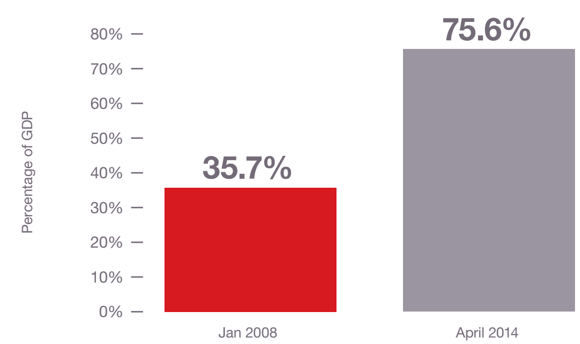


Fig. 1.3 **Government Debt** Source: ONS

economic & construction MARKET REVIEW

JUNE 2014

To navigate just click on the tabs, buttons or page numbers and they will take you directly to your chosen section.

Barbour ABI
www.barbour-abi.com

Hinderton Point, Lloyd Drive, Cheshire Oaks, Cheshire, CH65 9HQ

T: 0151 353 3500
E: info@barbour-abi.com
@BarbourABI

THE CONSTRUCTION SECTOR
STRONG START TO SECOND QUARTER FOR THE INDUSTRY

The latest figures from the ONS show that the construction sector in the UK grew by 1.2% between March and April 2014.

Comparing output levels with April last year showed an increase of 4.6%. It is further evidence of the improving performance of the sector and its impact on wider economic growth.

It is clear that the housing sector is the main component of growth within the industry. Private Housing increased by 2.5% between March and April 2014 and 16.6% from the corresponding month in 2013 (see Fig. 2.1). At the same time Public Housing, while down from March 2014 was 26.3% higher than last year. Output in the Private Commercial sector fell by 0.9% between March and April, though it is 1.0% higher than April 2013. Infrastructure increased by 0.6% month-on-month but was 7.6% lower than April 2013. This highlights that the growth patterns within the industry are reliant on housing and broader improvements are needed to ensure a robust recovery.

	% change	
	Apr 2013 – Apr 2014	Mar 2014 – Apr 2014
Total All Work	**4.6**	**1.2**
All New Work	**4.9**	**0.9**
Public Housing	26.3	-2.4
Private Housing	16.6	2.5
Infrastructure	-7.6	0.6
Public (ex Infrastructure)	-0.8	3.6
Private Industrial	9.1	3.8
Private Commercial	1.0	-0.9
Repair & Maintenance	**4.2**	**1.6**
Public Housing	-3.4	3.5
Private Housing	4.9	-1.1
Non-Housing	6.2	2.8

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

The ONS/Barbour ABI New Orders for Q1 2014 showed that total order levels declined by 6.3% between Q4 2013 and Q1 2014 but were 7.6% higher than a year ago (see Fig. 2.2). The housing and industrial sectors both showed increases from last year but order levels in commercial and infrastructure were less than a year ago. This data, combined with the latest ONS output figures provide further evidence of the focus on the residential sector in construction.

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 123 for May (see Fig. 2.3). This is a slight fall from last month but continues to support the view that overall activity in the industry remains strong. Although lower than recent months, the readings for Private Housing remained strong. The reading for Commercial Offices continued its recent rise with a figure of 149 this month and Commercial Retail reported a figure of 160.

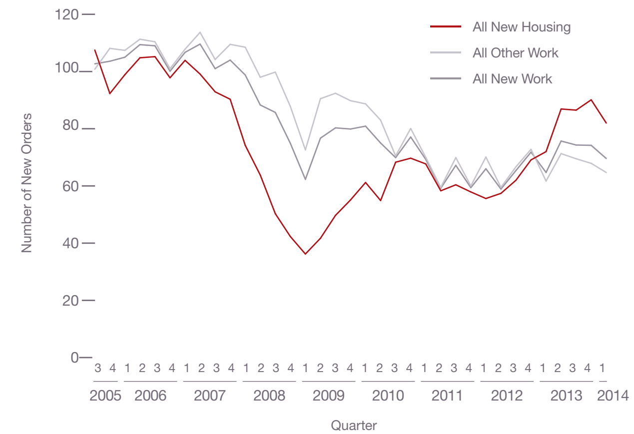


Fig. 2.2 **Construction New Orders** Source: Barbour ABI

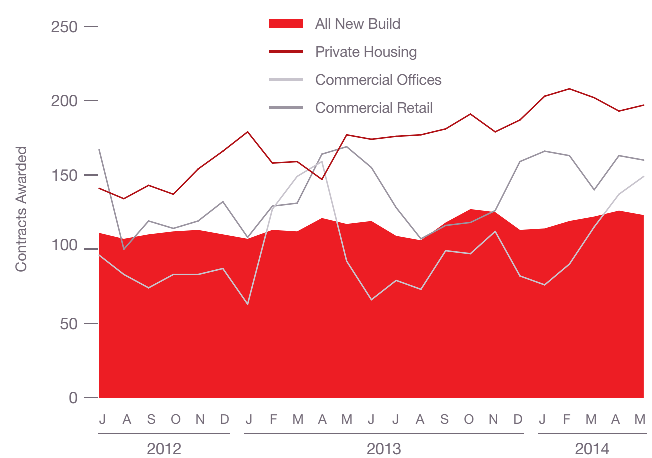


Fig. 2.3 **Contracts Awarded** Source: CPA/Barbour ABI

To navigate just click on the tabs, buttons or page numbers and they will take you directly to your chosen section.

Barbour ABI
www.barbour-abi.com
Hinderton Point, Lloyd Drive, Cheshire Oaks, Cheshire, CH65 9HQ
T: 0151 353 3500
E: info@barbour-abi.com
@BarbourABI

Construction Sector

According to Barbour ABI data on all contract activity, May witnessed an increase in construction levels with the value of new contracts awarded £5.3 billion, based on a three month rolling average (see Fig. 2.5). This is a 5.3% increase from April but a 3.7% decrease on the value recorded in May 2013, an indication that the recent levels of growth in construction contract values is slowing. The number of construction projects within the UK in May increased 0.6% on last month, and is 9.6% higher than May 2013.

The majority of the contracts awarded in May by value were in London, which accounted for 24% of the UK total (see Fig. 2.4). The main reasons for this were the £300 million of commercial development at Selfridges – Somerset Street Link and the contract for residential development known as The Hyde on Edgware Road which has a value of £200 million. Scotland was the next most prominent region, accounting for 13% of the construction contracts awarded in May with major projects including a £50 million waste recycling plant in Strathclyde and the £42 million contract for Anderson High School in Shetland.

Type of Projects

Residential had the highest proportion of contracts awarded by value in May with 33% of the total (see Fig. 2.6). This demonstrates the continuing strength of the residential sector within the industry. Commercial & Retail (22%) and Infrastructure (17%) were the next highest sectors this month by value of contracts awarded.

> “The housing sector is the main component of growth within the industry

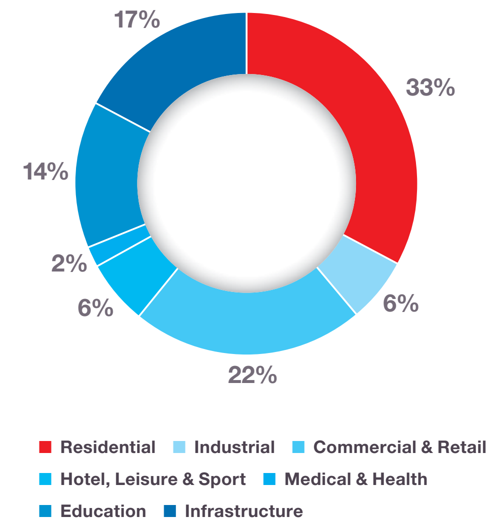
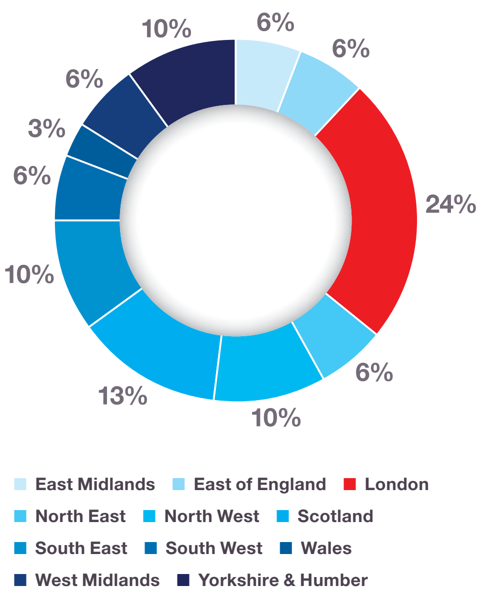


Fig. 2.6 **Type of Projects** Source: Barbour ABI



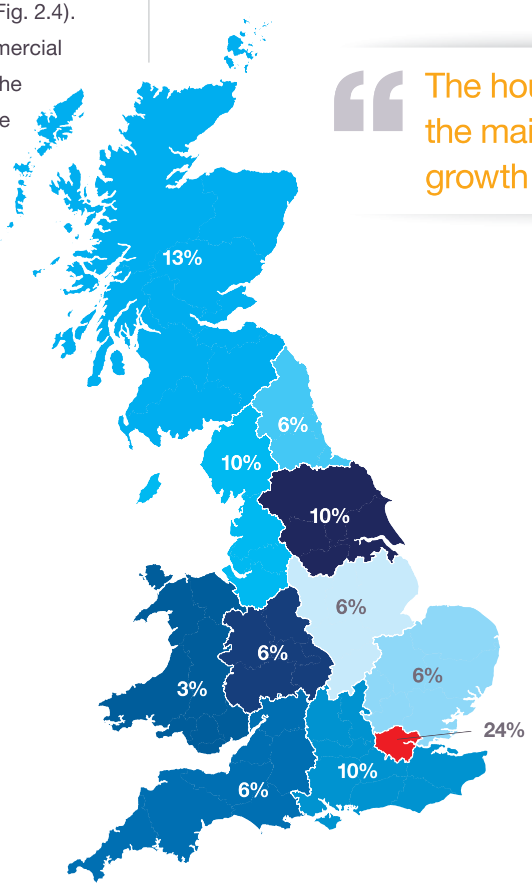


Fig. 2.4 **Locations of Contracts Awarded** Source: Barbour ABI

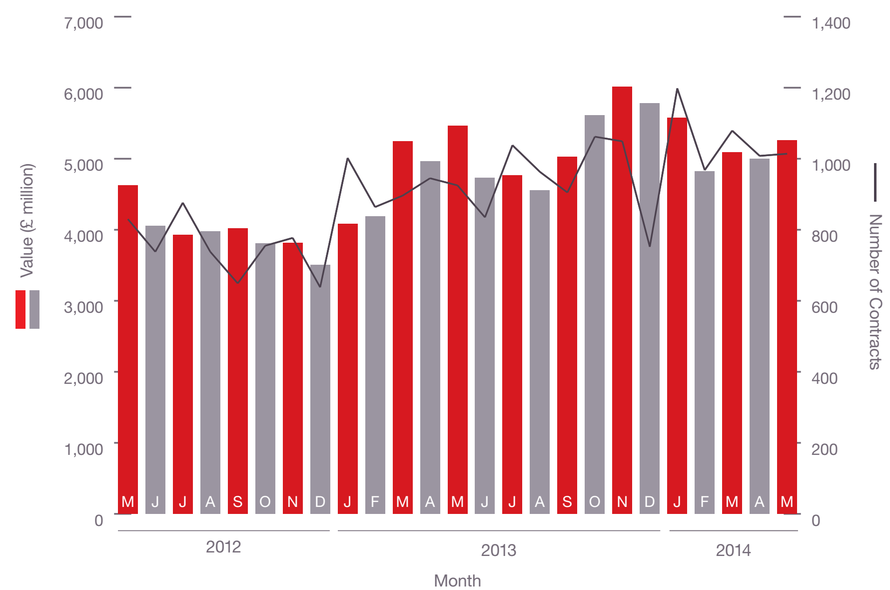


Fig. 2.5 **Construction Activity Trends** Source: Barbour ABI

economic & construction MARKET REVIEW

JUNE 2014

To navigate just click on the tabs, buttons or page numbers and they will take you directly to your chosen section.

ABI About Us
Economic Context
The Construction Sector
Residential
Infrastructure
Commercial & Retail
Hotel, Leisure & Sport
Industrial
Medical & Health
Education

Barbour ABI
www.barbour-abi.com

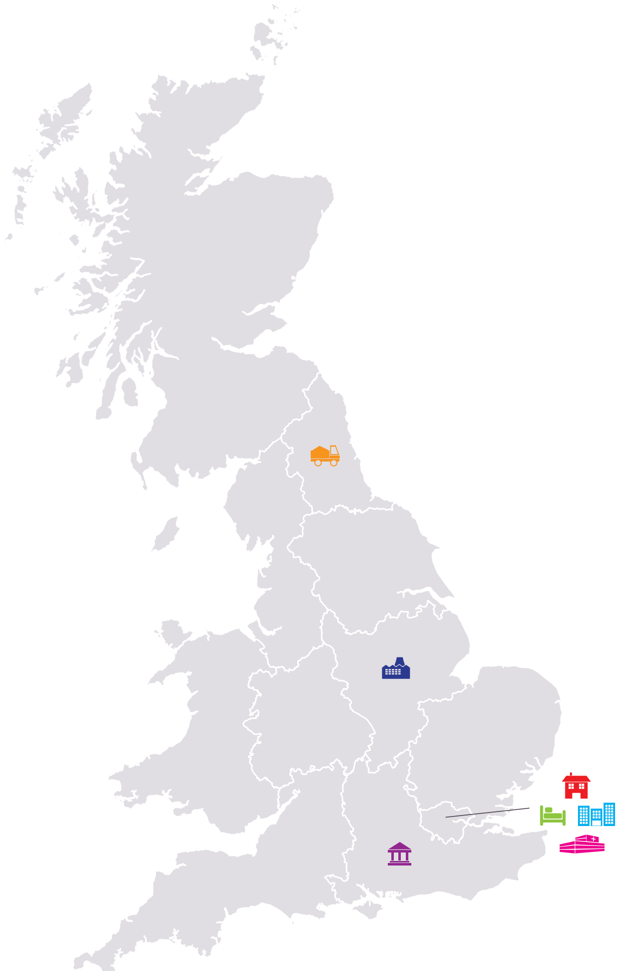
Hinderton Point, Lloyd Drive,
Cheshire Oaks, Cheshire,
CH65 9HQ

T: 0151 353 3500
E: info@barbour-abi.com
@BarbourABI

2014 FORECAST REVISED UP AS OUTPUT IS UP 4% ON A YEAR AGO

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

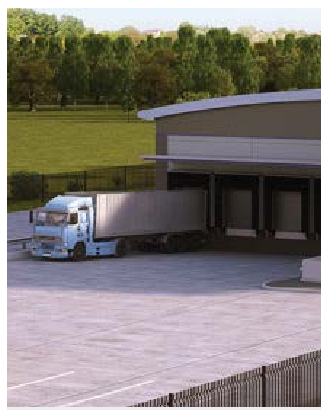
Take a look at these construction projects in focus this month.
Click on one of the projects below to skip to that page.

RESIDENTIAL
Diamond Tower
£60,000,000

INFRASTRUCTURE
Carlisle Road Resource Recovery Facility
£50,000,000

COMMERCIAL & RETAIL
Central Square Leeds
£200,000,000

HOTEL, LEISURE & SPORT
Great Eastern Street Hotel
£30,000,000



INDUSTRIAL
Warth Park Phase 2, Unit 4 – DSV Solutions Limited
£20,000,000

MEDICAL & HEALTH
Rotherham District General Hospital – Integrated Urgent Care Centre
£7,000,000

EDUCATION
Anderson High School – Scotlands Schools For The Future
£42,000,000

economic & construction MARKET REVIEW

JUNE 2014

To navigate just click on the tabs, buttons or page numbers and they will take you directly to your chosen section.

Barbour ABI
www.barbour-abi.com

Hinderton Point, Lloyd Drive, Cheshire Oaks, Cheshire, CH65 9HQ
T: 0151 353 3500
E: info@barbour-abi.com
@BarbourABI

RESIDENTIAL

INCREASE IN RESIDENTIAL VALUES IN MAY

The Residential sector experienced an increase in contract award values in May and are significantly higher than this time last year showing the continued strength of the sector.

Activity in the residential sector maintained its recent strength in May with the total value of contract awards £1.79 billion, based on a three month rolling average (see Fig. 3.1). This is a 3% increase compared to April and is 10% higher than May 2013, indicating the upturn in activity experienced in the sector over the last 12 months. The number of units associated with residential contracts awarded decreased by 1.3% between April and May 2014, based on a three month rolling average, but were 19.2% higher than May 2013, confirming the scale of the upturn in the market.

Sector Performance

The housing market continues to be the focus of much attention for media and policymakers alike. The latest house price indices for May from Nationwide and Halifax showed that current prices were respectively 11.1% and 8.7% higher than a year ago. Such price rises, which are even more acute in London, are producing fears of a house price bubble and there have been calls for controls to be put in place. Other factors suggest that the market may be cooling, with the Bank of England reporting that mortgage approvals fell to a nine month low in April and RICS reported that new buyer inquiries slowed for the fifth consecutive month. However, it is unclear whether this is due to rising prices or the introduction of new, tighter restrictions in lending set out in the Mortgage Market Review. There has already been notable shifts from two of the UK's largest lenders in the last month with RBS and Lloyd's both scaling back lending on loans with high loan to income multiples.

The Help to Buy scheme, which is seen by many as a major contributor to the recent escalation in house prices, has come under scrutiny with commentators requesting clarity on when this will be scaled back. The Bank of England has thus far been reluctant to intervene in the housing market and its latest Inflation Report suggests that rising house prices are not its primary concern. With the opposition intimating that it would scale back

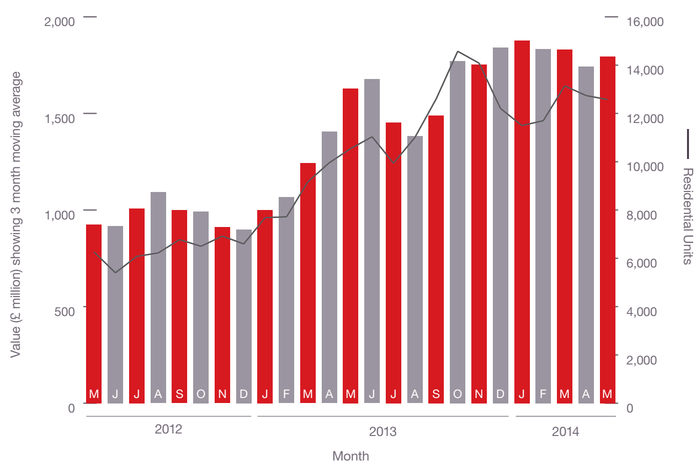


Fig. 3.1 **Project Value showing 3 month moving average** Source: Barbour ABI

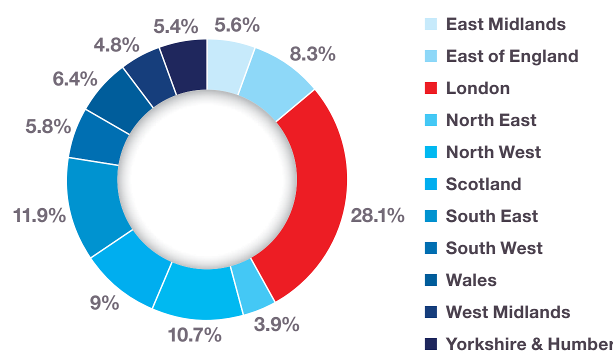


Fig. 3.2 **Value of Contracts by Region** Source: Barbour ABI

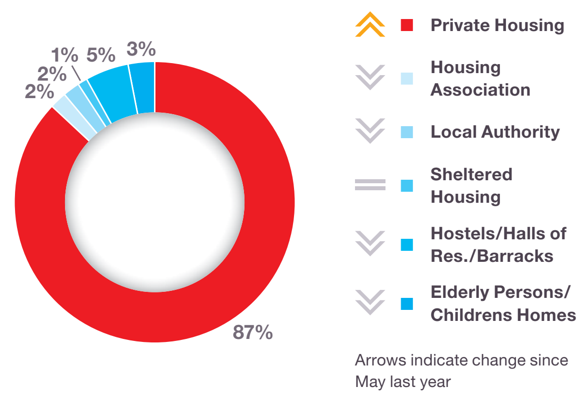


Fig. 3.3 **Type of Projects Awarded** Source: Barbour ABI

To navigate just click on the tabs, buttons or page numbers and they will take you directly to your chosen section.

ABI About Us
Economic Context
The Construction Sector
Residential
Infrastructure
Commercial & Retail
Hotel, Leisure & Sport
Industrial
Medical & Health
Education

Barbour ABI
www.barbour-abi.com

Hinderton Point, Lloyd Drive,
Cheshire Oaks, Cheshire,
CH65 9HQ
T: 0151 353 3500
E: info@barbour-abi.com
@BarbourABI

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

			↑	+1.4%	Scotland
↓	-1.8%	East Midlands	↑	+5.1%	South East *HOTTEST REGION*
↓	-11.6%	East of England	↑	+1.8%	South West
↓	-9.1%	London	↑	+3.8%	Wales
↑	+1.3%	North East	↑	+2.3%	West Midlands
↑	+5.0%	North West	↑	+1.7%	Yorkshire & Humber

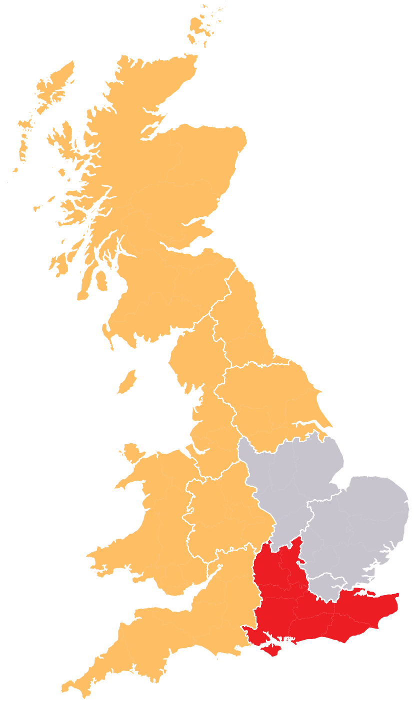


Fig. 3.4 **Change of Activity by Region** *(since last year)* Source: Barbour ABI

Help to Buy should it win the next election, the housing market will continue to be at the forefront of political debate in the coming months. However, as it stands, the increases in residential construction contracts continue to be marked in Barbour ABI data this month.

Projects by region

London is the main location of activity in the residential sector this month (see Fig. 3.2 & 3.4), accounting for 28.1% of the value of contracts awarded, although this was a decrease of 9.1% from the same month last year. London's prominence was primarily due to the award for The Hyde at Edgware Road worth £200 million, the Diamond Tower in Canary Wharf worth £60 million and The Pumphouse in Victoria Dock worth £44.5 million. The South East and the North West were the next most popular locations for residential contracts this month accounting for 11.9% and 10.7% of contracts awarded respectively, a 5% increase from the corresponding month last year.

Type of Projects

The types of projects awarded in the residential sector were dominated by private housing which accounted for 87% of residential contracts, a 21% increase from the same month last year (see Fig. 3.3). Of the remainder, Hostels/Halls of Residence were the next most prominent sector accounting for 5% of the contracts awarded, a 13% decrease from last year.

PROJECT IN FOCUS

Diamond Tower
£60,000,000

County	London
Primary Category Sector	Residential
Government Region	London
Start Date	September 2014
End Date	2018
Contract Award Date	May 2014
Funding	Private
Stage	Contract Award
Contractor	Canary Wharf Contractors Limited

economic & construction MARKET REVIEW

JUNE 2014

To navigate just click on the tabs, buttons or page numbers and they will take you directly to your chosen section.

Barbour ABI
www.barbour-abi.com

Hinderton Point, Lloyd Drive, Cheshire Oaks, Cheshire, CH65 9HQ

T: 0151 353 3500
E: info@barbour-abi.com
@BarbourABI

INCREASE IN RESIDENTIAL VALUES IN MAY

TOP TEN Key Clients
May – June

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Barratt Homes	Barratt House, Cartwright Way, Forest Business Park, Coalville, Leicestershire, LE67 1UF	01530 278278	204	3,224
2	Taylor Wimpey	Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR	01494 558323	168	3,070
3	Persimmon Homes Limited	Persimmon House, Fulford, York, North Yorkshire, YO19 4FE	01904 642199	191	2,050
4	Hutchison Whampoa	5 Hester Road, Mayfair, Battersea, London, SW11 4AN	020 7350 5640	2	1,010
5	Bovis Homes Limited (South East Region)	The Manor House, North Ash Road, New Ash Green, Longfield, Kent, DA3 8HQ	01474 872427 (CTPS)	49	947
6	Homes & Communities Agency	Arpley House, 110 Birchwood Boulevard, Birchwood, Warrington, Cheshire, WA3 7QH	0300 1234 500	15	936
7	Berkeley Group Plc/St James Group	Berkeley House, 19 Portsmouth Road, Cobham, Surrey, KT11 1JG		24	917
8	Bellway Plc	Seaton Burn House, Dudley Lane, Seaton Burn, Newcastle Upon Tyne, Tyne And Wear, NE13 6BE	0191 217 0717 / 678 9980	82	893
9	Fairfield Partnership	Chells Manor, Chells Lane, Stevenage, Hertfordshire, SG2 7AA	01438 311411	2	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
May – June

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	5plus Architects	4th Floor The Hive, 47 Lever Street, Manchester, Greater Manchester, M1 1FN	0161 228 0211	2	687
3	RPS Group Plc	20 Milton Park, Abingdon, Oxfordshire, OX14 4SH	01235 438000	20	680
4	Barratt Homes	Barratt House, Cartwright Way, Forest Business Park, Coalville, Leicestershire, LE67 1UF	01530 278278	47	661
5	Aedas Architects Limited	5-8 Hardwick Street, City, London, EC1R 4RG	020 7837 9789	1	650
6	Foster & Partners	Riverside, 22 Hester Road, Battersea, London, SW11 4AN	020 7738 0455	2	650
7	Persimmon Homes Limited	Persimmon House, Fulford, York, North Yorkshire, YO19 4FE	01904 642199	73	650
8	Scott Brownrigg Limited	St Catherines Court, 46-48 Portsmouth Road, Guildford, Surrey, GU2 4DU	01483 568686	10	626
9	Faulks Perry Culley & Rech	Lockington Hall, Lockington, Derby, Derbyshire, DE74 2RH	01509 672772	15	600
10	PRP Architects	Ferry Works, Summer Road, Thames Ditton, Surrey, KT7 0QJ	020 8339 3600	74	595

TOP TEN Key Contractors
May – June

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Barratt Homes	Barratt House, Cartwright Way, Forest Business Park, Coalville, Leicestershire, LE67 1UF	01530 278278	217	2,981
2	Taylor Wimpey	Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR	01494 558323	168	2,758
3	Persimmon Homes Limited	Persimmon House, Fulford, York, North Yorkshire, YO19 4FE	01904 642199	194	1,817
4	Bellway Plc	Seaton Burn House, Dudley Lane, Seaton Burn, Newcastle Upon Tyne, Tyne And Wear, NE13 6BE	0191 217 0717 / 678 9980	85	981
5	Galliford Try Construction South	2 Cowley Business Park, High Street, Cowley, Uxbridge, Middlesex, UB8 2AD	01895 855000	96	963
6	Morgan Sindall Plc	Kent House, 14-17 Market Place, Westminster, London, W1W 8AJ	020 7307 9200	69	880
7	Berkeley Group Plc/St James Group	Berkeley House, 19 Portsmouth Road, Cobham, Surrey, KT11 1JG		19	845
8	Countryside Properties (UK) Limited	Countryside House, The Drive, Great Warley, Brentwood, Essex, CM13 3AT	01277 260000	29	643
9	Redrow Group Plc	Redrow House, St David's Park, Hawarden, Deeside, Clwyd, CH5 3RX	01244 520044	66	640
10	Keepmoat Regeneration Limited	The Waterfront, Lakeside Boulevard, Doncaster, South Yorkshire, DN4 5PL	01302 346620 (CTPS)	89	614

economic & construction MARKET REVIEW

JUNE 2014

To navigate just click on the tabs, buttons or page numbers and they will take you directly to your chosen section.

Barbour ABI
www.barbour-abi.com

Hinderton Point, Lloyd Drive, Cheshire Oaks, Cheshire, CH65 9HQ
T: 0151 353 3500
E: info@barbour-abi.com
@BarbourABI

INFRASTRUCTURE CONTRACT VALUES INCREASE IN MAY

The value of Infrastructure contracts increased after recent monthly falls 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 increased in May with the total value awarded standing at £1.1 billion based on a three month rolling average (see Fig. 4.1). This is 6.8% higher than the previous month but 22.8% lower than May 2013. In the three months to May the total value of contract awards was £3 billion based on a three month rolling average. This is 41.1% lower than the previous three months and 38.5% lower than the same period of 2013. This indicates a better month for infrastructure but a longer term decline in the value of activity is concerning given the size of the sector.

Projects by region

The main location of infrastructure projects this month was the North East with 25.8% of the total value, an increase of 23.9% from May 2013 (see Fig. 4.2 & 4.4). This is primarily due to the Port of Tyne expansion project awarded this month with a contract value of £180 million. The North West was the other major location for infrastructure contracts accounting for 23% of the contracts awarded, a 20.7% increase from last year. The award of contracts to develop the Pennine Reach rapid bus transport scheme was a major part of this month's strong performance in the region.

Type of Projects

Utilities projects dominate the infrastructure sector this month (see Fig. 4.3) accounting for 43% of the total value of contracts awarded with the Tyneside Port expansion which is designed to develop green energy projects the major reason for this.

> The main location of infrastructure projects this month was the North East with 25.8% of the total value

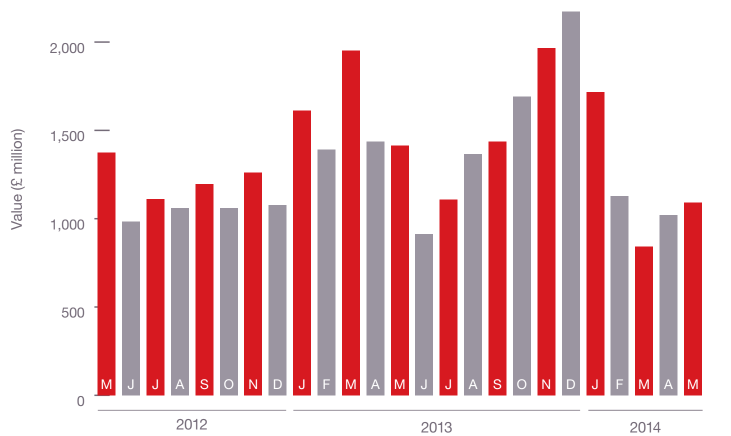


Fig. 4.1 **Project Values** Source: Barbour ABI

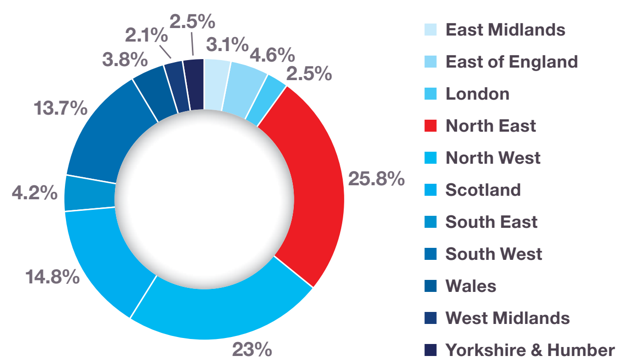


Fig. 4.2 **Value of Contracts by Region** Source: Barbour ABI

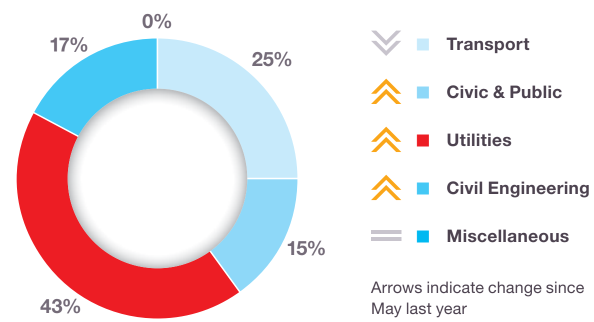


Fig. 4.3 **Type of Projects Awarded** Source: Barbour ABI

economic & construction MARKET REVIEW

JUNE 2014

To navigate just click on the tabs, buttons or page numbers and they will take you directly to your chosen section.

About Us
Economic Context
The Construction Sector
Residential
Infrastructure
Commercial & Retail
Hotel, Leisure & Sport
Industrial
Medical & Health
Education

Barbour ABI
www.barbour-abi.com

Hinderton Point, Lloyd Drive, Cheshire Oaks, Cheshire, CH65 9HQ
T: 0151 353 3500
E: info@barbour-abi.com
@BarbourABI

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

		+9.3%	Scotland
-1.1%	East Midlands	-17.1%	South East
-0.1%	East of England	+7.9%	South West
-34.2%	London	-2.6%	Wales
+23.9%	North East *HOTTEST REGION*	-0.6%	West Midlands
+20.7%	North West	-6.2%	Yorkshire & Humber

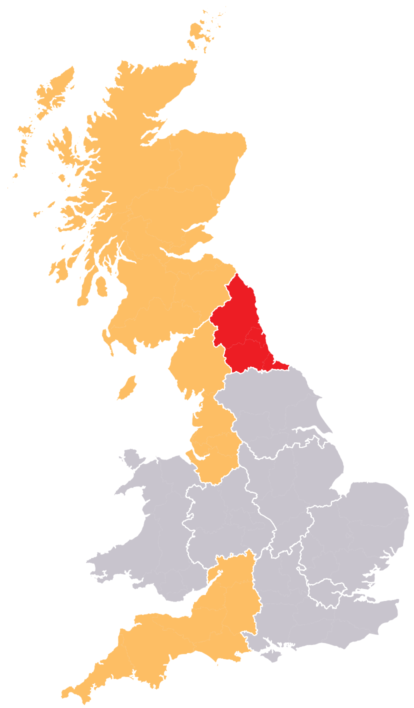


Fig. 4.4 **Change of Activity by Region** *(since last year)* Source: Barbour ABI

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.

> The value of contracts awarded in the infrastructure sector increased

PROJECT IN FOCUS

Carlisle Road Resource Recovery Facility £50,000,000

County	Strathclyde
Primary Category Sector	Infrastructure
Government Region	Scotland
Start Date	First Quarter 2016
End Date	Third Quarter 2017
Contract Award Date	May 2014
Funding	Mainly Private
Stage	Subcontract Award
Contractor	William Hamilton & Sons Limited

Barbour ABI
www.barbour-abi.com

Hinderton Point, Lloyd Drive, Cheshire Oaks, Cheshire, CH65 9HQ
T: 0151 353 3500
E: info@barbour-abi.com
@BarbourABI

TOP TEN
Key Clients
May – June

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Network Rail Infrastructure Limited	Kings Place, 90 York Way, Islington, London, N1 9AG	020 7557 8000	74	996
2	Highways Agency	123 Buckingham Palace Road, Westminster, London, SW1W 9HA	0845 955 6575	64	815
3	Flintshire County Council	County Hall, Mold, Clwyd, CH7 6NB	01352 702121	1	800
4	Mainstream Renewable Power	Abbey Business Centre, 176 St Vincent Street, Glasgow, Strathclyde, G2 5SG	0141 249 6580	1	675
5	Halton Borough Council	Municipal Building, Kingsway, Widnes, Cheshire, WA8 7QF	0151 424 2061	4	665
6	Tidal Lagoon (Swansea Bay) plc	Unit 6, J Shed, Kings Road, Swansea, West Glamorgan, SA1 8PL	01242 224101 (TPS)	1	650
7	Intergen Limited	81 George Street, Edinburgh, Lothian, EH2 3ES	0131 624 7500	1	600
8	Gateway Energy Centre Limited	Manorway, Stanford Le Hope, Essex, SS17 9PD	0800 169 5290	1	600
9	Mersey Gateway Project Office	First Floor, Unit 15, Turnstone Business Park, Mulberry Avenue, Widnes, Cheshire, WA8 0WN	0151 495 4091	1	600
10	Crossrail Limited	25 Canada Square, Canary Wharf, Poplar, London, E14 5LQ	020 3229 9100	4	531

TOP TEN
Key Architects
May – June

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Studio E Architects Limited	Palace Wharf, Rainville Road, Chiswick, London, W6 9HN	020 7385 7126	3	795
2	WA Fairhurst & Partners	225 Bath Street, Glasgow, Strathclyde, G2 4GZ	0141 204 8800	2	370
3	Hyder Consulting UK Limited	Manning House, 22 Carlisle Place, Westminster, London, SW1P 1JA	020 3014 9000 (CTPS)	1	250
4	Wilkinson Eyre Architects	33 Bowling Green Lane, City, London, EC1R 0BJ	020 7608 7900	1	248
5	Austin Smith Lord	Port Of Liverpool Building, Pier Head, Liverpool, Merseyside, L3 1BY	0151 227 1083	3	212
6	RPS Group Plc	20 Milton Park, Abingdon, Oxfordshire, OX14 4SH	01235 438000	3	204
7	Heatherwick Studio	356-364 Grays' Inn Road, Westminster, London, WC1X 8BH	020 7833 8800 (CTPS) (TPS)	1	200
8	Aukett Swanke	25 Christopher Street, City, London, EC2A 2BS	020 7454 8200	1	200
9	Atkins Limited	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW	01372 726140	12	171
10	Artek Design House Limited	17 Topcliffe Way, Cambridge, Cambridgeshire, CB1 8SJ	01223 519086	1	170

TOP TEN
Key Contractors
May – June

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Kier Group PLC	Tempsford Hall, Station Road, Sandy, Bedfordshire, SG19 2BD	01767 640111	27	767
2	Costain Limited	Vanwall Business Park, Vanwall Road, Maidenhead, Berkshire, SL6 4UB	01628 842444	16	690
3	Carillion Plc	Construction House, 24 Birch Street, Wolverhampton, West Midlands, WV1 4HY	01902 422431	26	582
4	Balfour Beatty Group Limited	130 Wilton Road, Westminster, London, SW1V 1LQ	020 7216 6800	37	493
5	Alstom Hydro Limited	Newbold Road, Rugby, Warwickshire, CV21 2NH	01788 577111 (TPS)	1	401
6	Amey Group	The Sherard Building, Edmund Halley Road, Oxford Science Park, Oxford, Oxfordshire, OX4 4DQ	01865 713100	12	377
7	Ferrovial Agroman, S. A.	Calle Ribera del Loira 42 Campo de las Naciones, Madrid, Spain, 28042	0034 91 300 85 43	2	370
8	BAM Nuttall	St James House, Knoll Road, Camberley, Surrey, GU15 3XW	01276 63484	19	359
9	Lagan Group	21-23 Sydenham Road, Belfast, Northern Ireland, BT3 9HA	028 9026 1000	3	357
10	A1D2B	Leases Farm Quarry, Leases Bridge, Leeming Bar, Northallerton, North Yorkshire, DL8 1DU	01677 458660	1	314

economic & construction
MARKET REVIEW

JUNE 2014

To navigate just click on the tabs, buttons or page numbers and they will take you directly to your chosen section.

Barbour ABI
www.barbour-abi.com

Hinderton Point, Lloyd Drive,
Cheshire Oaks, Cheshire,
CH65 9HQ
T: 0151 353 3500
E: info@barbour-abi.com
@BarbourABI

COMMERCIAL & RETAIL

GOOD MONTH FOR THE COMMERCIAL SECTOR

Contract values in the Commercial & Retail sector were significantly higher this month but are lower than last year highlighting concerns over long term performance.

The value of contracts awarded in the Commercial & Retail sector was £908 million in May based on a three month rolling average (see Fig. 5.1). This is an 18.9% increase from April but a 10.1% decrease from the May 2013 figure. In the three months to May the value of contracts was 27% above the previous three months but 7.1% lower than the same period in 2013. The fact that there has been a monthly and quarterly increase in the value of commercial projects awarded is encouraging but the decreases on last year's contract award values highlight some concerns over longer term performance.

Projects by region

London was the main location of activity in the sector this month with 53.5% of the value of all contracts awarded, although this was 15.3% lower than May 2013 (see Fig. 5.2 & 5.4). This is largely attributable to Selfridges redevelopment project which aims to revamp the flagship Oxford Street store in London at a value of £300 million. Another major London contract this month was the BSkyB campus Phase 2 at its headquarters in Isleworth which has a value of circa £62 million. Yorkshire & the Humber was the next most significant location of activity accounting for 23.1% of contract value and this was primarily due to the award of the contract for Central Square development in Leeds worth £200 million.

Type of Projects

Offices were the dominant type of project in the sector accounting for 55% of the value of contracts awarded this month (see Fig. 5.3), a 3% increase on May 2013. General retailing is the other significant sector with 36% of contract award value, which was an 8% drop from the May 2013 figure.

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

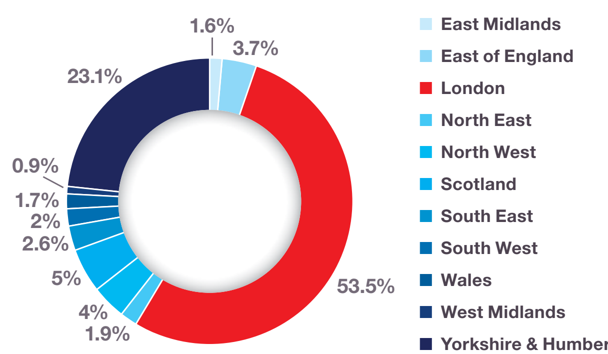


Fig. 5.2 **Value of Contracts by Region** Source: Barbour ABI

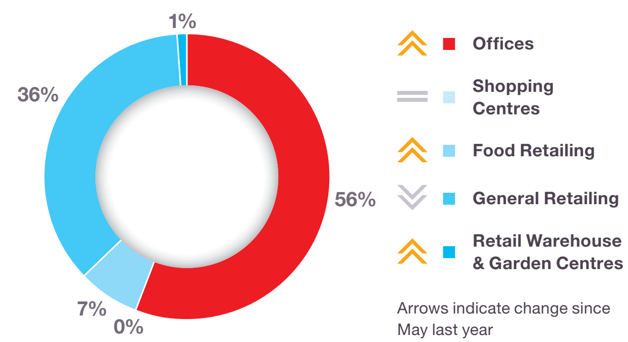


Fig. 5.3 **Type of Projects Awarded** Source: Barbour ABI

Barbour ABI
www.barbour-abi.com

Hinderton Point, Lloyd Drive, Cheshire Oaks, Cheshire, CH65 9HQ
T: 0151 353 3500
E: info@barbour-abi.com
@BarbourABI

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

			▲	+0.5%	Scotland
▲	+0.7%	East Midlands	▼	-4.6%	South East
▲	+0.2%	East of England	▼	-1.0%	South West
▼	-15.3%	London	▲	+1.2%	Wales
▲	+1.8%	North East	▼	-6.0%	West Midlands
▲	+0.9%	North West	▲	+21.6%	Yorkshire & Humber *HOTTEST REGION*

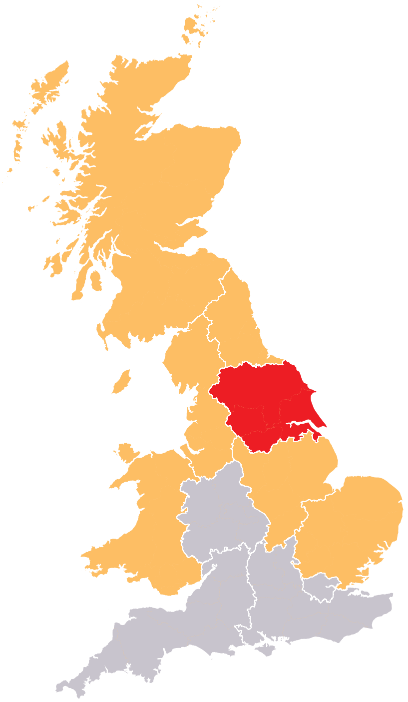


Fig. 5.4 **Change of Activity by Region** *(since last year)* Source: Barbour ABI

> A monthly and quarterly increase in the value of commercial projects awarded is encouraging

PROJECT IN FOCUS

Central Square Leeds
£200,000,000

County	West Yorkshire
Primary Category Sector	Commercial & Retail
Government Region	Yorkshire & Humber
Start Date	June 2014
End Date	June 2016
Contract Award Date	May 2014
Funding	Private
Stage	Contract Award
Contractor	Wates Construction Limited

economic & construction MARKET REVIEW

JUNE 2014

To navigate just click on the tabs, buttons or page numbers and they will take you directly to your chosen section.

Barbour ABI
www.barbour-abi.com

Hinderton Point, Lloyd Drive,
Cheshire Oaks, Cheshire,
CH65 9HQ

T: 0151 353 3500
E: info@barbour-abi.com
@BarbourABI

GOOD MONTH FOR THE COMMERCIAL SECTOR

TOP TEN Key Clients
May – June

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	W R Berkley Insurance (Europe) Limited	2nd Floor, 40 Lime Street, City, London, EC3M 7AW	020 7280 9000	1	500
2	Oxford Properties	6 New Street Square, New Fetter Lane, Suite 1200, City, London, EC4A 3BF	020 7822 8300	2	350
3	Brookfield Office Properties	Brookfield Place New York, 250 Vesey St., 15th Floor, New York, 10281	001 212 417 7000	1	340
4	Selfridges Limited	400 Oxford Street, Westminster, London, W1A 1AB	0800 123400	2	302
5	Crown Estate	16 New Burlington Place, Westminster, London, W1S 2HX	020 7851 5000	7	219
6	J Sainsbury Plc	33 Holborn, City, London, EC1N 2HT	020 7695 6000	26	209
7	LXB Properties PLC	Grafton House, 2nd Floor, 2-3 Golden Square, Westminster, London, W1F 9HR	020 7432 7900	6	204
8	Roydhouse Investments Limited	Roydhouse Farm, Sharp Lane, Almondbury, Huddersfield, West Yorkshire, HD4 6SX		1	200
9	Stoke-on-Trent City Council	Civic Centre, Glebe Street, Stoke on Trent, Staffordshire, ST4 1HH	01782 234567	2	171
10	Helical Bar Plc	11-15 Farm Street, Westminster, London, W1J 5RS	020 7629 0113	3	170

TOP TEN Key Architects
May – June

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Make Architects	13 Fitzroy Street, Westminster, London, W1T 4BQ	020 7636 5151	5	690
2	Kohn Pederson Fox (International) PA	7a Langley Street, Westminster, London, WC2H 9JA	020 3119 5300	2	501
3	Gensler Associates	Aldgate House, 33 Aldgate High Street, City, London, EC3N 1AH	020 7073 9600	6	320
4	Allford Hall Monaghan Morris	2nd Floor, Block C, Morelands, 5-23 Old Street, City, London, EC1V 9HL	020 7251 5261	5	281
5	RHWL Partnership	Ivory House, St Katharine Docks, Tower Hamlets, London, E1W 1AT	020 7480 1500	4	231
6	Sheppard Robson	77 Parkway, Camden Town, London, NW1 7PU	020 7504 1700	5	208
7	DLA Design Group	55 St Pauls Street, Leeds, West Yorkshire, LS1 2TE	0113 887 3100	3	203
8	Harris Partnership	2 St Johns, Wakefield, West Yorkshire, WF1 3QA	01924 291 800	51	193
9	GEHL Architects	GL. Kongevej 1, 4.tv, DK-1610 Copenhagen V	0045 32950951	1	170
10	Jones Architects	121 Great Portland Street, Westminster, London, W1W 6QL	020 7255 1150	4	146

TOP TEN Key Contractors
May – June

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Skanska UK	Maple Cross House, Denham Way, Maple Cross, Rickmansworth, Hertfordshire, WD3 9SW	01923 776666	7	729
2	Brookfield Multiplex Construction Europe Limited	99 Bishopsgate, 2nd Floor, City, London, EC2M 3XD	020 7659 3500	5	464
3	ISG	Aldgate House, 33 Aldgate High Street, City, London, EC3N 1AG	020 7247 1717	49	459
4	Bowmer & Kirkland Limited	High Edge Court, Heage, Belper, Derbyshire, DE56 2BW	01773 853131	31	413
5	McAlpine Limited	Eaton Court, Maylands Avenue, Hemel Hempstead, Hertfordshire, HP2 7TR	01442 233444	9	404
6	Mace Limited	155 Moorgate, City, London, EC2M 6XB	020 3522 3000 (TPS)	13	358
7	Kier Group PLC	Tempsford Hall, Station Road, Sandy, Bedfordshire, SG19 2BD	01767 640111	23	344
8	Wates Construction Limited	Wates House, Station Approach, Leatherhead, Surrey, KT22 7SW	01372 861000	8	265
9	GMI Construction Group Plc	Middleton House, Westland Road, Leeds, West Yorkshire, LS11 5UH	0113 276 0505	5	227
10	Laing O'Rourke	Bridge Place, Anchor Boulevard, Crossways, Dartford, Kent, DA2 6SN	01322 296200	8	189

To navigate just click on the tabs, buttons or page numbers and they will take you directly to your chosen section.

Barbour ABI
www.barbour-abi.com

Hinderton Point, Lloyd Drive, Cheshire Oaks, Cheshire, CH65 9HQ
T: 0151 353 3500
E: info@barbour-abi.com
@BarbourABI

HOTEL, LEISURE & SPORT

INCREASE IN HOTEL, LEISURE & SPORT CONTRACT VALUE IN MAY

The Hotel, Leisure & Sport sector showed significant monthly and yearly increases in contract values with a number of hotel contracts awarded across the UK in May.

Contract award levels in the Hotel, Leisure & Sport sector were £627 million in May, based on a three month rolling average (see Fig. 6.1). This was 25.7% higher than April and 64.6% higher than May 2013. In the three months to May the value of contracts was 24.5% higher than the previous three months. This was an increase of 45.6% compared to the same period in 2013 indicating an upturn in activity over the year.

Projects by region

London was the main location for activity in this sector accounting for 22.8% of the value of contracts awarded (see Fig. 6.2 & 6.4), although this was 11.9% lower than at this time last year. Scotland was the other major location in May with 22.5% of the contracts awarded by value. This was a 13.8% increase on last year and is largely attributable to the award of a £300 million contract to develop a Crowne Plaza and Holiday Inn Express in Aberdeen.

Type of Projects

Hotels/motels are the highest proportion of contracts awarded this month at 45% of total value which is 23% lower than May 2013 (see Fig. 6.3). The other major type of project awarded this month was leisure centres which equated to 25% of the total value, a 12% increase from May 2013.

> London was the main location for activity in this sector

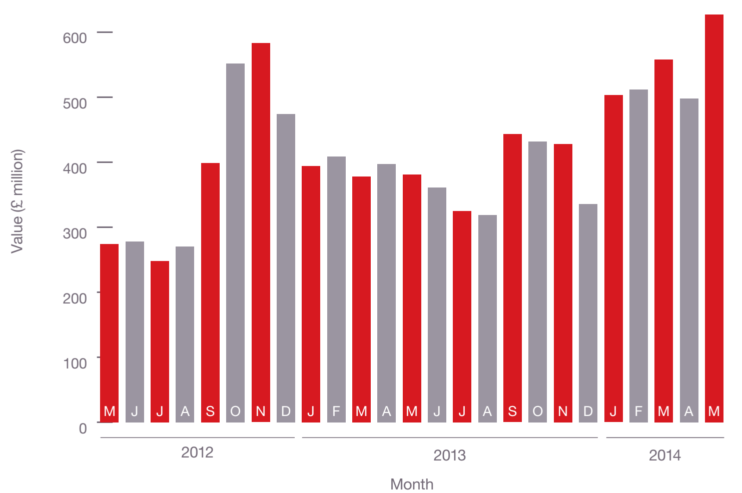


Fig. 6.1 **Project Values** Source: Barbour ABI

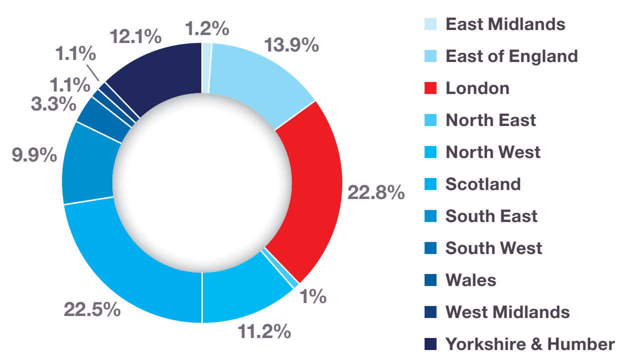


Fig. 6.2 **Value of Contracts by Region** Source: Barbour ABI

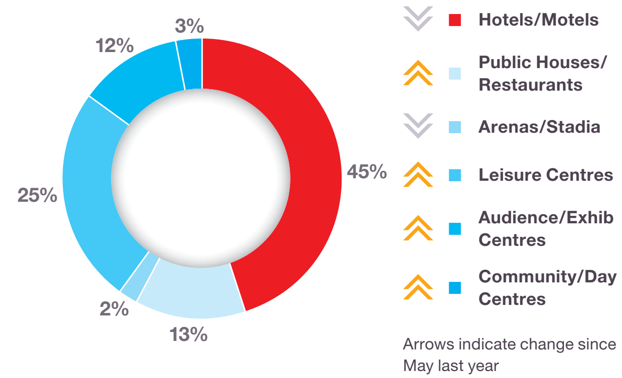


Fig. 6.3 **Type of Projects Awarded** Source: Barbour ABI

To navigate just click on the tabs, buttons or page numbers and they will take you directly to your chosen section.

Barbour ABI
www.barbour-abi.com
Hinderton Point, Lloyd Drive, Cheshire Oaks, Cheshire, CH65 9HQ
T: 0151 353 3500
E: info@barbour-abi.com
@BarbourABI

INCREASE IN HOTEL, LEISURE & SPORT CONTRACT VALUE IN MAY

The map and figures show how the activity has changed since May 2013		+13.8%	Scotland *HOTTEST REGION*
-1.9%	East Midlands	-5.6%	South East
+10.5%	East of England	+1.1%	South West
-11.9%	London	-0.2%	Wales
+0.3%	North East	-7.7%	West Midlands
-8.2%	North West	+9.9%	Yorkshire & Humber

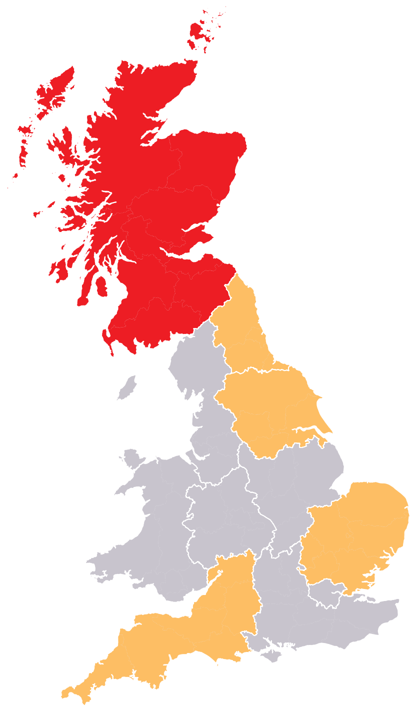
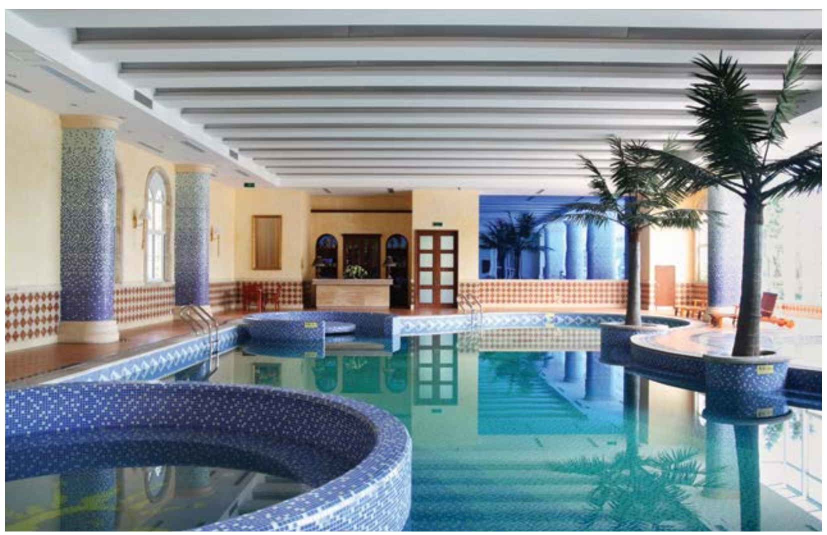
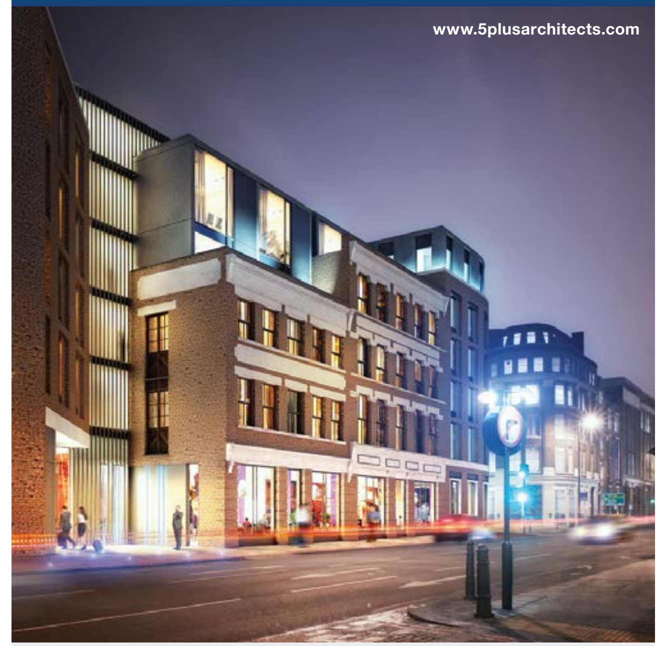


Fig. 6.4 **Change of Activity by Region** *(since last year)* Source: Barbour ABI



> In the three months to May the value of contracts was 24.5% higher than the previous three months

PROJECT IN FOCUS



Great Eastern Street Hotel
£30,000,000

County	London
Primary Category Sector	Commercial & Retail
Government Region	London
Start Date	June 2014
End Date	December 2015
Contract Award Date	May 2014
Funding	Private
Stage	Contract Award
Contractor	Vascroft Contractors Limited

To navigate just click on the tabs, buttons or page numbers and they will take you directly to your chosen section.

Barbour ABI
www.barbour-abi.com

Hinderton Point, Lloyd Drive,
Cheshire Oaks, Cheshire,
CH65 9HQ

T: 0151 353 3500
E: info@barbour-abi.com
@BarbourABI

INCREASE IN HOTEL, LEISURE & SPORT CONTRACT VALUE IN MAY

TOP TEN Key Clients May – June

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 Legacy Development Corporation	Level 10, 1 Stratford Place, Montfichet Road, Stratford, London, E20 1EJ	020 3288 1800	2	195
3	Whitbread PLC	Whitbread Court, Houghton Hall Business Court, Porz Avenue, Dunstable, Bedfordshire, LU5 5XE	01582 499499	31	168
4	London Borough of Newham	Third Floor, West Side, 1000 Dockside Road, Victoria Dock, London, E16 2QU	020 8430 2000	1	154
5	Olympic Delivery Authority (ODA)	23rd Floor, 1 Churchill Place, Canary Wharf, Poplar, London, E14 5LN	020 3201 2000	1	154
6	Essex County Cricket Club	New Writtle Street, Chelmsford, Essex, CM2 0PG	01245 252420 (CTPS)	1	100
7	McAleer & Rushe Limited	17-19 Dungannon Road, Cookstown, County Tyrone, BT80 8TL	028 8676 3741 (CTPS)	1	100
8	AEG Europe	The Studio, 02 Arena Peninsula Square, Greenwich, London, SE10 0DX	020 8463 2300	1	65
9	The Peel Group	Peel Management, Peel Dome, The Trafford Centre, Manchester, Greater Manchester, M17 8PL	0161 629 8200	1	60
10	Manchester City Football Club	City of Manchester Stadium, Sportscity, Manchester, Greater Manchester, M11 3FF	0161 444 1894	1	60

TOP TEN Key Architects May – June

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	Urban Innovations	Wellington Buildings, 2 Wellington Street, Belfast, Northern Ireland, BT1 6HT	028 9043 5060	4	175
5	LDA Design	Worton Rectory Park, Oxford, Oxfordshire, OX29 4SX	01865 887050 (TPS)	1	154
6	Archial Group Plc	Tennyson House, 159-165 Great Portland Street, Westminster, London, W1W 5PA		8	154
7	Woolford Architects Limited	Gunnery House, Gunnery Terrace, Leamington Spa, Warwickshire, CV32 5PE	01926 430304	1	100
8	Lifschutz Davidson Sandilands	Island Studios, 22 St Peters Square, Hammersmith, London, W6 9NW	020 8600 4800	2	90
9	Axiom Architects	Brooklands Yard, Southover High Street, Lewes, East Sussex, BN7 1HU	01273 479269 (TPS)	29	72
10	5plus Architects	104-110 Goswell Road, City, London, EC1V 7DH	020 7253 7644	3	70

TOP TEN Key Contractors May – June

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Balfour Beatty Group Limited	130 Wilton Road, Westminster, London, SW1V 1LQ	020 7216 6800	7	296
2	Kier Group PLC	Tempsford Hall, Station Road, Sandy, Bedfordshire, SG19 2BD	01767 640111	14	238
3	McAleer & Rushe Limited	17-19 Dungannon Road, Cookstown, County Tyrone, BT80 8TL	028 8676 3741 (CTPS)	9	184
4	McLaren Construction Limited	McLaren House, 100 Kings Road, Brentwood, Essex, CM14 4EA	01277 205800	5	147
5	ISG	Aldgate House, 33 Aldgate High Street, City, London, EC3N 1AG	020 7247 1717	11	140
6	Laing O'Rourke	Bridge Place, Anchor Boulevard, Crossways, Dartford, Kent, DA2 6SN	01322 296200	4	111
7	Interserve Plc	Interserve House, Ruscombe Park, Twyford, Reading, Berkshire, RG10 9JU	0118 932 0123 (CTPS)	9	107
8	Bowmer & Kirkland Limited	High Edge Court, Heage, Belper, Derbyshire, DE56 2BW	01773 853131	15	82
9	Morgan Sindall Plc	Kent House, 14-17 Market Place, Westminster, London, W1W 8AJ	020 7307 9200	11	67
10	Anglo-Holt Group Limited	150 Birmingham Road South, West Bromwich, West Midlands, B70 6QT	0121 525 6717	9	60

economic & construction MARKET REVIEW
JUNE 2014

To navigate just click on the tabs, buttons or page numbers and they will take you directly to your chosen section.

Barbour ABI
www.barbour-abi.com
Hinderton Point, Lloyd Drive, Cheshire Oaks, Cheshire, CH65 9HQ
T: 0151 353 3500
E: info@barbour-abi.com
@BarbourABI

INDUSTRIAL

ACTIVITY DECREASES IN THE INDUSTRIAL SECTOR THIS MONTH

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

Activity in the industrial sector decreased in May with the value of contracts awarded £308 million, based on a rolling three month average (see Fig. 7.1). This is a decrease of 13.7% on the value in April but is 20.5% above the figure recorded this time last year. In the three months to May the total value of contracts was £1.02 billion which was 4.6% below the previous three months but 51% above the same quarter last year.

Projects by region

The East Midlands is the region with the highest value of activity this month with 23.1% of the contracts awarded (see Fig. 7.2 & 7.4), an increase of 16.5% on May 2013. This was principally due to the award of a contract for the Warth Park Phase 2 warehouse/ distribution centre in Wellingborough worth a total of £20 million.

Type of Projects

The types of project awarded in the sector were predominantly warehouse/storage which accounted for 33% of contract value in May 2014 (see Fig. 7.3), though this an 18% decrease on the corresponding month last year. This is largely due to the aforementioned warehouse contract awarded in Wellingborough Heavy industrial projects are the next highest category of contract award with 27% of the total value, a 5% increase from May 2013. Food production projects were 23% of the total value, a 21% increase from the corresponding month last year. This was primarily down to the award of a contract for the Ashton Green Bakery Facility in Leicester which has a value of £15 million.

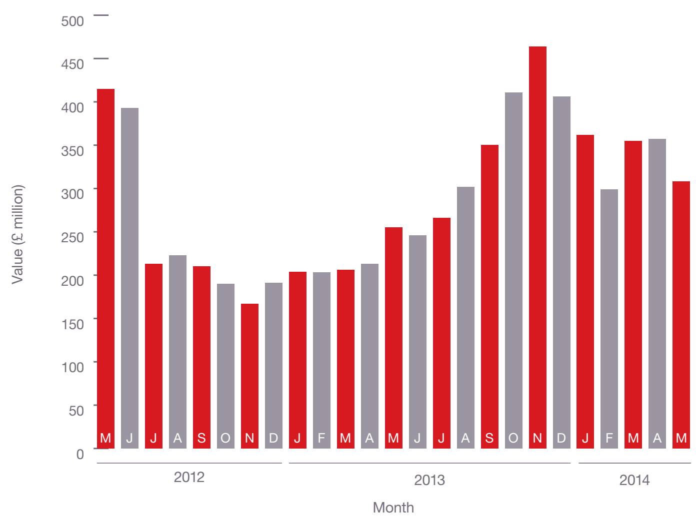


Fig. 7.1 **Project Values** Source: Barbour ABI

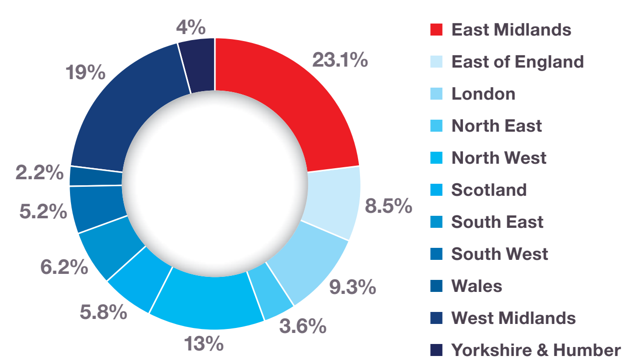


Fig. 7.2 **Value of Contracts by Region** Source: Barbour ABI

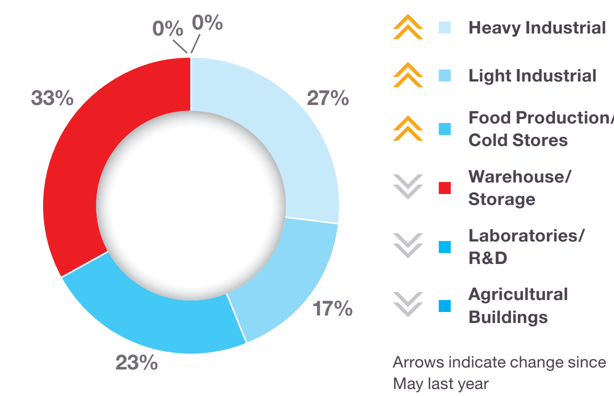


Fig. 7.3 **Type of Projects Awarded** Source: Barbour ABI

To navigate just click on the tabs, buttons or page numbers and they will take you directly to your chosen section.

Barbour ABI
www.barbour-abi.com
Hinderton Point, Lloyd Drive, Cheshire Oaks, Cheshire, CH65 9HQ
T: 0151 353 3500
E: info@barbour-abi.com
@BarbourABI

ACTIVITY DECREASES IN THE INDUSTRIAL SECTOR THIS MONTH

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

+16.5%	East Midlands *HOTTEST REGION*	+1.1%	Scotland
+5.4%	East of England	+0.4%	South East
-10.9%	London	+2.8%	South West
+3.1%	North East	+0.7%	Wales
-19.4%	North West	+0.8%	West Midlands
		-0.4%	Yorkshire & Humber

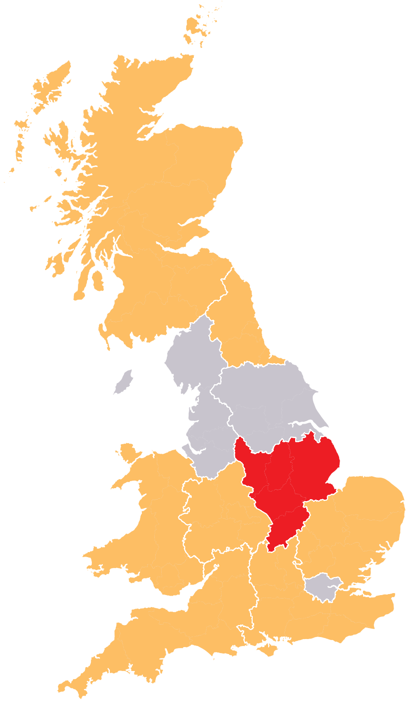


Fig. 7.4 **Change of Activity by Region** *(since last year)* Source: Barbour ABI

> The East Midlands is the region with the highest value of activity this month with 23.1% of the contracts awarded

PROJECT IN FOCUS

Warth Park Phase 2, Unit 4 – DSV Solutions Limited
£20,000,000

County	Northamptonshire
Primary Category Sector	Industrial
Government Region	East Midlands
Start Date	August 2014
End Date	April 2015
Contract Award Date	May 2014
Funding	Private
Stage	Contract Award
Contractor	Winvic Construction

economic & construction MARKET REVIEW

JUNE 2014

To navigate just click on the tabs, buttons or page numbers and they will take you directly to your chosen section.

ABI About Us
Economic Context
The Construction Sector
Residential
Infrastructure
Commercial & Retail
Hotel, Leisure & Sport
Industrial
Medical & Health
Education

Barbour ABI
www.barbour-abi.com

Hinderton Point, Lloyd Drive, Cheshire Oaks, Cheshire, CH65 9HQ
T: 0151 353 3500
E: info@barbour-abi.com
@BarbourABI

ACTIVITY DECREASES IN THE INDUSTRIAL SECTOR THIS MONTH

TOP TEN Key Clients
May – June

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	10	250
2	British Airways Plc	PO Box 365, Uxbridge, Middlesex, UB7 0GB	0844 493 0787	1	178
3	Roxhill Developments Limited	Lumonics House, Valley Drive, Swift Valley, Rugby, Warwickshire, CV21 1TQ	01788 422200	8	166
4	SNF Gas and Oil Limited	Solutions House, Ripley Close, Normanton Industrial Estate, Normanton, West Yorkshire, WF6 1TB	01924 311000	2	165
5	BP Exploration Operating Company	Sullom Voe Terminal, Mossbank, Shetland, Islands, ZE2 9TU		1	125
6	Fen Farm Developments	16 Palace Street, Cardinal Place, Victoria, London, City, SW1E 6JQ	NOT LISTED	2	111
7	Aldi Stores Limited	Holly Lane, Atherstone, Warwickshire, CV9 2SQ	01827 711800	3	98
8	Merchant Place Developments	The Studio, Sinclair Court, Darrell Street, Newcastle Upon Tyne, Tyne And Wear, NE13 7DS	0191 236 1013	1	82
9	Ministry of Defence	Whitehall, Westminster, London, SW1A 2HB	020 7218 9000	5	71
10	Clowes Developments	Brailsford Hall, Brailsford, Derby, Derbyshire, DE6 3BU	01335 360353	3	68

TOP TEN Key Architects
May – June

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Stephen George & Partners	170 London Road, Leicester, Leicestershire, LE2 1ND		6	240
2	Chetwood Associates	12-13 Clerkenwell Green, City, London, EC1R 0QJ	020 7490 2400	5	181
3	AJA Architects LLP	1170 Elliot Court, Herald Avenue, Coventry Business Park, Coventry, West Midlands, CV5 6UB	024 7625 3200	11	169
4	PHP Architects	The Old Rectory, 31 Rectory Lane, Milton Malsor, Northampton, Northamptonshire, NN7 3AQ	01604 858916	8	138
5	Sparks Associates	11 Plato Place, St Dionis Road, Fulham, London, SW6 4TU	020 7736 6162	16	128
6	Ryder Architecture	Cooper Studios, 14-18 Westgate Road, Newcastle Upon Tyne, Tyne And Wear, NE1 3NN	0191 269 5454	3	122
7	Cornish Architects	Peer House, 8-14 Verulam Street, Westminster, London, WC1X 8LZ	020 7400 2120	4	89
8	Dalkin Scotton Partnership	305 Fort Dunlop, Fort Parkway, Birmingham, West Midlands, B24 9FD	0121 747 1943	3	74
9	Blyth & Blyth	West Point, 4 Redheughs Rigg, Edinburgh, Lothian, EH12 9DQ	0131 474 2700	7	73
10	Building Design Partnership	16 Brewhouse Yard, Clerkenwell, City, London, EC1V 4LJ	020 7812 8000	2	62

TOP TEN Key Contractors
May – June

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Winvic Construction	19 Tenter Road, Moulton Park, Northampton, Northamptonshire, NN3 6PZ	01604 678960 (CTPS)	19	339
2	McAlpine Limited	Eaton Court, Maylands Avenue, Hemel Hempstead, Hertfordshire, HP2 7TR	01442 233444	5	247
3	McLaren Construction Limited	McLaren House, 100 Kings Road, Brentwood, Essex, CM14 4EA	01277 205800	4	200
4	Jacobs Limited	Jacobs House, 427 London Road, Earley, Reading, Berkshire, RG6 1BL	01189 635 331	2	127
5	Shepherd Construction Limited	Frederick House, Fulford Road, York, North Yorkshire, YO10 4EA	01904 634431	2	122
6	Buckingham Group Contracting Limited	Blackpit Farm, Silverstone Road, Stowe, Buckingham, Buckinghamshire, MK18 5LJ	01280 823355	11	114
7	Henry Boot PLC	Banner Cross Hall, Ecclesall Road, Sheffield, South Yorkshire, S11 9PD	0114 255 5444	7	101
8	VolkerWessels UK Limited	Hertford Road, Hoddesdon, Hertfordshire, EN11 9BX	01992 305000	1	92
9	Gallagher Group Limited	Leitrim House, Coldharbour Lane, Aylesford, Maidstone, Kent, ME20 7NS	01622 716543	2	86
10	ISG	Aldgate House, 33 Aldgate High Street, City, London, EC3N 1AG	020 7247 1717	5	70

economic & construction MARKET REVIEW

JUNE 2014

To navigate just click on the tabs, buttons or page numbers and they will take you directly to your chosen section.

Barbour ABI
www.barbour-abi.com

Hinderton Point, Lloyd Drive,
Cheshire Oaks, Cheshire,
CH65 9HQ
T: 0151 353 3500
E: info@barbour-abi.com
@BarbourABI

MEDICAL & HEALTH
SLIGHT FALL IN VALUE OF CONTRACTS IN MAY

The value of Medical & Health contracts decreased in May month-on-month but are higher than those recorded last year and longer term patterns point to an increase in activity.

Levels of activity in the Medical & Health sector were down by 1.1% in May 2014 compared to last month, with the total value of contracts awarded being £222 million based on a three month rolling average (see Fig. 8.1). This is 3.5% higher than the levels in May 2013. In the three months to May the value of contracts increased by 69.6% on the previous three months, and by 24% on the same period in 2013 indicating longer term growth 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 20.7% of activity, a substantial 16.8% increase from May 2013 (see Fig. 8.2 & 8.4). Yorkshire & the Humber was the other notable location of activity for medical and health projects registering 19.6% of activity by value in May 2014, this an 18.5% increase from last year.

Type of Projects

Public hospitals are the dominant types of contracts within the sector accounting for 60% of the value of contracts in May 2014 (see Fig. 8.3), a 32% decrease from the same month last year. Surgeries, health & medical centres accounted for 15% of the value of contracts this month which was a 13% increase from May 2013.

> London was the main location of development this month capturing 20.7% of activity

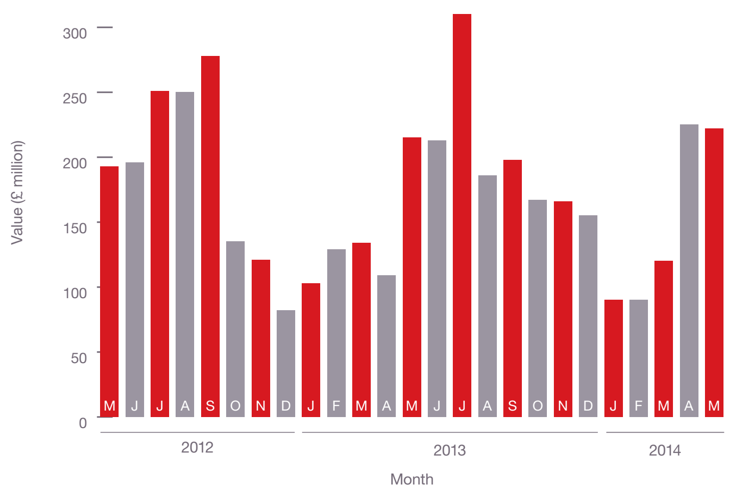


Fig. 8.1 **Project Values** Source: Barbour ABI

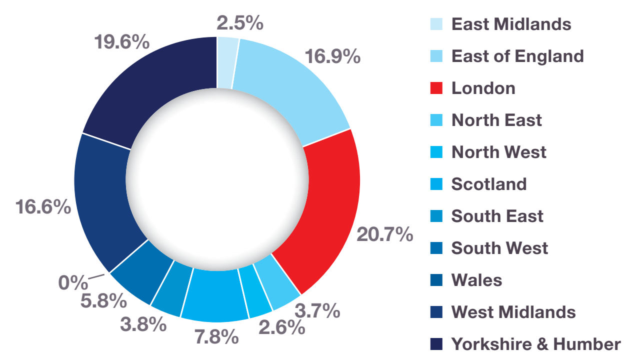


Fig. 8.2 **Value of Contracts by Region** Source: Barbour ABI

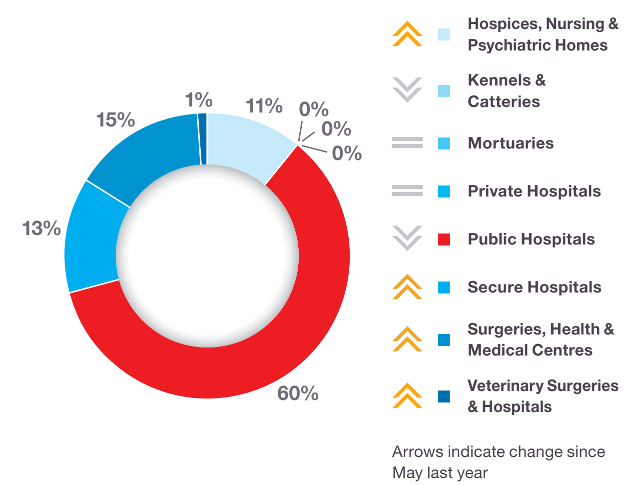


Fig. 8.3 **Type of Projects Awarded** Source: Barbour ABI

economic & construction MARKET REVIEW

JUNE 2014

To navigate just click on the tabs, buttons or page numbers and they will take you directly to your chosen section.

Barbour ABI
www.barbour-abi.com

Hinderton Point, Lloyd Drive, Cheshire Oaks, Cheshire, CH65 9HQ
T: 0151 353 3500
E: info@barbour-abi.com
@BarbourABI

SLIGHT FALL IN VALUE OF CONTRACTS IN MAY

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

+1.0%	East Midlands	+3.1%	Scotland
+15.3%	East of England	+0.5%	South East
+16.8%	London	+3.7%	South West
+3.5%	North East	-4.6%	Wales
-72.0%	North West	+14.1%	West Midlands
		+18.5%	Yorkshire & Humber *HOTTEST REGION*

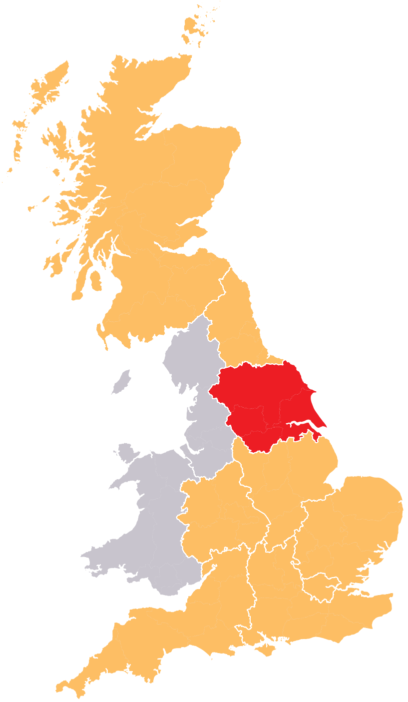


Fig. 8.4 **Change of Activity by Region** *(since last year)* Source: Barbour ABI

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.

> Levels of activity in the Medical & Health sector were down by 1.1%

PROJECT IN FOCUS

Rotherham District General Hospital – Integrated Urgent Care Centre £7,000,000

County	South Yorkshire
Primary Category Sector	Medical & Health
Government Region	Yorkshire & Humber
Start Date	September 2014
End Date	March 2016
Contract Award Date	May 2014
Funding	Public
Stage	Contract Award
Contractor	Kier Northern

To navigate just click on the tabs, buttons or page numbers and they will take you directly to your chosen section.

Barbour ABI
www.barbour-abi.com
Hinderton Point, Lloyd Drive,
Cheshire Oaks, Cheshire,
CH65 9HQ
T: 0151 353 3500
E: info@barbour-abi.com
@BarbourABI

SLIGHT FALL IN VALUE OF CONTRACTS IN MAY

TOP TEN Key Clients May – June

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	2	336
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	Cwm Taff NHS Trust	Prince Charles Hospital, Gurnos, Merthyr Tydfil, Mid Glamorgan, CF47 9DT	01685 721721	1	120
5	West London Mental Health NHS Trust	Broadmoor Hospital, Crowthorne, Berkshire, RG45 7EG	01344 773111	1	115
6	Aintree University Hospitals NHS Foundation Trust	Aintree University Hospital, Lower Lane, Aintree, Liverpool, Merseyside, L9 7AL	0151 525 5980	2	104
7	Great Ormond Street Hospital NHS Trust	Great Ormond Street, Westminster, London, WC1N 3JH	020 7405 9200 (CTPS)	1	60
8	The Trustees of the London Clinic	20 Devonshire Place, Westminster, London, W1G 6BW	020 7935 4444	1	58
9	Kings College Hospital NHS Trust	Kings College Hospital, Denmark Hill, Camberwell, London, SE5 9RS	020 3299 9000	4	47
10	NHS Lothian	Royal Edinburgh Hospital, Morningside Place, Edinburgh, Lothian, EH10 5HF	0131 537 6000 (CTPS)	1	42

TOP TEN Key Architects May – June

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	Oxford Architects Partnership	Bagley Croft, Hinksey Hill, Oxford, Oxfordshire, OX1 5BS	01865 329100 (TPS)	1	115
6	IBI Taylor Young	Chadsworth House, Wilmslow Road, Handforth, Wilmslow, Cheshire, SK9 3HP	01625 542 200	5	109
7	Llewelyn Davies	44-46 Whitfield Street, Westminster, London, W1T 2RJ	020 7907 7900	1	60
8	Murphy Philipps Architects Limited	140 Old Street, City, London, EC1V 9BJ	020 7490 8008	2	59
9	Archial Group Plc	Tennyson House, 159-165 Great Portland Street, Westminster, London, W1W 5PA		4	58
10	P+HS Architects	The Old Station, Station Road, Stokesley, Middlesbrough, Cleveland, TS9 7AB	01642 712684	11	45

TOP TEN Key Contractors May – June

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Interserve Plc	Interserve House, Ruscombe Park, Twyford, Reading, Berkshire, RG10 9JU	0118 932 0123 (CTPS)	16	397
2	Carillion Plc	Construction House, 24 Birch Street, Wolverhampton, West Midlands, WV1 4HY	01902 422431	2	338
3	Kier Group PLC	Tempsford Hall, Station Road, Sandy, Bedfordshire, SG19 2BD	01767 640111	13	196
4	Willmott Dixon Construction Limited	Spirella 2, Icknield Way, Letchworth Garden City, Hertfordshire, SG6 4GY	01462 671852	7	75
5	Skanska UK	Maple Cross House, Denham Way, Maple Cross, Rickmansworth, Hertfordshire, WD3 9SW	01923 776666	4	61
6	Coffey Construction Limited	93-95 Greenford Road, Harrow, Middlesex, HA1 3QF	020 8426 4944 (CTPS)	2	60
7	Vinci Construction UK Limited	Astral House, Imperial Way, Watford, Hertfordshire, WD24 4WW	01923 233433	8	54
8	Galliford Try Construction South	2 Cowley Business Park, High Street, Cowley, Uxbridge, Middlesex, UB8 2AD	01895 855000	9	54
9	BAM Construction	Breakspear Park, Breakspear Way, Hemel Hempstead, Hertfordshire, HP2 4FL	01442 238300	5	45
10	Morgan Sindall Plc	Kent House, 14-17 Market Place, Westminster, London, W1W 8AJ	020 7307 9200	9	44

economic & construction MARKET REVIEW

JUNE 2014

To navigate just click on the tabs, buttons or page numbers and they will take you directly to your chosen section.

ABI About Us
Economic Context
The Construction Sector
Residential
Infrastructure
Commercial & Retail
Hotel, Leisure & Sport
Industrial
Medical & Health
Education

Barbour ABI
www.barbour-abi.com

Hinderton Point, Lloyd Drive, Cheshire Oaks, Cheshire, CH65 9HQ
T: 0151 353 3500
E: info@barbour-abi.com
@BarbourABI

EDUCATION
INCREASE IN THE VALUE OF CONTRACTS IN MAY

The Education sector improved on the previous 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 £636 million in May based on a three month rolling average, a 12.9% increase from April (see Fig. 9.1). This figure was 13.6% higher than May 2013 indicating the sectors improvement over the past year. The values of contract awards in the three months to May were 0.9% lower than the previous three months but 10.7% 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 the South East which accounted for 22.2% of the value of projects, a 4.3% increase from May 2013 (see Fig. 9.2 & 9.4). Scotland was the next most prominent region accounting for 21% of contracts awarded an increase of 17.1% from May 2013.

Type of Projects

Colleges/Universities accounted for the highest proportion of contracts awarded in the education sector in May 2014 (see Fig. 9.3). This type of project was 35% of the total value awarded, which was a 1% decrease on May 2013. State primary schools were the other major type of project accounting for 25% of contract value an increase of 1% on the corresponding month of 2013.

> “The value of contracts awarded was £636 million in May

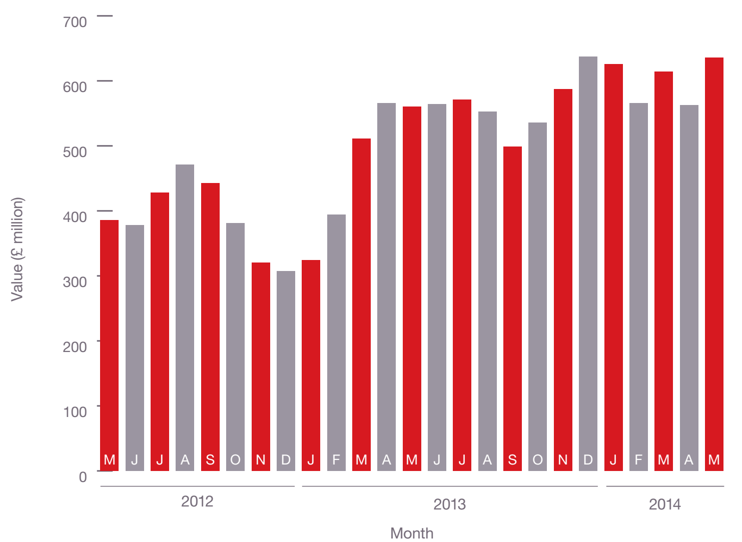


Fig. 9.1 **Project Values** Source: Barbour ABI

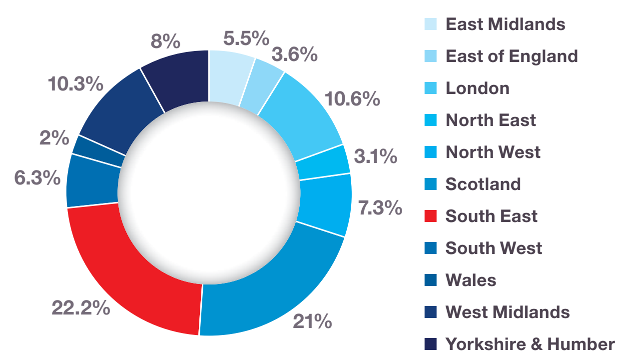


Fig. 9.2 **Value of Contracts by Region** Source: Barbour ABI

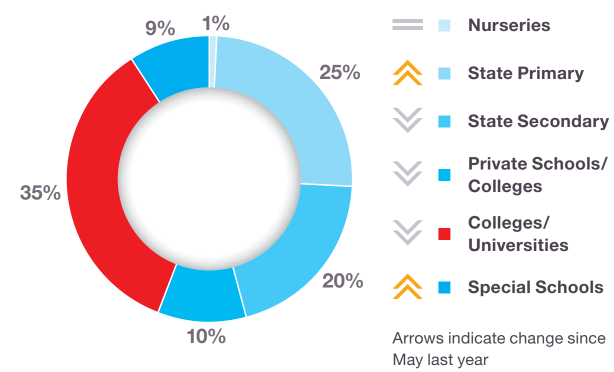


Fig. 9.3 **Type of Projects Awarded** Source: Barbour ABI

To navigate just click on the tabs, buttons or page numbers and they will take you directly to your chosen section.

Barbour ABI
www.barbour-abi.com
Hinderton Point, Lloyd Drive, Cheshire Oaks, Cheshire, CH65 9HQ
T: 0151 353 3500
E: info@barbour-abi.com
@BarbourABI

EDUCATION

INCREASE IN THE VALUE OF CONTRACTS IN MAY

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

		+17.1%	Scotland *HOTTEST REGION*
+3.0%	East Midlands	+4.3%	South East
-1.2%	East of England	-6.6%	South West
-8.7%	London	-1.3%	Wales
+2.7%	North East	-10.8%	West Midlands
-0.5%	North West	+2.0%	Yorkshire & Humber

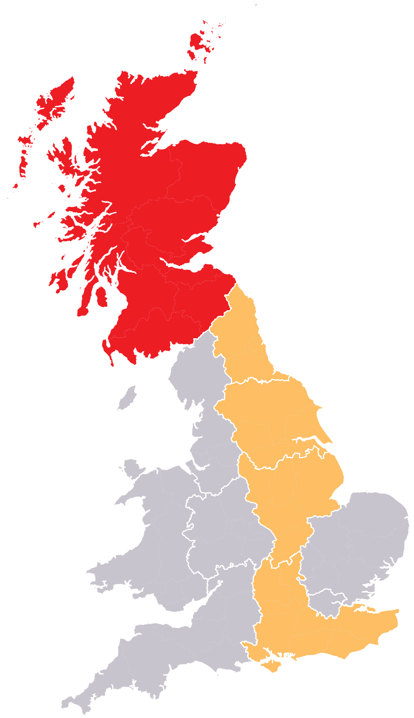


Fig. 9.4 **Change of Activity by Region** *(since last year)* Source: Barbour ABI

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**

PROJECT IN FOCUS

Anderson High School – Scotlands Schools For The Future
£42,000,000

County	Shetland Islands
Primary Category Sector	Education
Government Region	Scotland
Start Date	October 2014
End Date	October 2016
Contract Award Date	May 2014
Funding	Public
Stage	Contract Award
Contractor	Miller Construction

To navigate just click on the tabs, buttons or page numbers and they will take you directly to your chosen section.

Barbour ABI
www.barbour-abi.com
Hinderton Point, Lloyd Drive, Cheshire Oaks, Cheshire, CH65 9HQ
T: 0151 353 3500
E: info@barbour-abi.com
@BarbourABI

INCREASE IN THE VALUE OF CONTRACTS IN MAY

TOP TEN
Key Clients
May – June

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Department For Education	Castle View House, East Lane, Runcorn, Cheshire, WA7 2AA	0370 000 2288	77	602
2	Ministry of Defence	Whitehall, Westminster, London, SW1A 2HB	020 7218 9000	4	129
3	Laing Plc	Allington House, 150 Victoria Street, Westminster, London, SW1E 5LB	020 7901 3200	2	121
4	Cambridge University Hospitals NHS Foundation Trust	Addenbrookes Hospital, Hills Road, Cambridge, Cambridgeshire, CB2 0QQ	01223 245151	1	120
5	Kent County Council	County Hall, County Road, Maidstone, Kent, ME14 1XQ	03000 414141	30	118
6	Imperial College London	Estates Division, South Kensington Campus, Exhibition Road, South Kensington, London, SW7 2DB	020 7589 5111 (CTPS)	7	109
7	University of Birmingham	Room LGB, Lower Ground Floor, Aston Webb Building, Edgbaston, Birmingham, West Midlands, B15 2TT	0121 414 3344	4	68
8	Highland Council	Glenurquhart Road, Inverness, Highlands, IV3 5NX	01463 702000	4	64
9	Cambridgeshire County Council	Castle Court, Shire Hall, Castle Hill, Cambridge, Cambridgeshire, CB3 0AP	0345 0455 200	19	64
10	Department for Education	Caxton House, Tothill Street, Westminster, London, SW1H 9NA	0370 000 2288	8	63

TOP TEN
Key Architects
May – June

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)	23	185
2	Sheppard Robson	77 Parkway, Camden Town, London, NW1 7PU	020 7504 1700	6	166
3	Associated Architects	1 Severn Street Place, The Mailbox, Birmingham, West Midlands, B1 1SE	0121 233 6600	19	166
4	Ryder Architecture	Cooper Studios, 14-18 Westgate Road, Newcastle Upon Tyne, Tyne And Wear, NE1 3NN	0191 269 5454	15	162
5	Aedas	Norwich Union House, High Street, Huddersfield, West Yorkshire, HD1 2LR	01484 537411 (TPS)	24	122
6	AMEC Group PLC	76-78 Old Street, City, London, EC1V 9RU	020 3215 1700	1	121
7	NBBJ	The Clove Building, 4-6 Maguire Street, Greenwich, London, SE1 2NQ	020 7939 3700	2	121
8	Archial Group Plc	Tennyson House, 159-165 Great Portland Street, Westminster, London, W1W 5PA		12	120
9	JM Architects	64 Queen Street, Edinburgh, Lothian, EH2 4NA	0131 652 1666	6	114
10	Building Design Partnership	16 Brewhouse Yard, Clerkenwell, City, London, EC1V 4LJ	020 7812 8000	11	93

TOP TEN
Key Contractors
May – June

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Kier Group PLC	Tempsford Hall, Station Road, Sandy, Bedfordshire, SG19 2BD	01767 640111	124	545
2	Interserve Plc	Interserve House, Ruscombe Park, Twyford, Reading, Berkshire, RG10 9JU	0118 932 0123 (CTPS)	77	465
3	Willmott Dixon Construction Limited	Spirella 2, Icknield Way, Letchworth Garden City, Hertfordshire, SG6 4GY	01462 671852	71	454
4	BAM Construction	Breakspear Park, Breakspear Way, Hemel Hempstead, Hertfordshire, HP2 4FL	01442 238300	30	348
5	Balfour Beatty Group Limited	130 Wilton Road, Westminster, London, SW1V 1LQ	020 7216 6800	51	283
6	Morgan Sindall Plc	Kent House, 14-17 Market Place, Westminster, London, W1W 8AJ	020 7307 9200	61	249
7	Laing O'Rourke	Bridge Place, Anchor Boulevard, Crossways, Dartford, Kent, DA2 6SN	01322 296200	17	246
8	Miller Developments Limited	Miller House, 2 Lockside View, Edinburgh Park, Edinburgh, Lothian, EH12 9DH	0870 336 5000	20	193
9	Wates Construction Limited	Wates House, Station Approach, Leatherhead, Surrey, KT22 7SW	01372 861000	32	166
10	Bowmer & Kirkland Limited	High Edge Court, Heage, Belper, Derbyshire, DE56 2BW	01773 853131	27	130

To navigate just click on the tabs, buttons or page numbers and they will take you directly to your chosen section.

Barbour ABI
www.barbour-abi.com

Hinderton Point, Lloyd Drive, Cheshire Oaks, Cheshire, CH65 9HQ

T: 0151 353 3500
E: info@barbour-abi.com
@BarbourABI

Barbour ABI report on every planning application in the UK, as well as tracking 20,000+ projects that do not require planning permission

At each stage, we add key intelligence:

- Individual contact data for involved companies
- Planned or estimated start and end dates
- Materials identified
- Detailed scheme and status information
- Subcontractor information

REQUEST YOUR 10 FREE LEADS TODAY

Find out more about how Barbour ABI's construction intelligence can transform your business and request your 10 free leads...

call: 0151 353 3500
email: info@barbour-abi.com
follow us: twitter.com/Barbourabi
and: facebook.com/BarbourABI

Barbour ABI
www.barbour-abi.com

HM Government
Provider of the Government's Construction and Infrastructure Pipeline

Office for National Statistics
Chosen provider of Construction New Orders estimates to the ONS

Building

bd

ecobuild the future

UBM

To navigate just click on the tabs, buttons or page numbers and they will take you directly to your chosen section.

Barbour ABI
www.barbour-abi.com

Hinderton Point, Lloyd Drive,
Cheshire Oaks, Cheshire,
CH65 9HQ
T: 0151 353 3500
E: info@barbour-abi.com
@BarbourABI