economic & construction MARKET REVIEW

Barbour ABI

Building

JULY 2014

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JULY 2014

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ABOUT US

SPECIALIST PROVIDER OF CONSTRUCTION INTELLIGENCE

Barbour ABI

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

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

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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.

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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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GROWTH EXPECTED TO CONTINUE BUT IS PACE SLOWING?

The macroeconomic picture in the UK remains healthy with most headline indicators continuing to point to strong economic performance in 2014.

The next release of GDP figures should see the UK pass pre-recession levels of output and the closely watched Markit/CIPS PMI indicators continue to be consistently above 50, the number which marks expansionary activity (see Fig. 1.1).

Labour productivity levels within the UK continue to puzzle economists as they are still significantly below the levels of 2008 with no obvious reasons proffered for this. Latest data shows that output per worker is 3.8% lower than the start of 2008 despite output being almost back to 2008 levels (see Fig. 1.2).

This month, there was positive news on the levels of business investment in the economy with the ONS reporting that in the first three months of the year it was 10.6% higher than the same period in 2013. Other news of note this month on the UK economy includes:

- **Car sales in the UK for the first six months of 2014 were 10.6% higher than last year according to the Society of Motor Manufacturers & Traders**
- **Business confidence was at its highest level for at least 22 years according to a survey by Lloyds**
- **A British Chambers of Commerce survey suggested that firms expect the rate of economic growth to moderate in the second quarter**

The issue of house prices continue to dominate the economic debate with the Bank of England introducing the Financial Policy Committees measures designed to ensure there is no repeat of excess lending experienced in the past. This, alongside a continuing export gap and the productivity puzzle 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 that addressing these fundamental issues will be vital in ensuring sustainable economic growth.

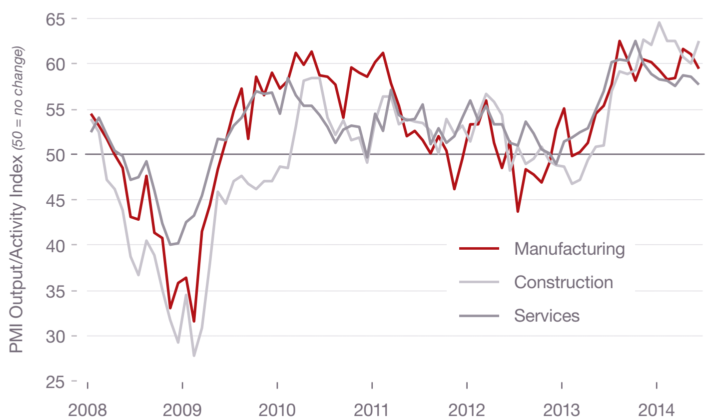

Fig. 1.1 **PMI Output/Activity Index** Source: Markit/CIPS

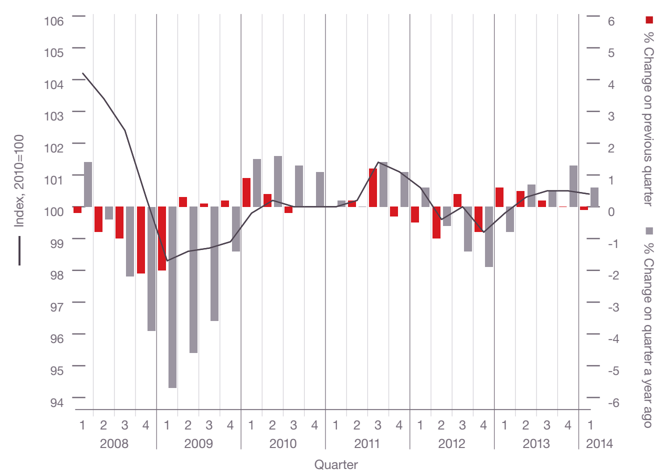

Fig. 1.2 **Whole Economy Output per Worker** Source: ONS

> Output per worker is 3.8% lower than the start of 2008 despite output being almost back to 2008 levels

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THE CONSTRUCTION SECTOR
SIGNS RECENT PACE OF GROWTH IS SLOWING

The latest figures from the ONS indicate that the construction sector in the UK declined by 1.1% between April and May 2014.

Comparing output levels with May last year showed an increase of 3.5%. It is further evidence of the improving performance of the sector in the long term 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 growth was flat between April and May 2014 but was 16.8% higher than the corresponding month in 2013 (see Fig. 2.1). At the same time Public Housing, was 5.2% higher in May from April and was 29.3% higher than last year.

	% change	
	May 2013 – May 2014	Apr 2014 – May 2014
Total All Work	**3.5**	**-1.1**
All New Work	**3.7**	**-1.1**
Public Housing	29.3	5.2
Private Housing	16.8	0.0
Infrastructure	-7.1	0.0
Public (ex Infrastructure)	-6.8	-4.2
Private Industrial	19.1	1.3
Private Commercial	-2.9	-3.6
Repair & Maintenance	**3.1**	**-1.1**
Public Housing	-0.2	-1.7
Private Housing	2.5	-2.6
Non-Housing	4.5	0.1

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

Output in the Private Commercial sector fell by 3.6% between April and May, and is 2.9% lower than May 2013. Infrastructure was flat month-on-month but was 7.1% lower than May 2013. This highlights that the growth patterns within the industry are reliant on housing and broader improvements are needed to ensure a robust recovery.

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. 2.2). 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.

Construction Sector

According to Barbour ABI data on all contract activity, June witnessed a slight decrease in construction levels with the value of new contracts awarded at £5.2 billion, based on a three month rolling average (see Fig. 2.4). This is a marginal 0.7% decrease from May though it is a 10.5% increase on the value recorded in June 2013, an indication of a stronger summer for construction this year.

The number of construction projects within the UK in June increased 11% on May, and is 34.9% higher than June 2013.

The majority of the contracts awarded in June by value were in London, which accounted for 17% of the UK total (see Fig. 2.3). The main reason for this was the £100 million redevelopment of the International Broadcast Centre at the Olympic Park which was awarded this month and the £70 million contract for a residential development at North Wharf Gardens in Paddington Basin. The South East, Scotland and the North West each had 13% of the value of contracts awarded in June. In the South East the major project this month was the student accommodation development at Brighton & Hove College valued at £73.4 million. In Scotland the largest project was the Macallan Distillery Redevelopment in

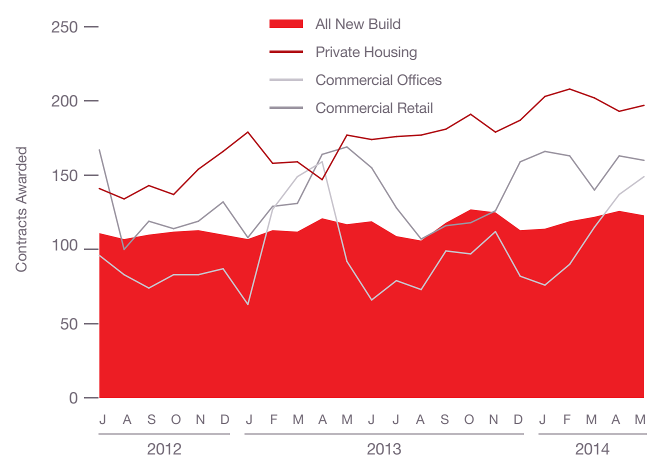

Fig. 2.2 **Contracts Awarded** Source: CPA/Barbour ABI

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Grampian which was valued at £100 million. In the North West, the largest project was the award of the Smart Motorway project on the M60/62 which was valued at £184 million.

Type of Projects

Residential had the highest proportion of contracts awarded by value in June with 30% of the total (see Fig. 2.5). This demonstrates the continuing strength of the residential sector within the industry. Infrastructure (24%) and Commercial & Retail and Education (both 13%) were the next highest sectors this month by value of contracts awarded.

> Construction projects increased 11% on May

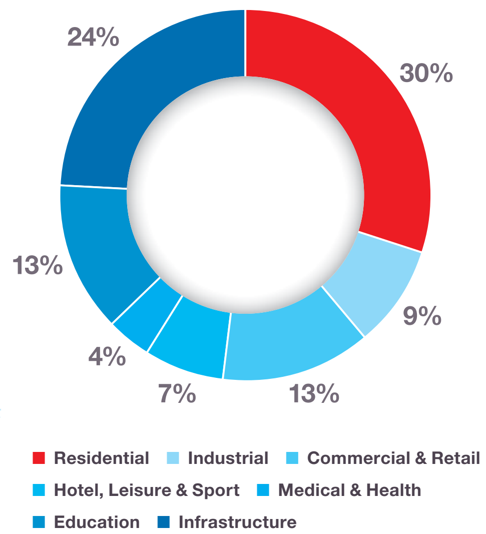
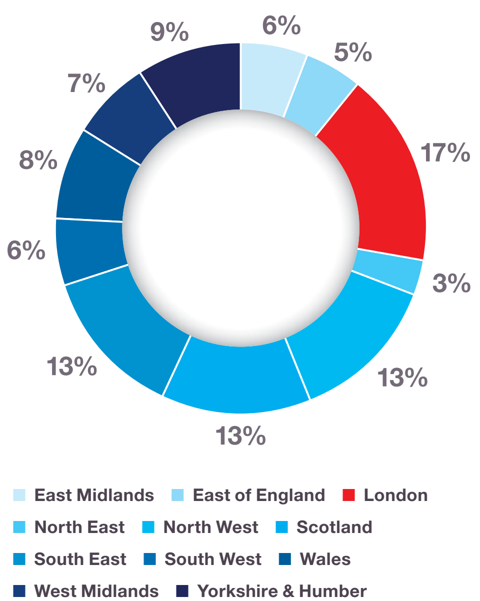


Fig. 2.5 **Type of Projects** Source: Barbour ABI



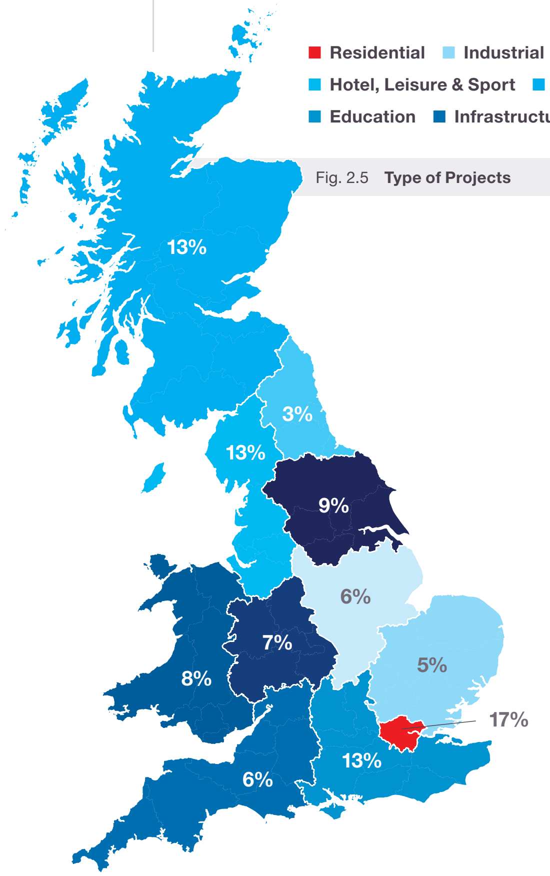


Fig. 2.3 **Locations of Contracts Awarded** Source: Barbour ABI

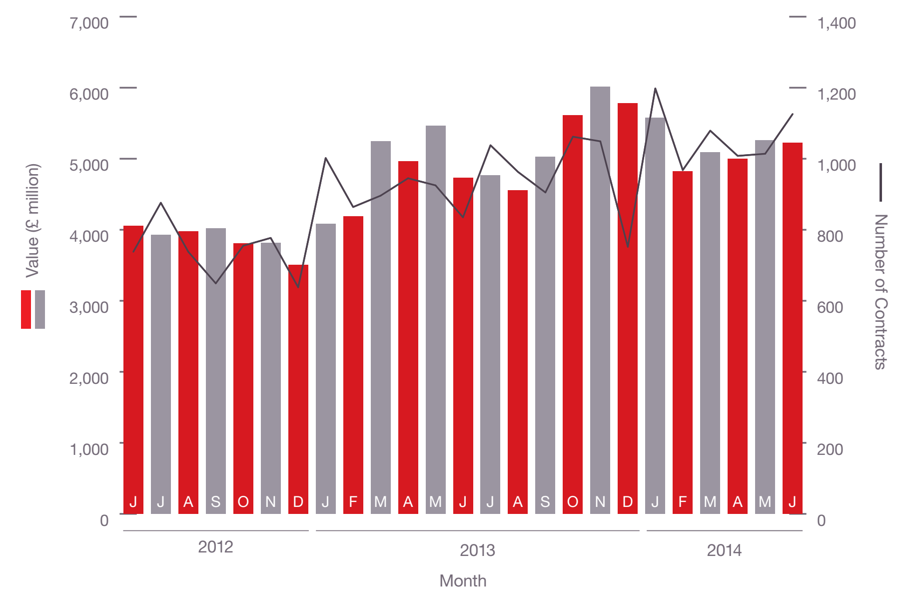


Fig. 2.4 **Construction Activity Trends** Source: Barbour ABI

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

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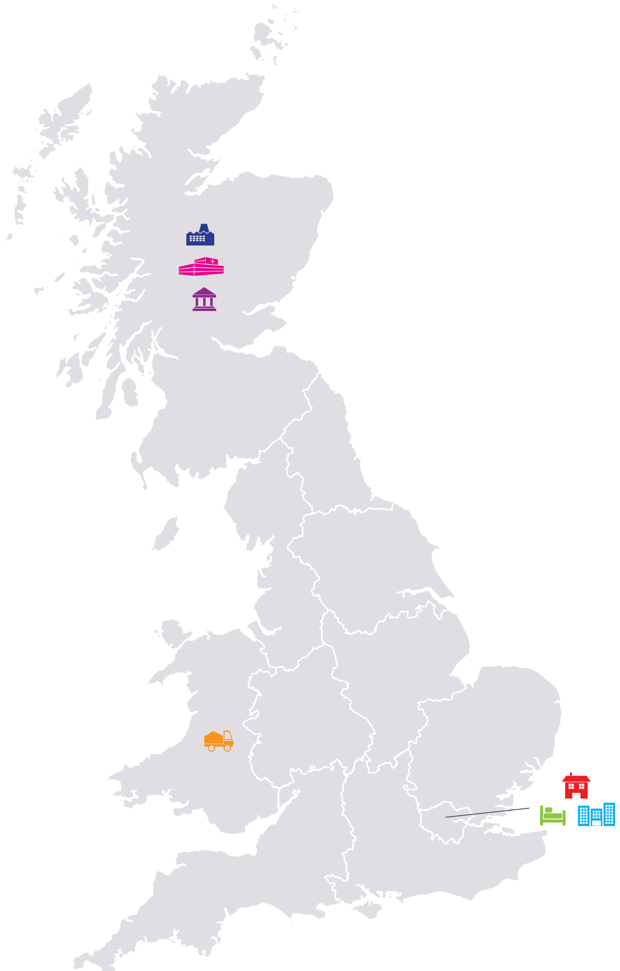
A snippet of this month's regional activity

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
Brighton And Hove College – Pelham Street Campus – Phase 2A
£73,400,000

INFRASTRUCTURE
Nigg Energy Park – South Quay Development
£37,000,000

COMMERCIAL & RETAIL
iCITY – The International Broadcast Centre – Conversion Works
£100,000,000

HOTEL, LEISURE & SPORT
Stratford City Plot N24 Manhattan Loft Gardens
£50,000,000

INDUSTRIAL
The Macallan Distillery Redevelopment
£100,000,000

MEDICAL & HEALTH
Edinburgh Royal Infirmary – Clinical Neuro Sciences
£72,000,000

EDUCATION
Madras College – Building Fifes Future
£40,000,000

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RESIDENTIAL

DECREASE IN RESIDENTIAL VALUES IN JUNE

The residential sector experienced a decrease in contract award values in June and is lower than this time last year showing the recent rapid growth may be moderating.

Activity in the residential sector was high in June with the total value of contract awards £1.67 billion, based on a three month rolling average (see Fig. 3.1). This is a 7.6% decrease compared to May and is 0.6% lower than June 2013, indicating that after significant growth since the start of 2013, this pattern of growth is slowing. The number of units associated with residential contracts awarded decreased by 7.6% between May and June 2014, based on a three month rolling average, but were 5.4% higher than June 2013, confirming the longer term increase in activity in the sector.

Sector Performance

The housing market remained at the forefront of the economic and political agenda this month when the Bank of England's Financial Policy Committee announced a series of measures designed to prevent excessive lending in the sector that would risk the economic recovery. The first measure announced was to limit larger loans in excess of 4.5 income multiples to no more than 15% of a lenders new mortgage lending. The second measure was for lenders to apply interest rate stress tests to each mortgage assessing whether an interest rate rise of 3% over the first years would affect the recipients ability to pay. It will be interesting to assess the impact these measures will have although it is worth noting that the Bank of England still expect price rises to rises over the next three years.

The latest house price indices for June from Nationwide showed that average house prices are now above the 2007 peak and have risen by nearly 12% in the last year. In an indication of the disparities within the housing market, London prices were 26% higher than the same time last year. In addition, house builder Taylor Wimpey announced that sales for the first half of 2014 increased by 11% year-on-year, with the average selling price increasing by 10%. Other factors suggest that the market may be cooling, with the Bank of England reporting that mortgage

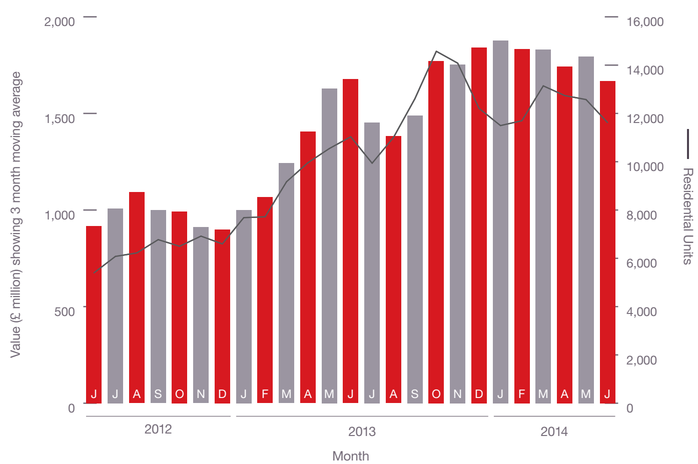

Fig. 3.1 **Project Value showing 3 month moving average** Source: Barbour ABI

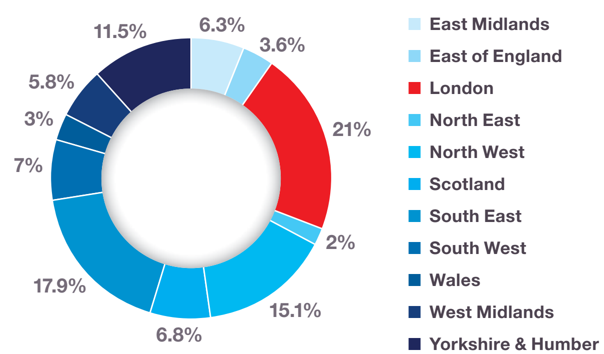

Fig. 3.2 **Value of Contracts by Region** Source: Barbour ABI

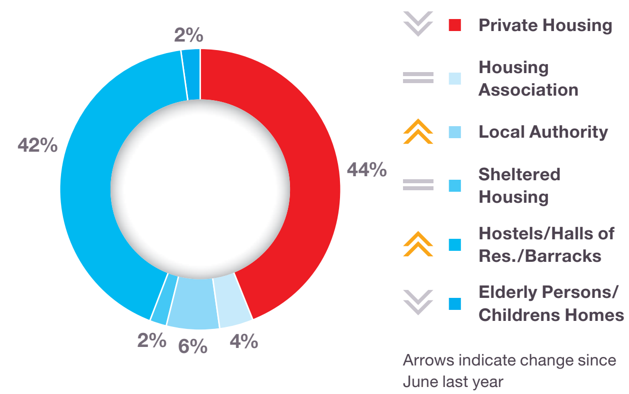

Fig. 3.3 **Type of Projects Awarded** Source: Barbour ABI

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The map and figures show how the activity has changed since June 2013			+3.3%	Scotland	
+2.5%	East Midlands		-11.8%	South East	
-5.0%	East of England		+0.7%	South West	
-1.9%	London		+1.6%	Wales	
+0.2%	North East		-3.7%	West Midlands	
+6.2%	North West		+7.8%	Yorkshire & Humber *HOTTEST REGION*	

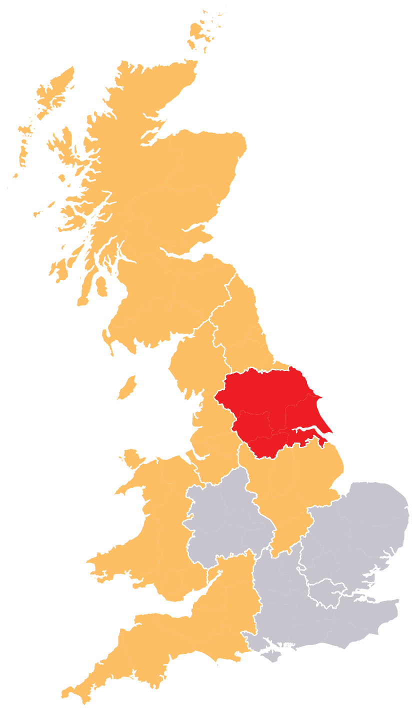

Fig. 3.4 **Change of Activity by Region** *(since last year)* Source: Barbour ABI

approvals fell to the lowest level since June 2013. The Council for Mortgage Lenders also reported that mortgage lending had stabilised and both attributed this to the introduction of tighter lending rules introduced in the Mortgage Market Review.

Projects by region

London is the main location of activity in the residential sector this month, accounting for 21% of the value of contracts awarded, although this was a decrease of 1.9% from the same month last year (see Fig. 3.2 & 3.4). London's prominence was primarily due to the award for North Wharf Gardens at Paddington Basin valued at £70 million and the £65 million Cartwright Gardens student accommodation development at the University of London. The South East and the North West were the next most popular locations for residential contracts this month accounting for 17.9% and 15.1% of contracts awarded respectively.

Type of Projects

The types of projects awarded in the residential sector were dominated by private housing and hostels/halls of residence (see Fig. 3.3). Private housing accounted for 44% this month, down 39% from the corresponding month last year. This is primarily due to the large value of hostels/halls of residence this month which accounted for 42% of the contract value, an increase of 39% on June 2013.

PROJECT IN FOCUS

Brighton And Hove College – Pelham Street Campus – Phase 2A £73,400,000

County	East Sussex
Primary Category Sector	Residential
Government Region	South East
Start Date	Third Quarter 2014
End Date	Third Quarter 2018
Contract Award Date	June 2014
Funding	Public
Stage	Contract
Contractor	Medicinq Osborne

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TOP TEN Key Clients June – July

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Barratt Homes	Barratt House, Cartwright Way, Forest Business Park, Coalville, Leicestershire, LE67 1UF	01530 278278	194	3,003
2	Taylor Wimpey	Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR	01494 558323	168	2,680
3	Persimmon Homes Limited	Persimmon House, Fulford, York, North Yorkshire, YO19 4FE	01904 642199	193	2,079
4	Homes & Communities Agency	Arpley House, 110 Birchwood Boulevard, Birchwood, Warrington, Cheshire, WA3 7QH	0300 1234 500	15	936
5	Berkeley Group Plc / St James Group	Berkeley House, 19 Portsmouth Road, Cobham, Surrey, KT11 1JG		24	909
6	Bellway Plc	Seaton Burn House, Dudley Lane, Seaton Burn, Newcastle Upon Tyne, Tyne And Wear, NE13 6BE	0191 217 0717/678 9980	79	904
7	Ministry of Defence	Whitehall, Westminster, London, SW1A 2HB	020 7218 9000	15	793
8	Bovis Homes Limited (South East Region)	The Manor House, North Ash Road, New Ash Green, Longfield, Kent, DA3 8HQ	01474 872427 (CTPS)	42	757
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 June – July

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Stride Treglown Limited	Promenade House, The Promenade, Clifton Down, Bristol, Avon, BS8 3NE	0117 974 3271 (TPS)	16	748
2	RPS Group Plc	20 Milton Park, Abingdon, Oxfordshire, OX14 4SH	01235 438000	20	697
3	Persimmon Homes Limited	Persimmon House, Fulford, York, North Yorkshire, YO19 4FE	01904 642199	74	695
4	5plus Architects	4th Floor The Hive, 47 Lever Street, Manchester, Greater Manchester, M1 1FN	0161 228 0211	1	650
5	AHR	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	Barratt Homes	Barratt House, Cartwright Way, Forest Business Park, Coalville, Leicestershire, LE67 1UF	01530 278278	45	643
8	Scott Brownrigg Limited	St Catherines Court, 46-48 Portsmouth Road, Guildford, Surrey, GU2 4DU	01483 568686	11	633
9	Faulks Perry Culley & Rech	Lockington Hall, Lockington, Derby, Derbyshire, DE74 2RH	01509 672772	16	608
10	PRP Architects	Ferry Works, Summer Road, Thames Ditton, Surrey, KT7 0QJ	020 8339 3600	73	598

TOP TEN Key Contractors June – July

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Barratt Homes	Barratt House, Cartwright Way, Forest Business Park, Coalville, Leicestershire, LE67 1UF	01530 278278	207	2,796
2	Taylor Wimpey	Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR	01494 558323	167	2,383
3	Persimmon Homes Limited	Persimmon House, Fulford, York, North Yorkshire, YO19 4FE	01904 642199	196	1,855
4	Bellway Plc	Seaton Burn House, Dudley Lane, Seaton Burn, Newcastle Upon Tyne, Tyne And Wear, NE13 6BE	0191 217 0717/678 9980	83	996
5	Morgan Sindall Plc	Kent House, 14-17 Market Place, Westminster, London, W1W 8AJ	020 7307 9200	69	906
6	Berkeley Group Plc / St James Group	Berkeley House, 19 Portsmouth Road, Cobham, Surrey, KT11 1JG		19	837
7	Galliford Try Construction South	2 Cowley Business Park, High Street, Cowley, Uxbridge, Middlesex, UB8 2AD	01895 855000	96	776
8	Keepmoat Regeneration Limited	The Waterfront, Lakeside Boulevard, Doncaster, South Yorkshire, DN4 5PL	01302 346620 (CTPS)	97	734
9	Redrow Group Plc	Redrow House, St David's Park, Hawarden, Deeside, Clwyd, CH5 3RX	01244 520044	59	575
10	Countryside Properties (UK) Limited	Countryside House, The Drive, Great Warley, Brentwood, Essex, CM13 3AT	01277 260000	28	545

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INFRASTRUCTURE CONTRACT VALUES INCREASE IN JUNE

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 June with the total value awarded of £1.2 billion based on a three month rolling average (see Fig. 4.1). This is 8.8% higher than the previous month and 29.9% higher than June 2013. In the three months to June the total value of contract awards was £3.3 billion based on a three month rolling average. This is 10.5% lower than the previous three months and 12.3% 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 Wales with 25% of the total value, an increase of 23.7% from June 2013 (see Fig. 4.2 & 4.4). This is due to the North Wales Super Prison project which was awarded this month with a contract value of £250 million. The North West was the other major location for infrastructure contracts accounting for 17.6% of the contracts awarded, a 14.7% increase from last year. The award of contracts to develop Smart Motorways in the Greater Manchester area was a major part of this month's strong performance in the region.

Type of Projects

The award of a contract to construct a waste processing plant in Kidderminster valued at £120 million and a waste management facility in Cleveland worth £75 million means that utilities are the largest type of projects this month (see Fig. 4.3).

> “A longer term decline in the value of activity is concerning given the size of the sector

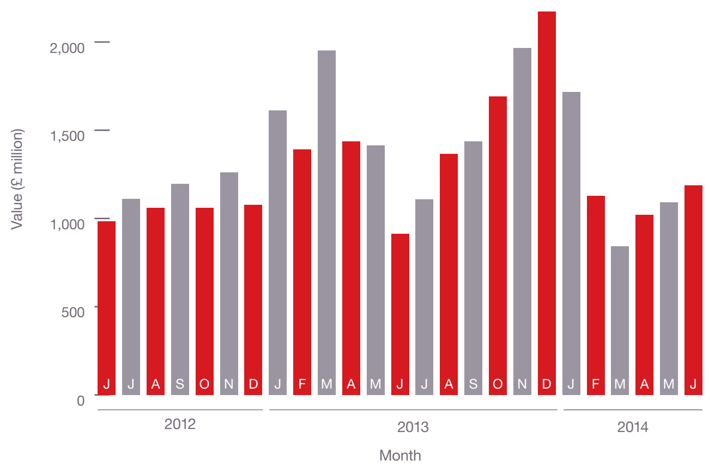

Fig. 4.1 **Project Values** Source: Barbour ABI

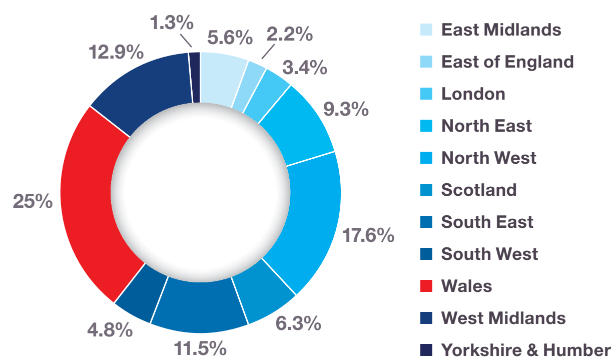

Fig. 4.2 **Value of Contracts by Region** Source: Barbour ABI

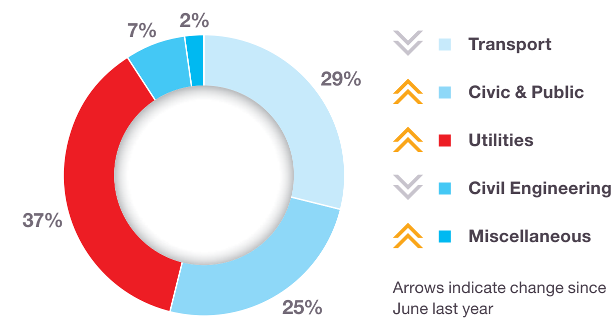

Fig. 4.3 **Type of Projects Awarded** Source: Barbour ABI

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INFRASTRUCTURE CONTRACT VALUES INCREASE IN JUNE

The map and figures show how the activity has changed since June 2013			⌃	+4.0%	Scotland
⌄	-3.7%	East Midlands	⌄	-4.0%	South East
⌄	-2.3%	East of England	⌄	-15.4%	South West
⌄	-0.7%	London	⌃	+23.7%	Wales *HOTTEST REGION*
⌃	+8.4%	North East	⌃	+7.1%	West Midlands
⌃	+14.7%	North West	⌄	-32.0%	Yorkshire & Humber

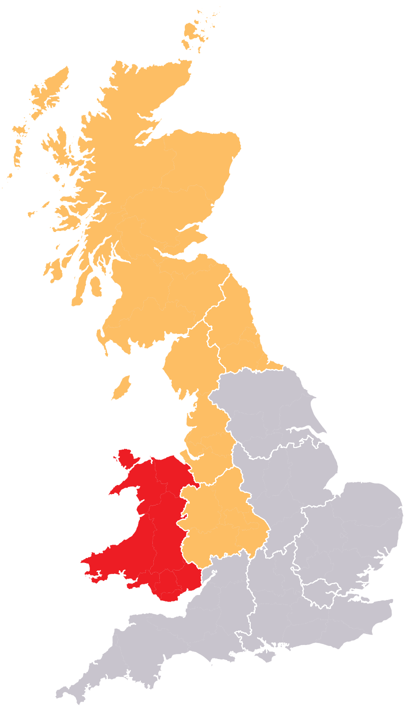

Fig. 4.4 **Change of Activity by Region** *(since last year)* Source: Barbour ABI

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**

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

This month there was an announcement from the government of £6 billion of investment in infrastructure as part of local Growth Deals.

It said it hoped there would be work on over 150 road projects, 20 rail stations and extensive investment in broadband infrastructure for the time period 2015 – 2016. The largest funding allocations by region were:

- **Greater Manchester: £170 million**
- **London: £151 million**
- **North Eastern: £112 million**
- **Lancashire: £84 million**
- **South East: £84 million**
- **West of England: £79 million**
- **Greater Birmingham & Solihull: £63 million**
- **Heart of the South West: £63 million**

Full details on all the projects can be found here:
www.gov.uk/government/news/growth-deals-firing-up-local-economies

PROJECT IN FOCUS

Nigg Energy Park – South Quay Development
£37,000,000

County	Highlands
Primary Category Sector	Infrastructure
Government Region	Scotland
Start Date	March 2014
End Date	November 2014
Contract Award Date	June 2014
Funding	Private
Stage	Subcontract
Contractor	McLaughlin & Harvey Construction Limited

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INFRASTRUCTURE CONTRACT VALUES INCREASE IN JUNE

TOP TEN Key Clients June – July

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	79	1,008
2	Flintshire County Council	County Hall, Mold, Clwyd, CH7 6NB	01352 702121	1	800
3	Highways Agency	123 Buckingham Palace Road, Westminster, London, SW1W 9HA	0845 955 6575	64	688
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 June – July

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	Heatherwick Studio	356-364 Grays' Inn Road, Westminster, London, WC1X 8BH	020 7833 8800 (CTPS) (TPS)	1	200
7	Aukett Swanke	25 Christopher Street, City, London, EC2A 2BS	020 7454 8200	1	200
8	Artek Design House Limited	17 Topcliffe Way, Cambridge, Cambridgeshire, CB1 8SJ	01223 519086	1	170
9	RPS Group Plc	20 Milton Park, Abingdon, Oxfordshire, OX14 4SH	01235 438000	2	170
10	Atkins Limited	Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW	01372 726140	7	169

TOP TEN Key Contractors June – July

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Costain Limited	Vanwall Business Park, Vanwall Road, Maidenhead, Berkshire, SL6 4UB	01628 842444	19	896
2	Kier Group PLC	Tempsford Hall, Station Road, Sandy, Bedfordshire, SG19 2BD	01767 640111	11	703
3	Balfour Beatty Group Limited	130 Wilton Road, Westminster, London, SW1V 1LQ	020 7216 6800	28	587
4	Carillion Plc	Construction House, 24 Birch Street, Wolverhampton, West Midlands, WV1 4HY	01902 422431	27	581
5	BAM Nuttall	St James House, Knoll Road, Camberley, Surrey, GU15 3XW	01276 63484	20	403
6	Amey Group	The Sherard Building, Edmund Halley Road, Oxford Science Park, Oxford, Oxfordshire, OX4 4DQ	01865 713100	13	402
7	Alstom Hydro Limited	Newbold Road, Rugby, Warwickshire, CV21 2NH	01788 577111 (TPS)	1	401
8	Ferrovial Agroman, S. A.	Calle Ribera del Loira 42 Campo de las Naciones, Madrid, Spain, 28042	0034 91 300 85 43	2	370
9	Lagan Group	21-23 Sydenham Road, Belfast, Northern Ireland, BT3 9HA	028 9026 1000	3	357
10	VolkerFitzpatrick	Hertford Road, Hoddesdon, Hertfordshire, EN11 9BX	01992 305000	13	286

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COMMERCIAL & RETAIL

FALL IN CONTRACT VALUES IN JUNE

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

The value of contracts awarded in the Commercial & Retail sector was £857 million in June based on a three month rolling average (see Fig. 5.1). This is a 5.6% decrease from May but a 13.7% increase from the June 2013 figure. In the three months to June the value of contracts was 18% above the previous three months but 2.8% lower than the same period in 2013.

Projects by region

London was the main location of activity in the sector this month with 30% of the value of all contracts awarded, although this was 7.6% lower than June 2013 (see Fig. 5.2 & 5.4). The major commercial project in London this month is the redevelopment of the International Broadcasting Centre at Olympic Park. Yorkshire & the Humber was the next most significant location of activity accounting for 20% of contract value with the award of Wellington Place commercial office contract in Leeds valued at £67.5 million the largest project in the region this month.

Type of Projects

Offices were the dominant type of project in the sector accounting for 68% of the value of contracts awarded this month, a 13% increase on June 2013 (see Fig. 5.3). General retailing is the other significant sector with 19% of contract award value, which was a 6% drop from the June 2013 figure.

> The value of contracts awarded was £857 million in June based on a three month rolling average

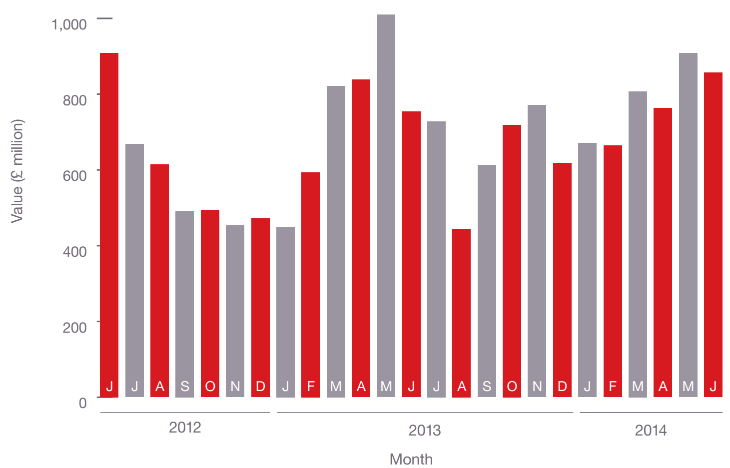

Fig. 5.1 **Project Values** Source: Barbour ABI

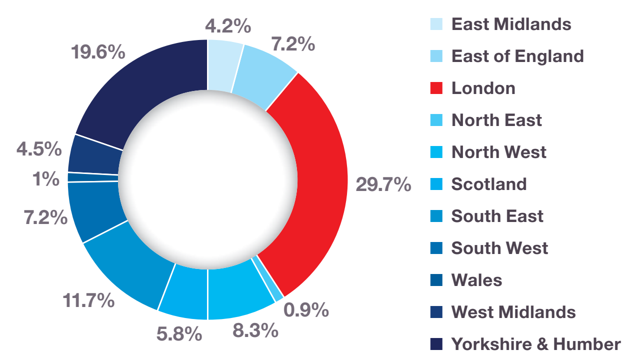

Fig. 5.2 **Value of Contracts by Region** Source: Barbour ABI

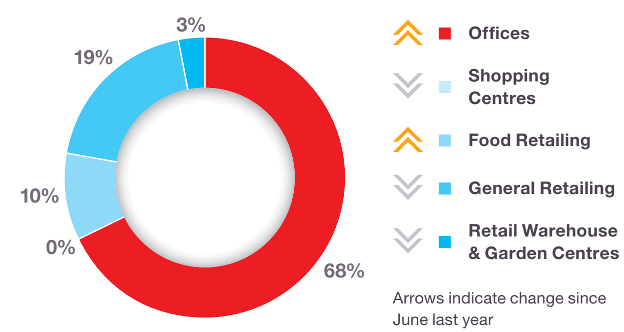

Fig. 5.3 **Type of Projects Awarded** Source: Barbour ABI

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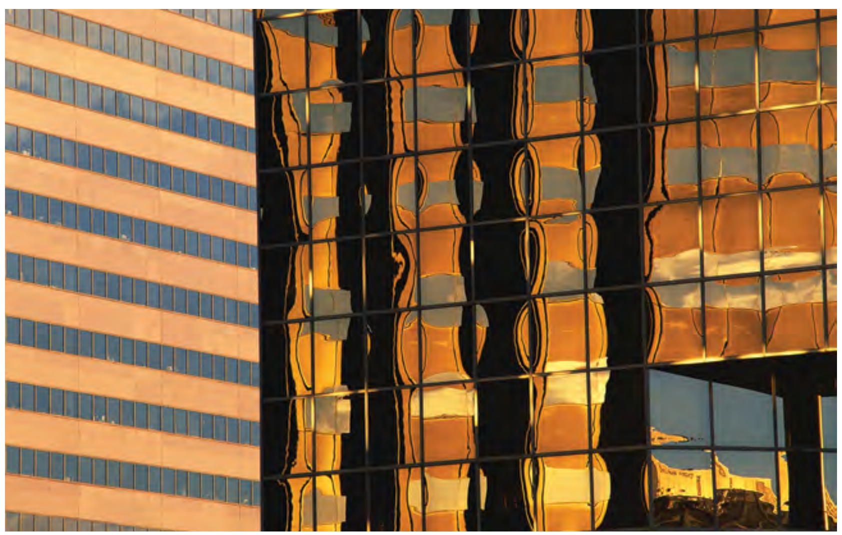
The map and figures show how the activity has changed since June 2013

-8.0%	Scotland	+2.6%	South East
+1.8%	East Midlands	+0.7%	South West
+3.9%	East of England	-7.5%	Wales
-7.6%	London	+0.7%	West Midlands
-1.2%	North East	+14.0%	Yorkshire & Humber *HOTTEST REGION*
+0.6%	North West		

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



> Offices were the dominant type of project in the sector accounting for 68% of the value of contracts awarded

PROJECT IN FOCUS

iCITY – The International Broadcast Centre – Conversion Works £100,000,000

County	London
Primary Category Sector	Commercial & Retail
Government Region	London
Start Date	August 2014
End Date	August 2018
Contract Award Date	June 2014
Funding	Private
Stage	Contract
Contractor	Laing O'Rourke

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FALL IN CONTRACT VALUES IN JUNE

TOP TEN Key Clients June – July

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	3	307
5	LXB Properties PLC	Grafton House, 2nd Floor, 2-3 Golden Square, Westminster, London, W1F 9HR	020 7432 7900	8	247
6	J Sainsbury Plc	33 Holborn, City, London, EC1N 2HT	020 7695 6000	25	202
7	Roydhouse Investments Limited	Roydhouse Farm, Sharp Lane, Almondbury, Huddersfield, West Yorkshire, HD4 6SX		1	200
8	Helical Bar Plc	11-15 Farm Street, Westminster, London, W1J 5RS	020 7629 0113	4	182
9	Stoke-on-Trent City Council	Civic Centre, Glebe Street, Stoke on Trent, Staffordshire, ST4 1HH	01782 234567	2	171
10	Advantage West Midlands	3 Priestley Wharf, Holt Street, Aston Science Park, Birmingham, West Midlands, B7 4BN	0121 380 3500	1	170

TOP TEN Key Architects June – July

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Make Architects	13 Fitzroy Street, Westminster, London, W1T 4BQ	020 7636 5151	7	720
2	Kohn Pederson Fox (International) PA	7a Langley Street, Westminster, London, WC2H 9JA	020 3119 5300	1	500
3	Gensler Associates	Aldgate House, 33 Aldgate High Street, City, London, EC3N 1AH	020 7073 9600	6	320
4	RHWL Partnership	Ivory House, St Katharine Docks, Tower Hamlets, London, E1W 1AT	020 7480 1500	4	231
5	Sheppard Robson	77 Parkway, Camden Town, London, NW1 7PU	020 7504 1700	6	218
6	DLA Design Group	55 St Pauls Street, Leeds, West Yorkshire, LS1 2TE	0113 887 3100	3	204
7	Harris Partnership	2 St Johns, Wakefield, West Yorkshire, WF1 3QA	01924 291 800	52	196
8	Allford Hall Monaghan Morris	2nd Floor, Block C, Morelands, 5-23 Old Street, City, London, EC1V 9HL	020 7251 5261	4	181
9	GEHL Architects	GL Kongevej 1, 4tv, 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 June – July

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	719
2	ISG	Aldgate House, 33 Aldgate High Street, City, London, EC3N 1AG	020 7247 1717	51	468
3	Brookfield Multiplex Construction Europe Limited	99 Bishopsgate, 2nd Floor, City, London, EC2M 3XD	020 7659 3500	5	464
4	Bowmer & Kirkland Limited	High Edge Court, Heage, Belper, Derbyshire, DE56 2BW	01773 853131	30	455
5	McAlpine Limited	Eaton Court, Maylands Avenue, Hemel Hempstead, Hertfordshire, HP2 7TR	01442 233444	8	403
6	Kier Group PLC	Tempsford Hall, Station Road, Sandy, Bedfordshire, SG19 2BD	01767 640111	21	343
7	Laing O'Rourke	Bridge Place, Anchor Boulevard, Crossways, Dartford, Kent, DA2 6SN	01322 296200	9	289
8	Mace Limited	155 Moorgate, City, London, EC2M 6XB	020 3522 3000 (TPS)	13	278
9	Wates Construction Limited	Wates House, Station Approach, Leatherhead, Surrey, KT22 7SW	01372 861000	9	271
10	GMI Construction Group Plc	Middleton House, Westland Road, Leeds, West Yorkshire, LS11 5UH	0113 276 0505	6	227

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INCREASE IN HOTEL, LEISURE & SPORT CONTRACT VALUE IN JUNE

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 June.

Contract award levels in the Hotel, Leisure & Sport sector were £791 million in June, based on a three month rolling average (see Fig. 6.1). This was 26.3% higher than May and 119.2% higher than June 2013. In the three months to June the value of contracts was 21.8% higher than the previous three months. This was an increase of 68.3% 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 50.6% of the value of contracts awarded, which was 17.9% higher than at this time last year (see Fig. 6.2 & 6.4). The largest project in London this month is the £60 million Queen Hithe Hotel development in the City of London to develop a 5 star luxury hotel.

Type of Projects

Hotels/motels are the highest proportion of contracts awarded this month at 64% of total value which is 2% lower than June 2013 (see Fig. 6.3).

> “London was the main location for activity in this sector accounting for 50.6% of the value of contracts awarded

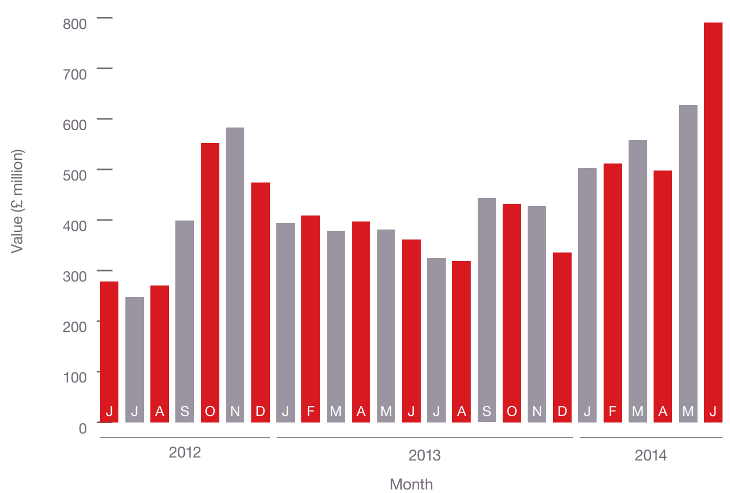

Fig. 6.1 **Project Values** Source: Barbour ABI

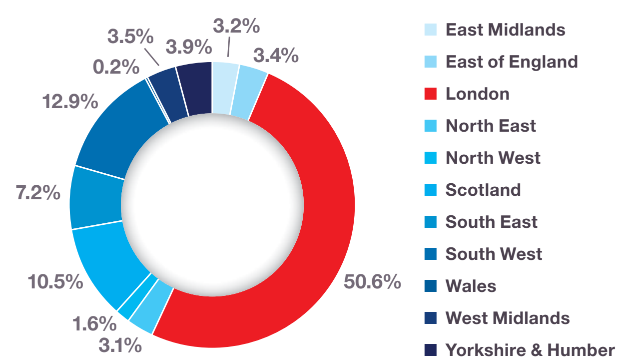

Fig. 6.2 **Value of Contracts by Region** Source: Barbour ABI

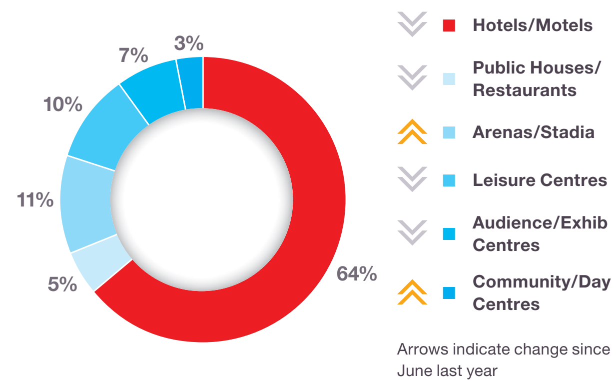

Fig. 6.3 **Type of Projects Awarded** Source: Barbour ABI

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INCREASE IN HOTEL, LEISURE & SPORT CONTRACT VALUE IN JUNE

The map and figures show how the activity has changed since June 2013			↑	+9.3%	Scotland
↑	+0.5%	East Midlands	↑	+2.0%	South East
↑	+1.9%	East of England	↑	+11.8%	South West
↑	+17.8%	London *HOTTEST REGION*	↓	-1.8%	Wales
↓	-19.7%	North East	↓	-4.4%	West Midlands
↓	-17.7%	North West	↑	+0.1%	Yorkshire & Humber

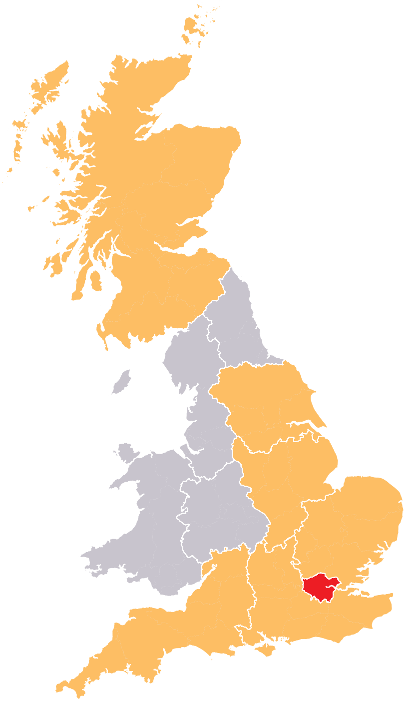

Fig. 6.4 **Change of Activity by Region** *(since last year)* Source: Barbour ABI

“In the three months to June the value of contracts was 21.8% higher than the previous three months

PROJECT IN FOCUS

Stratford City Plot N24 Manhattan Loft Gardens
£50,000,000

County	London
Primary Category Sector	Hotel, Leisure & Sport
Government Region	London
Start Date	October 2014
End Date	October 2016
Contract Award Date	June 2014
Funding	Private
Stage	Contract
Contractor	Bouygues UK

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INCREASE IN HOTEL, LEISURE & SPORT CONTRACT VALUE IN JUNE

TOP TEN Key Clients
June – July

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	29	166
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	Marstons Inns and Taverns	Marstons House, Brewery Road, Wolverhampton, West Midlands, WV1 4JT	01902 711811	23	67
8	The Peel Group	Peel Management, Peel Dome, The Trafford Centre, Manchester, Greater Manchester, M17 8PL	0161 629 8200	2	67
9	AEG Europe	The Studio, 02 Arena Peninsula Square, Greenwich, London, SE10 0DX	020 8463 2300	1	65
10	4C Hotels	13 Wadham Gardens, City, London, NW3 3DN		1	60

TOP TEN Key Architects
June – July

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	Archial Group Plc	Tennyson House, 159-165 Great Portland Street, Westminster, London, W1W 5PA		8	159
5	LDA Design	Worton Rectory Park, Oxford, Oxfordshire, OX29 4SX	01865 887050 (TPS)	1	154
6	Woolford Architects Limited	Gunnery House, Gunnery Terrace, Leamington Spa, Warwickshire, CV32 5PE	01926 430304	1	100
7	Axiom Architects	Brooklands Yard, Southover High Street, Lewes, East Sussex, BN7 1HU	01273 479269 (TPS)	30	98
8	Lifschutz Davidson Sandilands	Island Studios, 22 St Peters Square, Hammersmith, London, W6 9NW	020 8600 4800	2	90
9	Dexter Moren Associates	57d Jamestown Road, Camden Town, London, NW1 7DB	020 7267 4440	2	85
10	Urban Innovations	Wellington Buildings, 2 Wellington Street, Belfast, Northern Ireland, BT1 6HT	028 9043 5060	3	75

TOP TEN Key Contractors
June – July

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	McAleer & Rushe Limited	17-19 Dungannon Road, Cookstown, County Tyrone, BT80 8TL	028 8676 3741 (CTPS)	10	204
3	Kier Group PLC	Tempsford Hall, Station Road, Sandy, Bedfordshire, SG19 2BD	01767 640111	14	152
4	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	134
6	Interserve Plc	Interserve House, Ruscombe Park, Twyford, Reading, Berkshire, RG10 9JU	0118 932 0123 (CTPS)	10	114
7	Laing O'Rourke	Bridge Place, Anchor Boulevard, Crossways, Dartford, Kent, DA2 6SN	01322 296200	4	111
8	Morgan Sindall Plc	Kent House, 14-17 Market Place, Westminster, London, W1W 8AJ	020 7307 9200	14	80
9	Bowmer & Kirkland Limited	High Edge Court, Heage, Belper, Derbyshire, DE56 2BW	01773 853131	12	79
10	Carter Lauren Construction Limited	Bevan House, Penarth Road, Cardiff, South Glamorgan, CF11 8UQ	029 2071 1055	19	62

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INDUSTRIAL

ACTIVITY INCREASES IN THE INDUSTRIAL SECTOR THIS MONTH

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

Activity in the industrial sector increased in June with the value of contracts awarded £340 million, based on a rolling three month average (see Fig. 7.1). This is a increase of 10.4% on the value in June and is 37.9% above the figure recorded this time last year. In the three months to May the total value of contracts was £1 billion which was 1.2% below the previous three months but 40.4% above the same quarter last year.

Projects by region

Scotland is the region with the highest value of activity this month with 27.4% of the contracts awarded, an increase of 20.2% on June 2013 (see Fig. 7.2 & 7.4). This was principally due to the award of a contract for the Macallan Distillery in Grampian valued at £100 million.

Type of Projects

The types of project awarded in the sector were predominantly warehouse/storage which accounted for 34% of contract value in June 2014, though this a 7% decrease on the corresponding month last year (see Fig. 7.3). This is partly due to the award of a contract to construct the High Bay Frozen Storage Yard in Wakefield valued at £38 million. Food production projects are the next highest category of contract award with 24% of the total value, a 12% increase from June 2013. This was primarily down to the award of the Macallan distillery contract in Grampian.

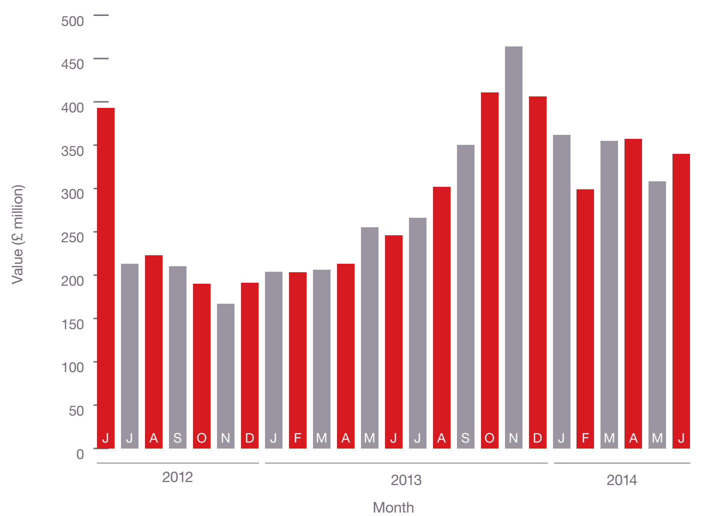

Fig. 7.1 **Project Values** Source: Barbour ABI

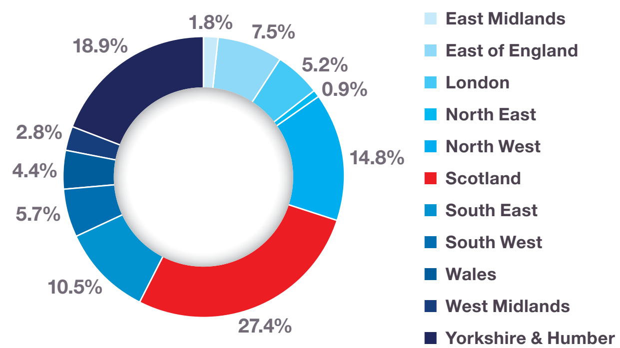

Fig. 7.2 **Value of Contracts by Region** Source: Barbour ABI

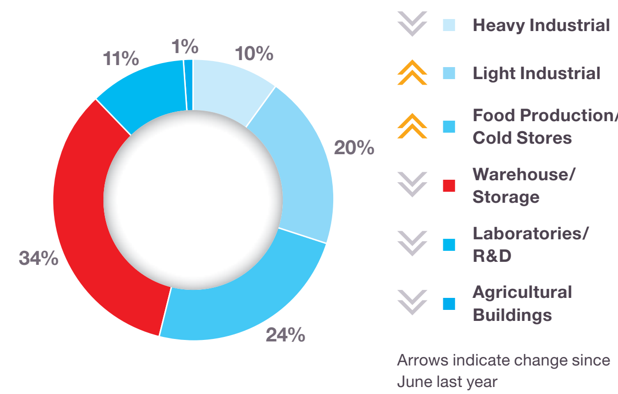

Fig. 7.3 **Type of Projects Awarded** Source: Barbour ABI

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ACTIVITY INCREASES IN THE INDUSTRIAL SECTOR THIS MONTH

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

		+20.2%	Scotland *HOTTEST REGION*
-4.9%	East Midlands	+0.6%	South East
-12.4%	East of England	-27.4%	South West
+4.5%	London	+2.4%	Wales
+0.1%	North East	+0.5%	West Midlands
+8.4%	North West	+8.0%	Yorkshire & Humber

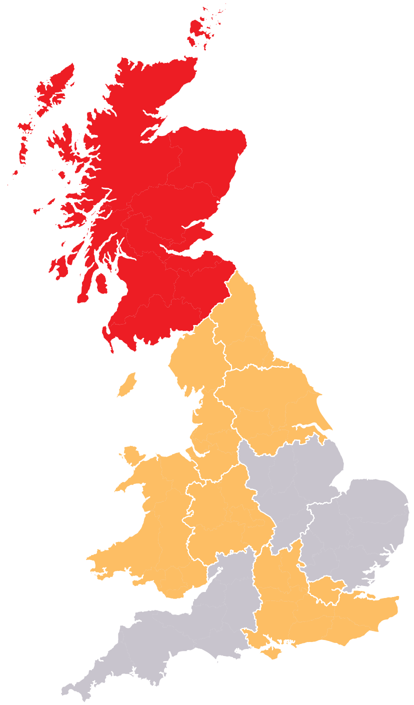
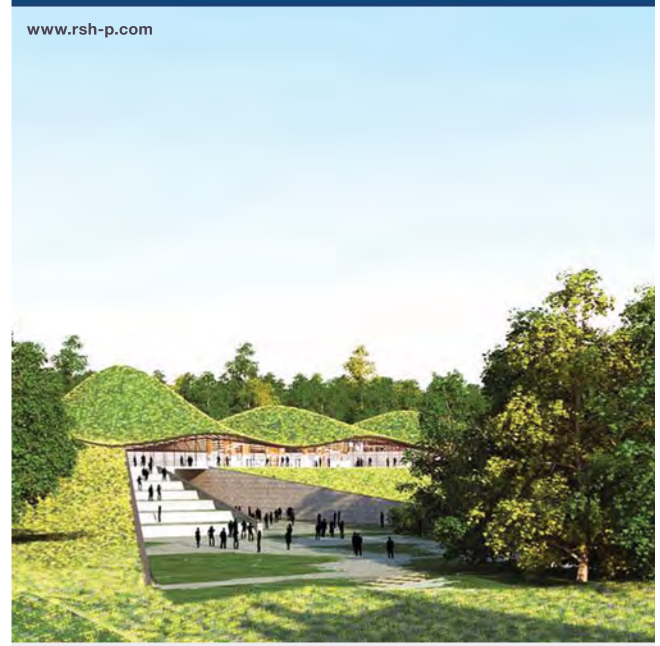


Fig. 7.4 **Change of Activity by Region** *(since last year)* Source: Barbour ABI

"Scotland is the region with the highest value of activity this month with 27.4% of the contracts awarded

PROJECT IN FOCUS



The Macallan Distillery Redevelopment £100,000,000

County	Grampian
Primary Category Sector	Industrial
Government Region	Scotland
Start Date	Third Quarter 2014
End Date	TBC
Contract Award Date	June 2014
Funding	Private
Stage	Contract
Contractor	Robertson Construction

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ACTIVITY INCREASES IN THE INDUSTRIAL SECTOR THIS MONTH

TOP TEN Key Clients
June – July

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	Roxhill Developments Limited	Lumonics House, Valley Drive, Swift Valley, Rugby, Warwickshire, CV21 1TQ	01788 422200	9	203
3	British Airways Plc	PO Box 365, Uxbridge, Middlesex, UB7 0GB	0844 493 0787	1	178
4	SNF Gas and Oil Limited	Solutions House, Ripley Close, Normanton Industrial Estate, Normanton, West Yorkshire, WF6 1TB	01924 311000	2	165
5	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	The Macallan Distillery	The Macallan Distillery, Craigellachie, Charlestown of Aberlour, Aberlour, Grampian, AB38 9RX	01340 871471	1	100
8	Edrington Group	2500 Great Western Road, Glasgow, Strathclyde, G15 6RW	0141 940 4000	1	100
9	Aldi Stores Limited	Holly Lane, Atherstone, Warwickshire, CV9 2SQ	01827 711800	3	98
10	Merchant Place Developments	The Studio, Sinclair Court, Darrell Street, Newcastle Upon Tyne, Tyne And Wear, NE13 7DS	0191 236 1013	1	82

TOP TEN Key Architects
June – July

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	Sparks Associates	11 Plato Place, St Dionis Road, Fulham, London, SW6 4TU	020 7736 6162	18	173
4	AJA Architects LLP	1170 Elliot Court, Herald Avenue, Coventry Business Park, Coventry, West Midlands, CV5 6UB	024 7625 3200	10	159
5	Ryder Architecture	Cooper Studios, 14-18 Westgate Road, Newcastle Upon Tyne, Tyne And Wear, NE1 3NN	0191 269 5454	3	122
6	Rogers Stirk Harbour and Partners	Thames Wharf Studios, Rainville Road, Hammersmith, London, W6 9HA	020 7385 1235	1	100
7	PHP Architects	The Old Rectory, 31 Rectory Lane, Milton Malsor, Northampton, Northamptonshire, NN7 3AQ	01604 858916	7	90
8	Cornish Architects	Peer House, 8-14 Verulam Street, Westminster, London, WC1X 8LZ	020 7400 2120	4	89
9	Dalkin Scotton Partnership	305 Fort Dunlop, Fort Parkway, Birmingham, West Midlands, B24 9FD	0121 747 1943	3	74
10	Blyth & Blyth	West Point, 4 Redheughs Rigg, Edinburgh, Lothian, EH12 9DQ	0131 474 2700	7	73

TOP TEN Key Contractors
June – July

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Winvic Construction	19 Tenter Road, Moulton Park, Northampton, Northamptonshire, NN3 6PZ	01604 678960 (CTPS)	19	349
2	McLaren Construction Limited	McLaren House, 100 Kings Road, Brentwood, Essex, CM14 4EA	01277 205800	3	160
3	Jacobs Limited	Jacobs House, 427 London Road, Earley, Reading, Berkshire, RG6 1BL	01189 635 331	2	127
4	Shepherd Construction Limited	Frederick House, Fulford Road, York, North Yorkshire, YO10 4EA	01904 634431	2	122
5	Buckingham Group Contracting Limited	Blackpit Farm, Silverstone Road, Stowe, Buckingham, Buckinghamshire, MK18 5LJ	01280 823355	10	104
6	Robertson Construction	10 Perimeter Road, Pinefield Industrial Estate, Elgin, Grampian, IV30 6AE	01343 548621	5	103
7	Henry Boot PLC	Banner Cross Hall, Ecclesall Road, Sheffield, South Yorkshire, S11 9PD	0114 255 5444	7	101
8	VolkerFitzpatrick	Hertford Road, Hoddesdon, Hertfordshire, EN11 9BX	01992 305000	2	100
9	McAlpine Limited	Eaton Court, Maylands Avenue, Hemel Hempstead, Hertfordshire, HP2 7TR	01442 233444	4	97
10	Gallagher Group Limited	Leitrim House, Coldharbour Lane, Aylesford, Maidstone, Kent, ME20 7NS	01622 716543	2	86

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MEDICAL & HEALTH

SLIGHT INCREASE IN VALUE OF CONTRACTS IN JUNE

The value of medical & health contracts increased in June month-on-month and are higher than those recorded last year so longer term patterns point to an increase in activity.

Levels of activity in the Medical & Health sector increased by 6.7% in June 2014 compared to last month, with the total value of contracts awarded £237 million based on a three month rolling average (see Fig. 8.1). This is 11.2% higher than the levels in June 2013. In the three months to June the value of contracts increased by 127.6% on the previous three months, and by 27.4% on the same period in 2013, indicating the healthy increase 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 54.5% of activity, a substantial 41.8% increase from June 2013 (see Fig. 8.2 & 8.4). This is mainly due to the award of two major contracts this month, the Edinburgh Royal Infirmary Clinical Neuro Science project worth £72 million and the Ayrshire Central Hospital Mental Health Hospital contract valued at £46 million. The East Midlands was the other notable location of activity for medical and health projects registering 22% of activity by value in June 2014, this a 19.8% increase from last year. The main reason for this is the award for the Leicester Royal Infirmary A&E contract which has a value of £48 million.

Type of Projects

The award of those three major NHS contracts in June means that public hospitals are the dominant sub-sector this month accounting for 91% of the value of contracts in June 2014, a 42% increase from the same month last year (see Fig. 8.3).

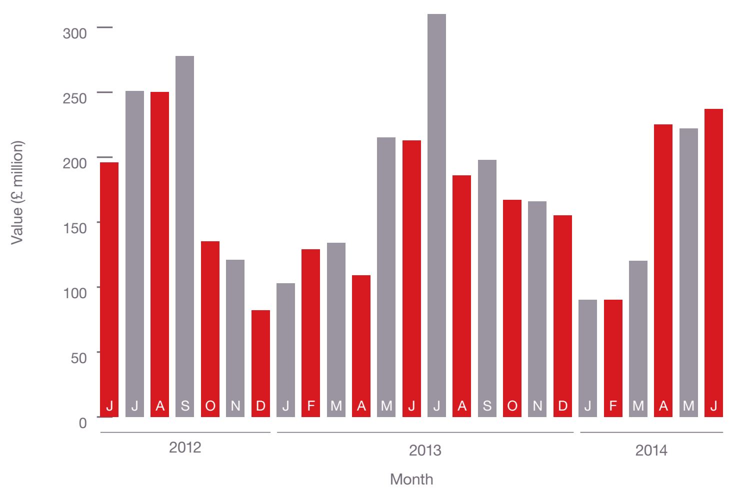

Fig. 8.1 **Project Values** Source: Barbour ABI

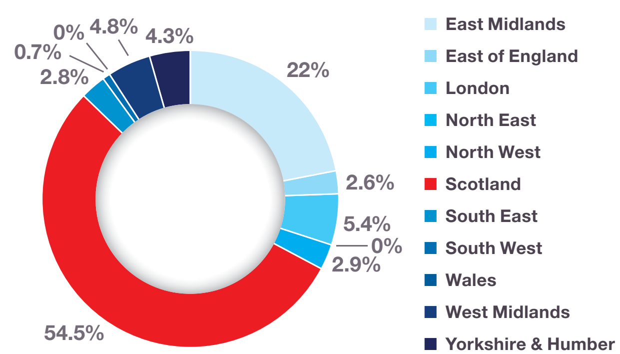

Fig. 8.2 **Value of Contracts by Region** Source: Barbour ABI

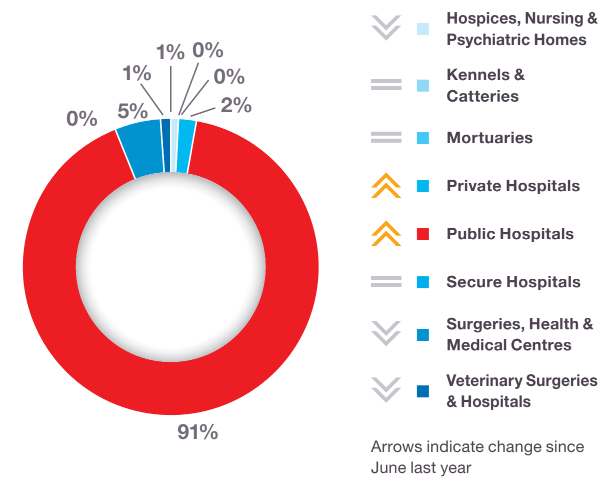

Fig. 8.3 **Type of Projects Awarded** Source: Barbour ABI

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SLIGHT INCREASE IN VALUE OF CONTRACTS IN JUNE

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

		+41.8%	Scotland *HOTTEST REGION*
+19.8%	East Midlands	-17.1%	South East
-3.3%	East of England	-11.0%	South West
-11.8%	London	-0.7%	Wales
-0.2%	North East	+0.0%	West Midlands
-6.7%	North West	-10.7%	Yorkshire & Humber

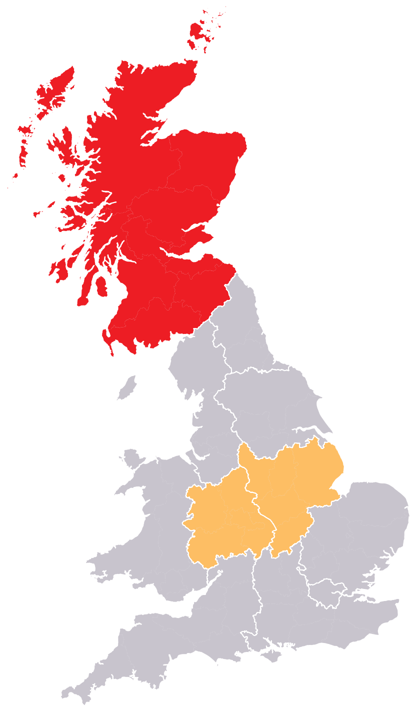

Fig. 8.4 **Change of Activity by Region** *(since last year)* Source: Barbour ABI

Outlook

The National Infrastructure Plan 2012 commits £4.6 billion in health and social care capital in 2014-2015 and £4.7 billion in 2015-2016 including investment of £1.4 billion in hospital upgrades and redevelopments which suggests that this sector will improve in the medium term. The commitment to continue to protect health budgets was included in the Budget in March indicating this spending will occur.

> "Scotland was the main location of development in the sector

PROJECT IN FOCUS

Edinburgh Royal Infirmary – Clinical Neuro Sciences £72,000,000

County	Lothian
Primary Category Sector	Medical & Health
Government Region	Scotland
Start Date	August 2014
End Date	August 2017
Contract Award Date	June 2014
Funding	Private
Stage	Subcontract
Contractor	Brookfield Multiplex

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TOP TEN Key Clients
June – July

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Royal Liverpool and Broadgreen Hospital NHS Trust	Prescot Street, Liverpool, Merseyside, L7 8XP	0151 706 2000	3	338
2	Royal National Orthopaedic Hospital NHS Trust	Brockley Hill, Stanmore, Middlesex, HA7 4LP	020 8954 2300	1	263
3	Christie Hospital NHS Trust	Christie Hospital, 550 Wilmslow Road Withington, Manchester, Greater Manchester, M20 4BX	0161 446 3000	1	250
4	West London Mental Health NHS Trust	Broadmoor Hospital, Crowthorne, Berkshire, RG45 7EG	01344 773111	1	115
5	Aintree University Hospitals NHS Foundation Trust	Aintree University Hospital, Lower Lane, Aintree, Liverpool, Merseyside, L9 7AL	0151 525 5980	2	104
6	Royal Infirmary of Edinburgh NHS Trust	51 Little France Crescent, Old Dalkeith Road, Edinburgh, Lothian, EH16 4SA	0131 536 1000 (CTPS)	1	72
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	University Hospitals of Leicester NHS Trust	Leicester Royal Infirmary, Infirmary Square, Leicester, Leicestershire, LE1 5WW	0300 303 1573 (CTPS)	1	48
10	Leicester Royal Infirmary NHS Trust	Gate 9, Havelock Street, Leicester, Leicestershire, LE1 5WW	0116 258 5715 (CTPS)	1	48

TOP TEN Key Architects
June – July

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	Gilling Dod Architects	The Cruck Barn, Duxbury Park, Chorley, Lancashire, PR7 4AT	01257 260070	7	129
6	Keppie Design	160 West Regent Street, Glasgow, Strathclyde, G2 4RL	0141 204 0066	10	122
7	Oxford Architects Partnership	Bagley Croft, Hinksey Hill, Oxford, Oxfordshire, OX1 5BS	01865 329100 (TPS)	1	115
8	IBI Taylor Young	Chadsworth House, Wilmslow Road, Handforth, Wilmslow, Cheshire, SK9 3HP	01625 542 200	5	109
9	Building Design Partnership	16 Brewhouse Yard, Clerkenwell, City, London, EC1V 4LJ	020 7812 8000	4	87
10	HLM Architects	46 Loman Street, Southwark, London, SE1 0EH	020 7921 4800	1	72

TOP TEN Key Contractors
June – July

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Carillion Plc	Construction House, 24 Birch Street, Wolverhampton, West Midlands, WV1 4HY	01902 422431	2	338
2	Interserve Plc	Interserve House, Ruscombe Park, Twyford, Reading, Berkshire, RG10 9JU	0118 932 0123 (CTPS)	14	323
3	Kier Group PLC	Tempsford Hall, Station Road, Sandy, Bedfordshire, SG19 2BD	01767 640111	13	196
4	Balfour Beatty Group Limited	130 Wilton Road, Westminster, London, SW1V 1LQ	020 7216 6800	9	77
5	Brookfield Multiplex Construction Europe Limited	99 Bishopsgate, 2nd Floor, City, London, EC2M 3XD	020 7659 3500	3	75
6	Willmott Dixon Construction Limited	Spirella 2, Icknield Way, Letchworth Garden City, Hertfordshire, SG6 4GY	01462 671852	7	75
7	Skanska UK	Maple Cross House, Denham Way, Maple Cross, Rickmansworth, Hertfordshire, WD3 9SW	01923 776666	4	61
8	Coffey Construction Limited	93-95 Greenford Road, Harrow, Middlesex, HA1 3QF	020 8426 4944 (CTPS)	2	60
9	Galliford Try Construction South	2 Cowley Business Park, High Street, Cowley, Uxbridge, Middlesex, UB8 2AD	01895 855000	9	54
10	Vinci Construction UK Limited	Astral House, Imperial Way, Watford, Hertfordshire, WD24 4WW	01923 233433	7	48

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EDUCATION

SLIGHT DECREASE IN THE VALUE OF CONTRACTS

The Education sector slowed this month but 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 £608 million in June based on a three month rolling average, a 4.3% decrease from May (see Fig. 9.1). This figure was 7.9% higher than June 2013 indicating the sectors improvement over the past year. The values of contract awards in the three months to June were 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 Scotland which accounted for 25.4% of the value of projects, a 20.1% increase from June 2013 (see Fig. 9.2 & 9.4). This is due to the award for four contracts as part of Scotland's schools for the future programme. The South East was the next most prominent region accounting for 14.2% of contracts awarded a decrease of 3.4% from June 2013.

Type of Projects

The awards of Scotland's Schools for the Future projects this month means that state secondary schools are the main types of project awarded, accounting for 34% of all contract value (see Fig. 9.3). This is a 21% increase from the same month in 2013. Colleges/universities accounted for 27% of contract value in June, a decrease of 32% from June 2013. State primary schools were the other major type of project accounting for 23% of contract value, an increase of 9% on the corresponding month of 2013.

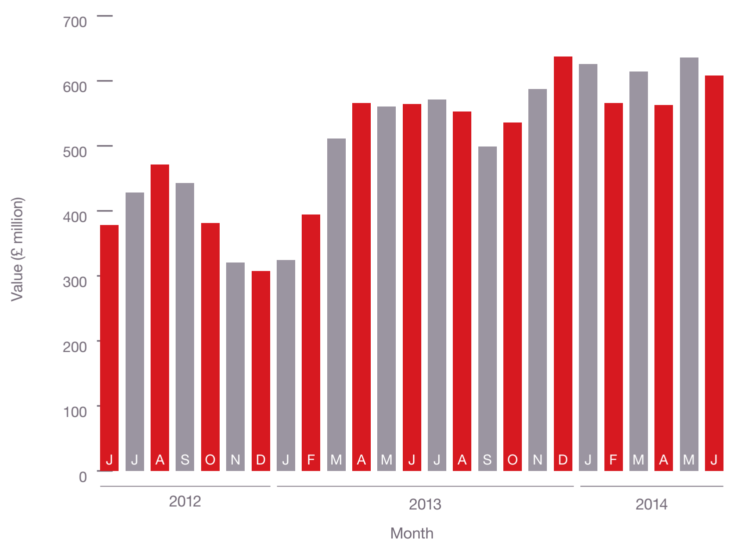

Fig. 9.1 **Project Values** Source: Barbour ABI

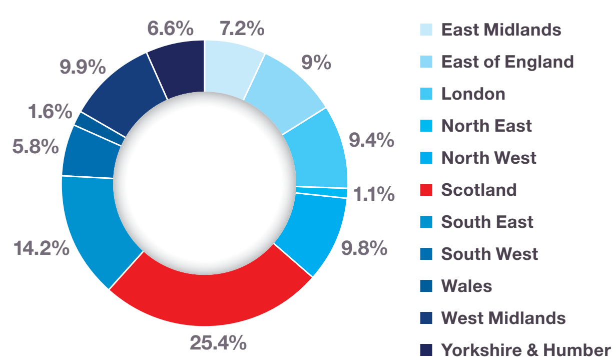

Fig. 9.2 **Value of Contracts by Region** Source: Barbour ABI

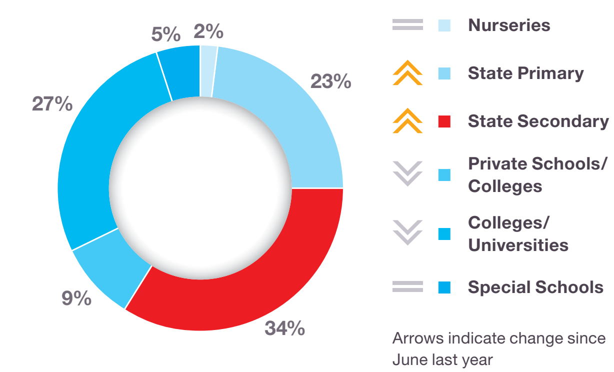

Fig. 9.3 **Type of Projects Awarded** Source: Barbour ABI

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

+20.1%	Scotland *HOTTEST REGION*		
+0.9%	East Midlands	-3.4%	South East
+3.7%	East of England	+1.3%	South West
-7.9%	London	-14.6%	Wales
-0.4%	North East	+7.6%	West Midlands
-2.5%	North West	-4.7%	Yorkshire & Humber

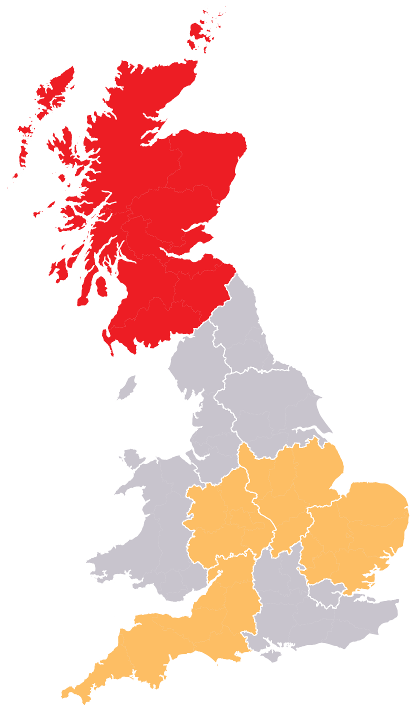

Fig. 9.4 **Change of Activity by Region** *(since last year)* Source: Barbour ABI

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**

> The value of contracts awarded in the sector was £608 million

PROJECT IN FOCUS

www.fife.gov.uk

Madras College – Building Fifes Future £40,000,000

County	Fife
Primary Category Sector	Education
Government Region	Scotland
Start Date	October 2014
End Date	December 2016
Contract Award Date	June 2014
Funding	Public
Stage	Contract
Contractor	BAM Construction

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SLIGHT DECREASE IN THE VALUE OF CONTRACTS

TOP TEN Key Clients June – July

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Department For Education	Castle View House, East Lane, Runcorn, Cheshire, WA7 2AA	0370 000 2288	84	632
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	33	117
6	Imperial College London	Estates Division, South Kensington Campus, Exhibition Road, South Kensington, London, SW7 2DB	020 7589 5111	8	109
7	Cambridgeshire County Council	Castle Court, Shire Hall, Castle Hill, Cambridge, Cambridgeshire, CB3 0AP	0345 0455 200	21	74
8	Highland Council	Glenurquhart Road, Inverness, Highlands, IV3 5NX	01463 702000	4	64
9	North Lanarkshire Council	Civic Centre, Windmillhill Street, Motherwell, Strathclyde, ML1 1AB	01698 302222	4	62
10	University of Surrey	Estates Office, Stag Hill, Guildford, Surrey, GU2 7XH	01483 300800	5	57

TOP TEN Key Architects June – July

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)	26	217
2	Sheppard Robson	77 Parkway, Camden Town, London, NW1 7PU	020 7504 1700	6	166
3	AHR	Norwich Union House, High Street, Huddersfield, West Yorkshire, HD1 2LR	01484 537411 (TPS)	26	161
4	Archial Group Plc	Tennyson House, 159-165 Great Portland Street, Westminster, London, W1W 5PA		17	159
5	Ryder Architecture	Cooper Studios, 14-18 Westgate Road, Newcastle Upon Tyne, Tyne And Wear, NE1 3NN	0191 269 5454	15	156
6	Associated Architects	1 Severn Street Place, The Mailbox, Birmingham, West Midlands, B1 1SE	0121 233 6600	18	140
7	Ellis Williams Architects	Wellfield, Chester Road, Preston Brook, Runcorn, Cheshire, WA7 3BA	01928 752200	26	124
8	AMEC Group PLC	76-78 Old Street, City, London, EC1V 9RU	020 3215 1700	1	121
9	NBBJ	The Clove Building, 4-6 Maguire Street, Greenwich, London, SE1 2NQ	020 7939 3700	2	121
10	JM Architects	64 Queen Street, Edinburgh, Lothian, EH2 4NA	0131 652 1666	6	114

TOP TEN Key Contractors June – July

Rank	Company Name	Address	Telephone	Awards	Value (£M)
1	Kier Group PLC	Tempsford Hall, Station Road, Sandy, Bedfordshire, SG19 2BD	01767 640111	128	612
2	Interserve Plc	Interserve House, Ruscombe Park, Twyford, Reading, Berkshire, RG10 9JU	0118 932 0123 (CTPS)	77	484
3	BAM Construction	Breakspear Park, Breakspear Way, Hemel Hempstead, Hertfordshire, HP2 4FL	01442 238300	35	394
4	Willmott Dixon Construction Limited	Spirella 2, Icknield Way, Letchworth Garden City, Hertfordshire, SG6 4GY	01462 671852	65	385
5	Laing O'Rourke	Bridge Place, Anchor Boulevard, Crossways, Dartford, Kent, DA2 6SN	01322 296200	15	244
6	Balfour Beatty Group Limited	130 Wilton Road, Westminster, London, SW1V 1LQ	020 7216 6800	50	236
7	Morgan Sindall Plc	Kent House, 14-17 Market Place, Westminster, London, W1W 8AJ	020 7307 9200	58	234
8	Miller Developments Limited	Miller House, 2 Lockside View, Edinburgh Park, Edinburgh, Lothian, EH12 9DH	0870 336 5000	20	219
9	Wates Construction Limited	Wates House, Station Approach, Leatherhead, Surrey, KT22 7SW	01372 861000	34	178
10	Galliford Try Construction South	2 Cowley Business Park, High Street, Cowley, Uxbridge, Middlesex, UB8 2AD	01895 855000	21	148

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