Glenigan Breakfast Briefing

20 November 2014

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Robert Davis, Glenigan

Welcome

Brandon Lewis MP

Housing and planning into 2015

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Question and answer session

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Allan Wilén, Glenigan

Construction Prospects for 2015

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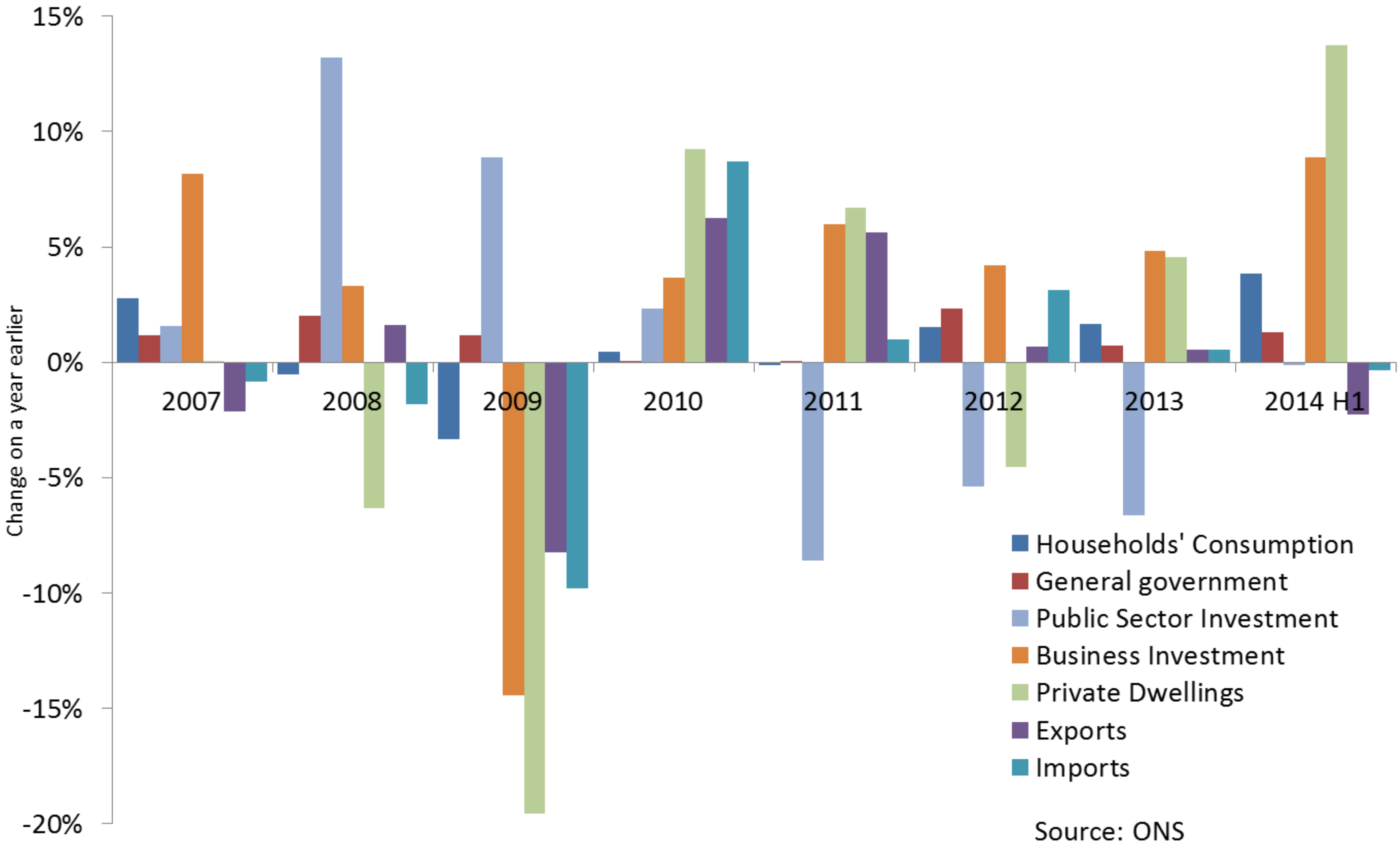
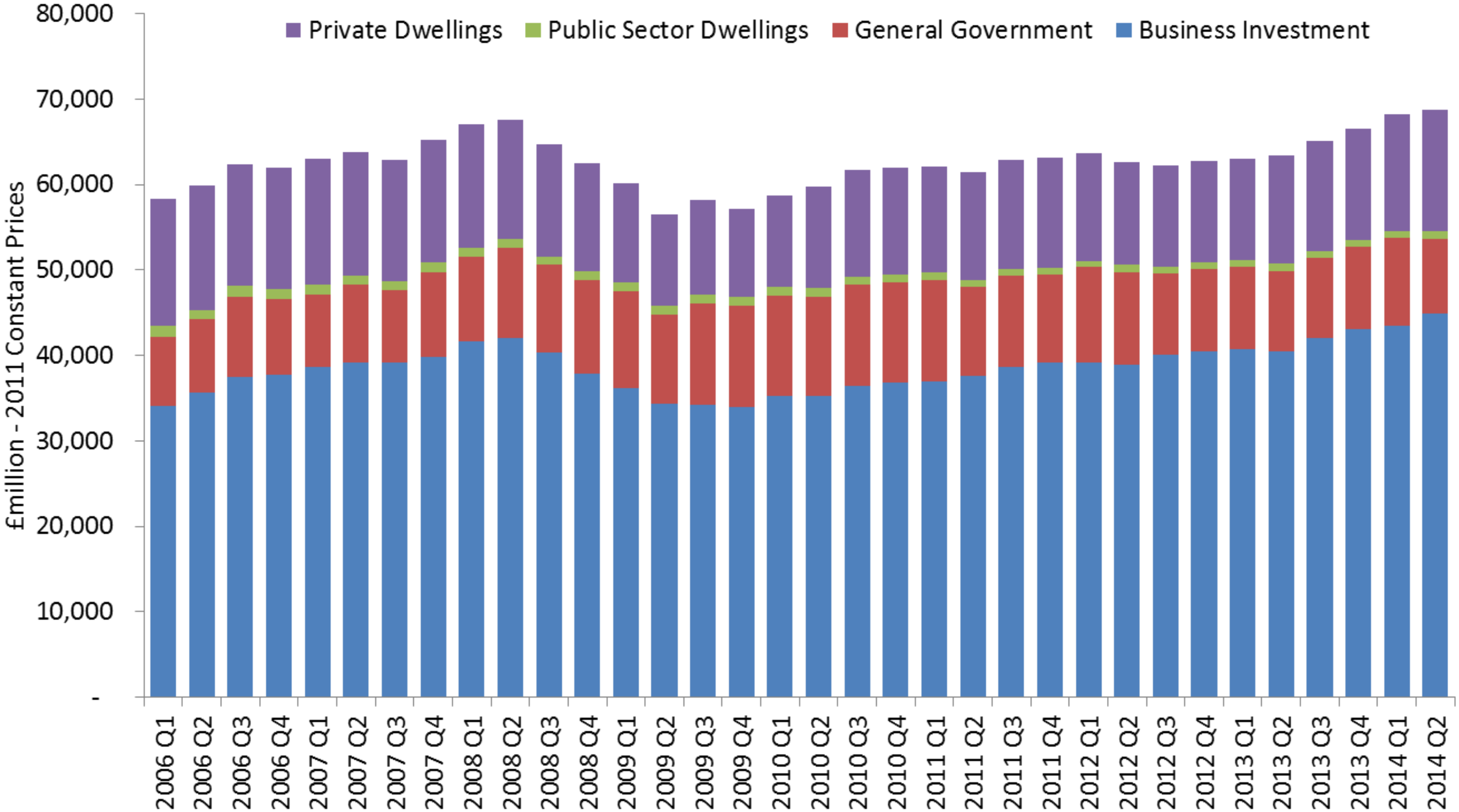
Private sector engine for growth



Private sector driving investment



Source: ONS

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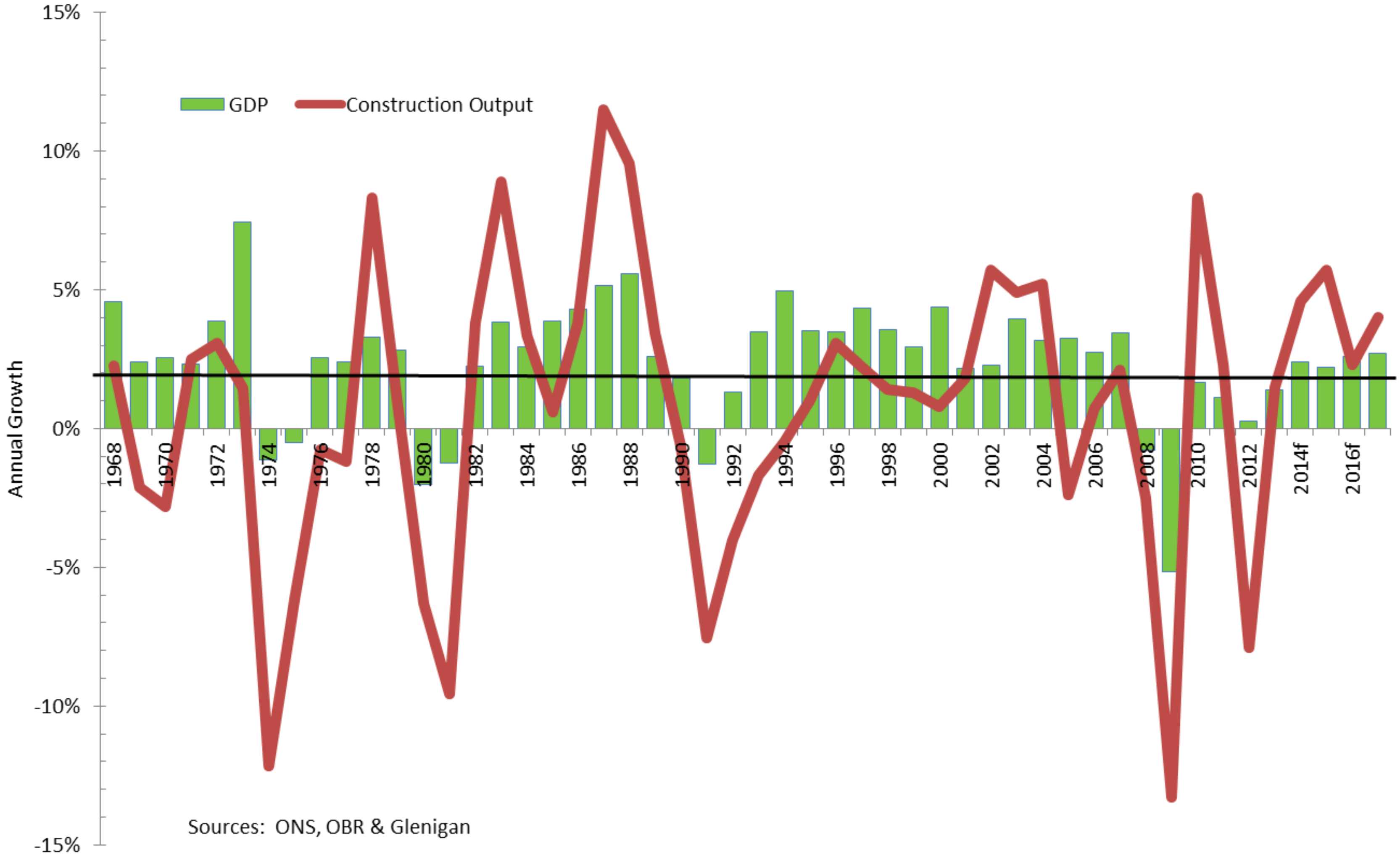
Construction output and economic growth



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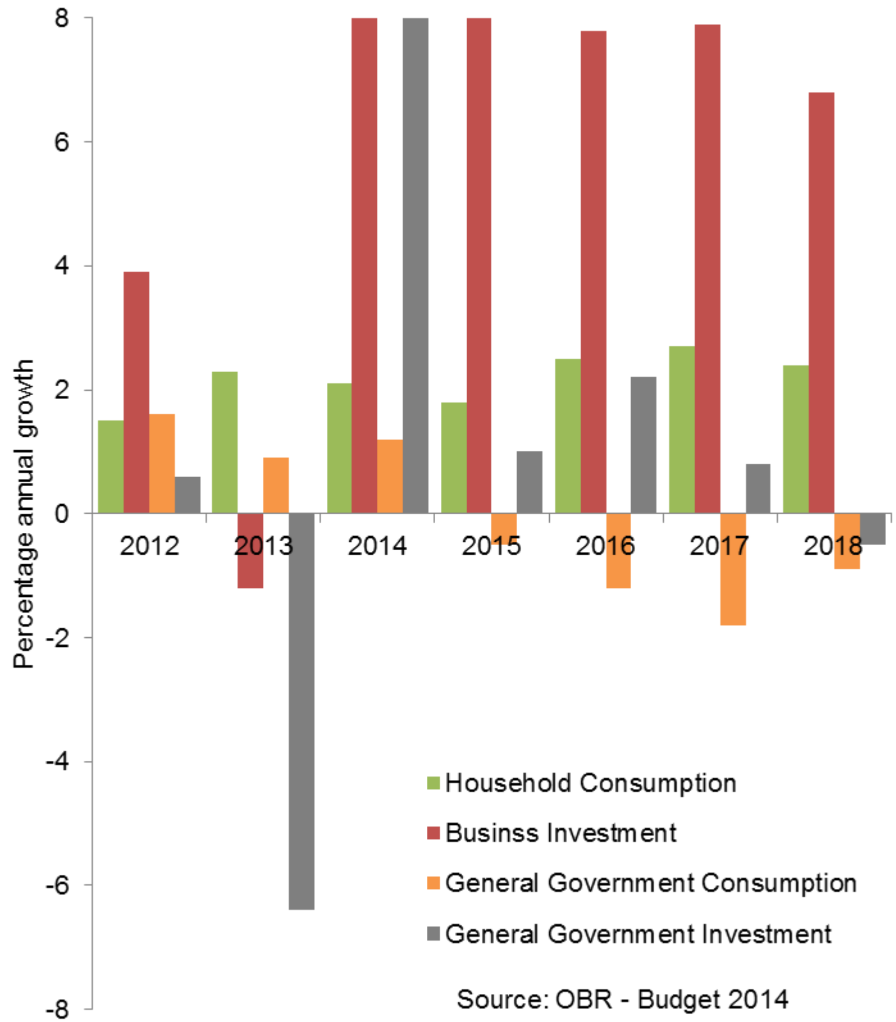
Government policy and forecasts

- Looking to private sector investment to lead recovery
- Infrastructure priority for limited government funding
- PF2 has failed to bridge funding gap
- Increased investment promised post-election
- Additional commitments & specifics likely in next month's Autumn Statement



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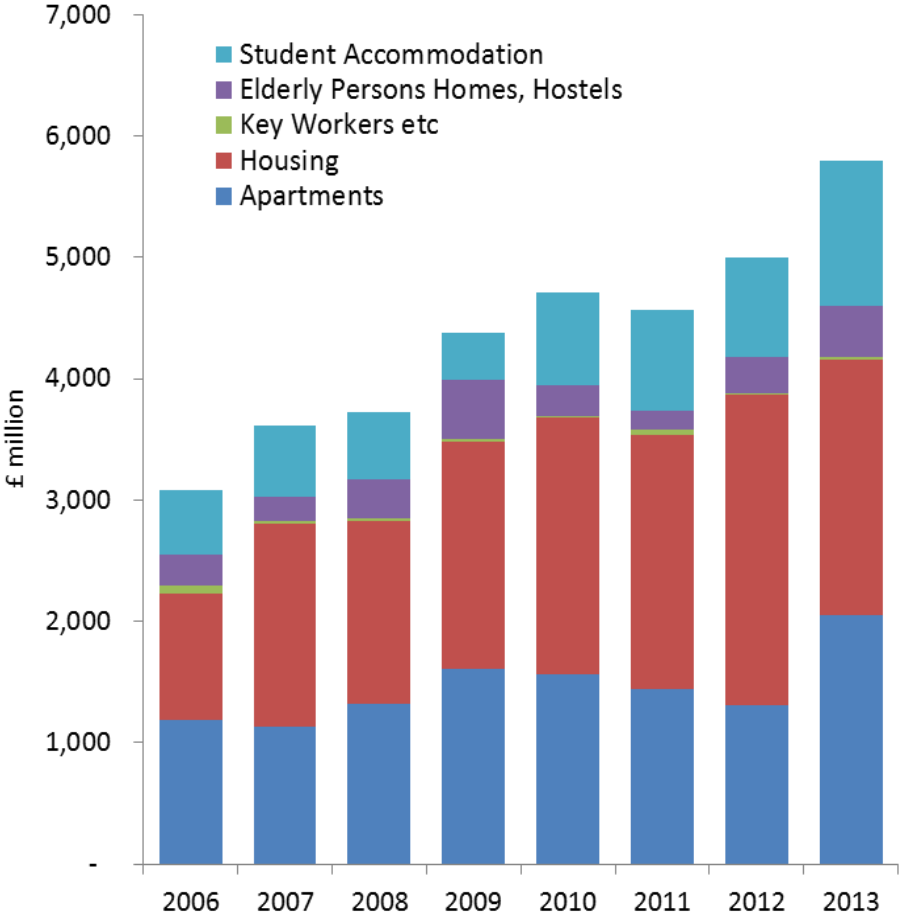
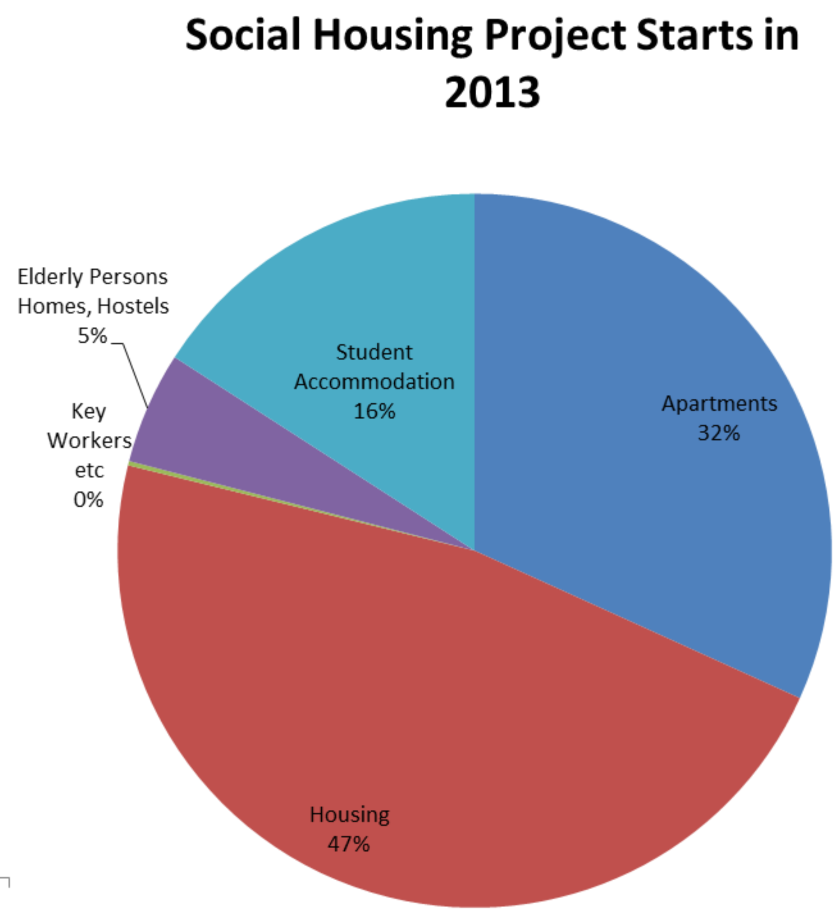
Social housing growth



Source: Glenigan



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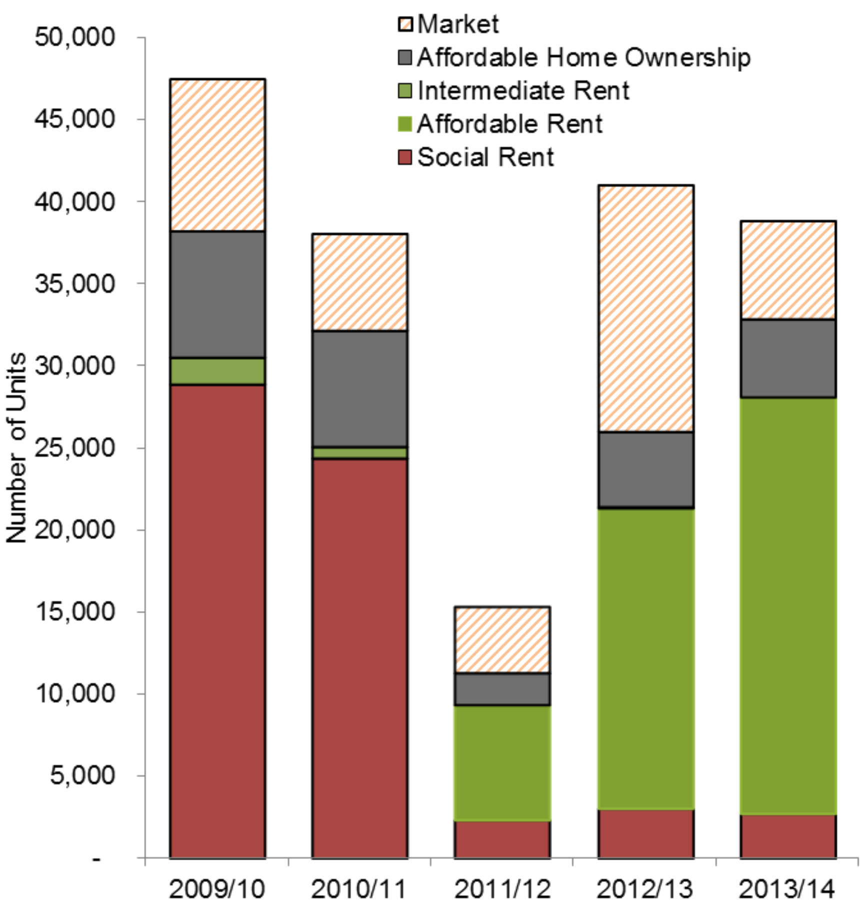
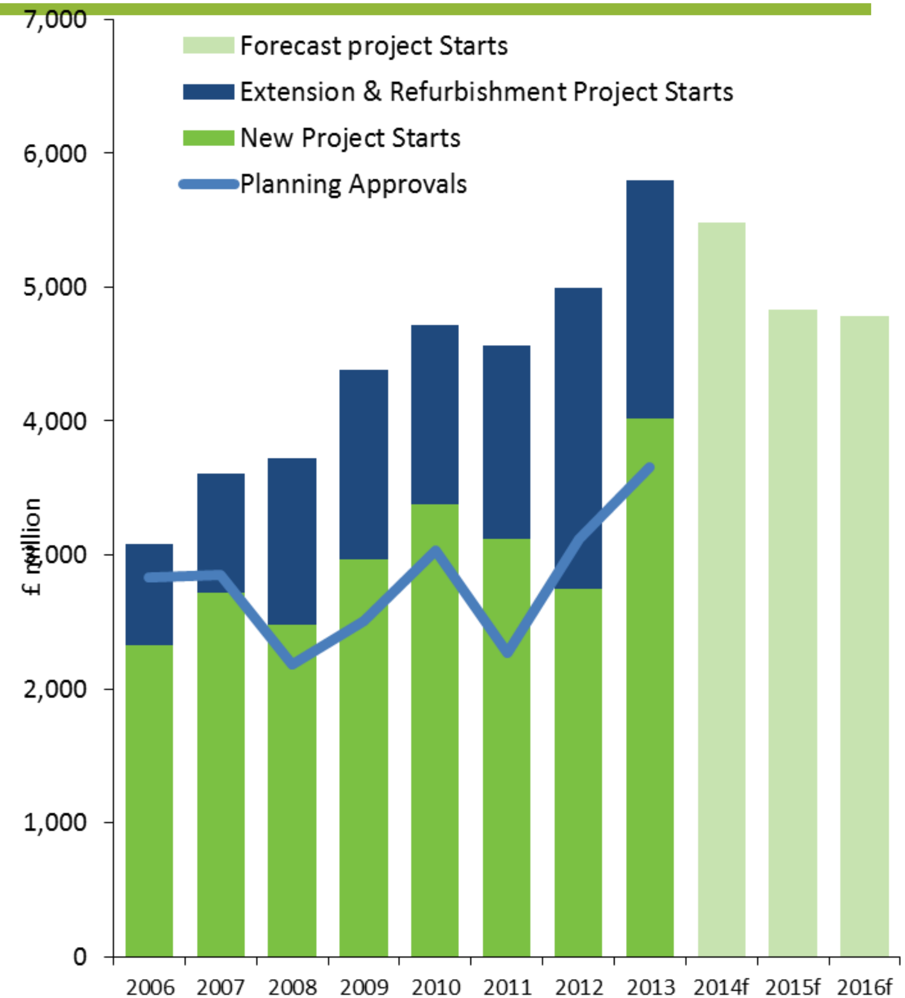
Social housing



Source: HCA



Source: Glenigan

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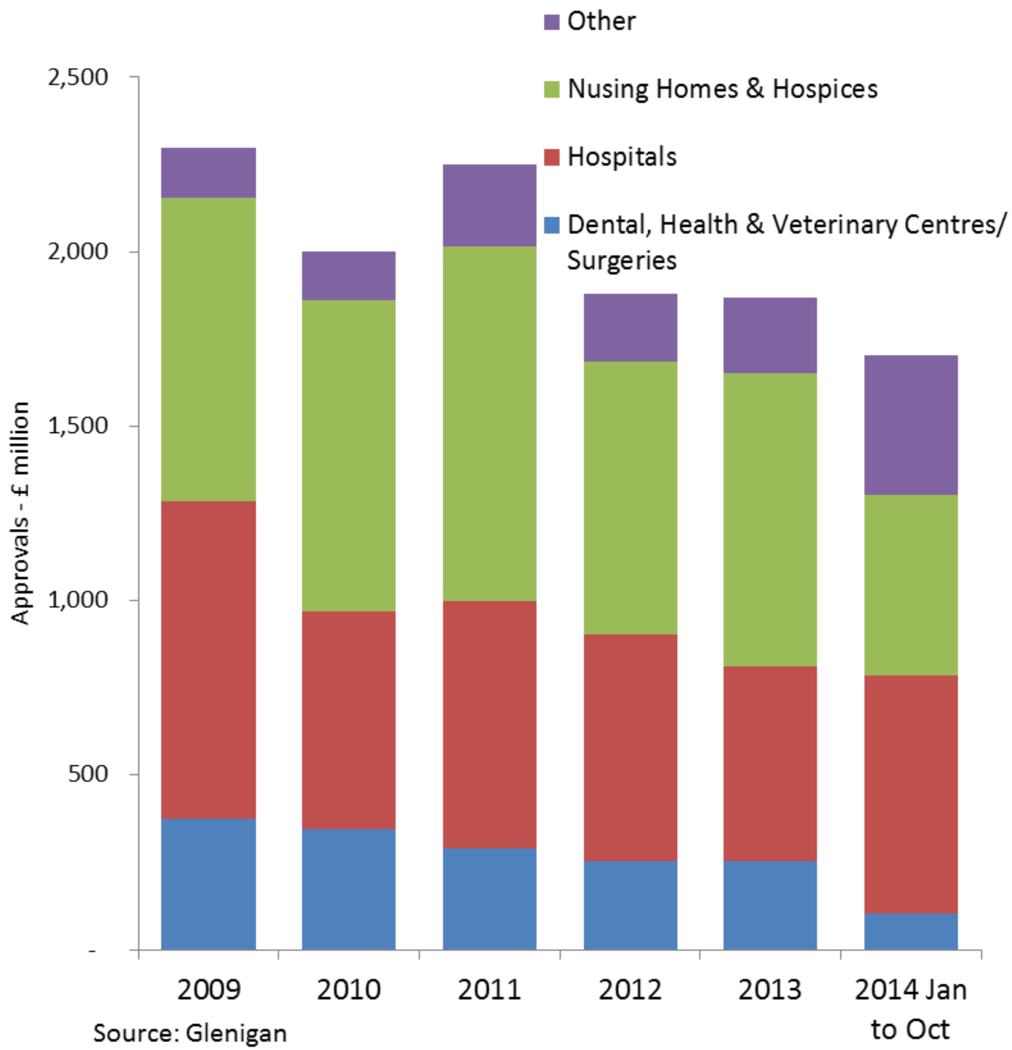
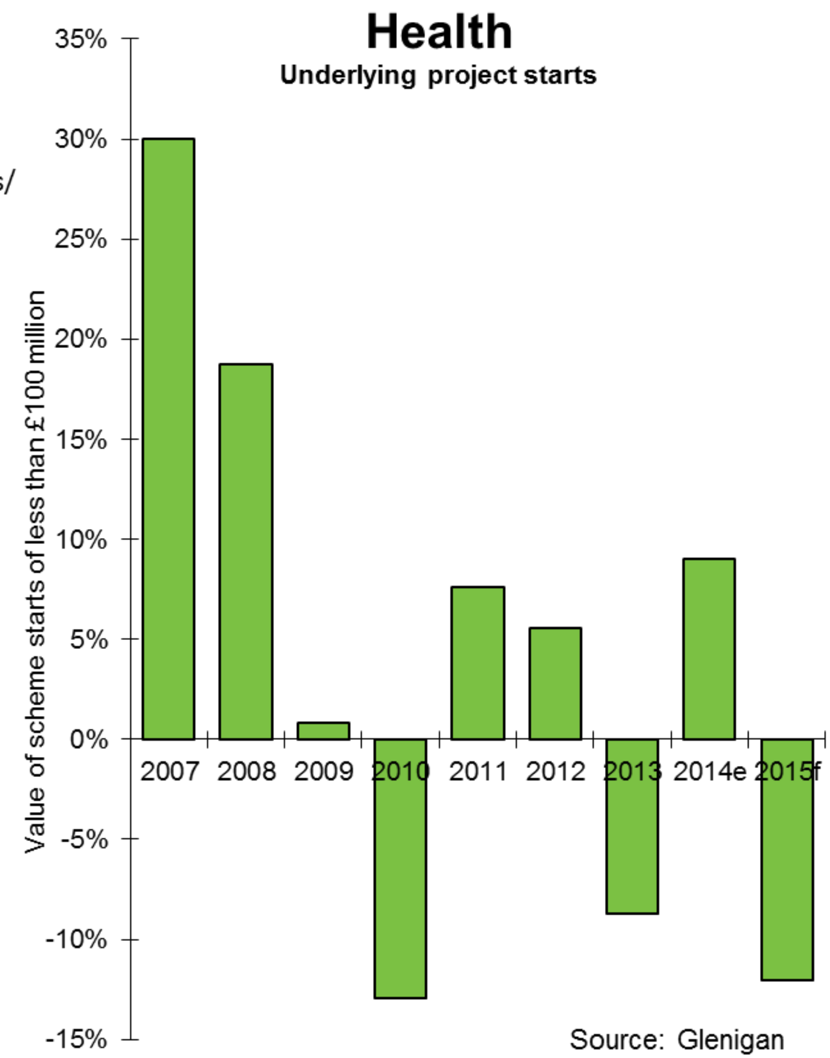
Health





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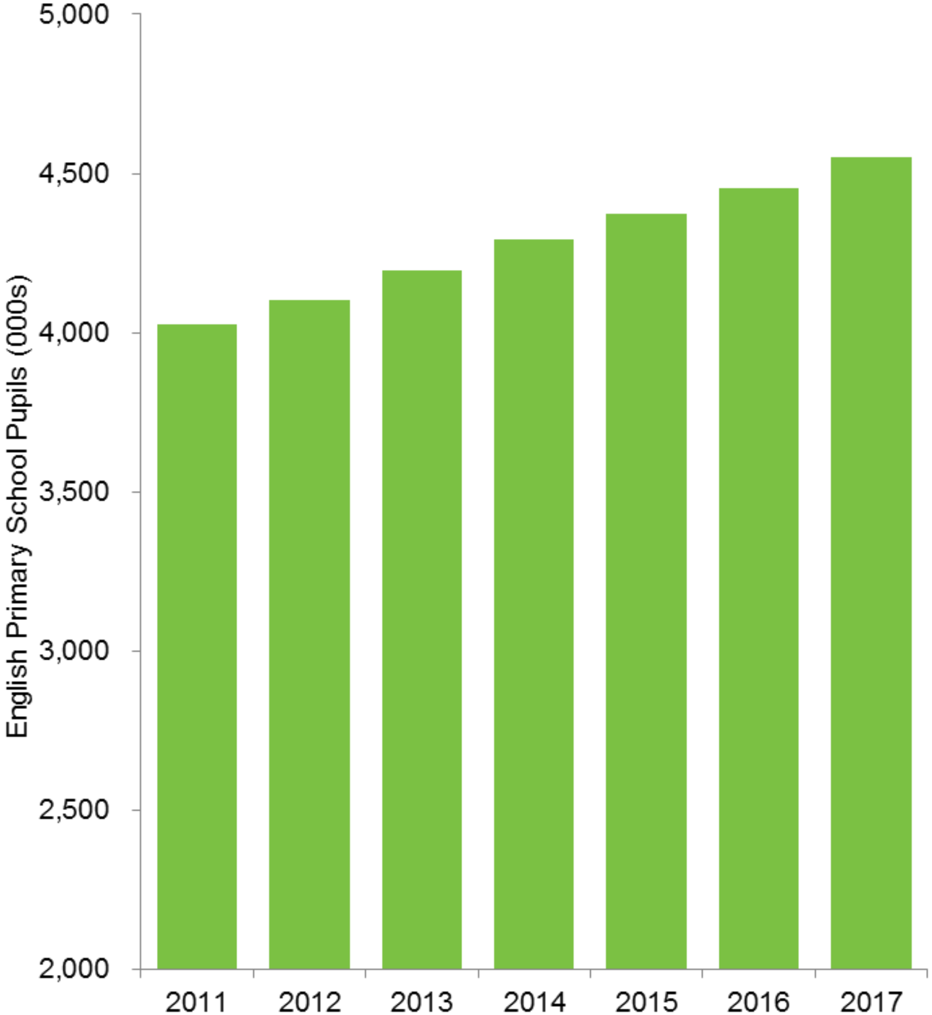
Education – Rising pupil numbers

- Rising demand - number of primary school pupils increasing
- Government promoting choice – free school programme
- Tackling poor learning environment – Priority School Building Programme
- Competition fuelling investment – university development plans



Source: DfES

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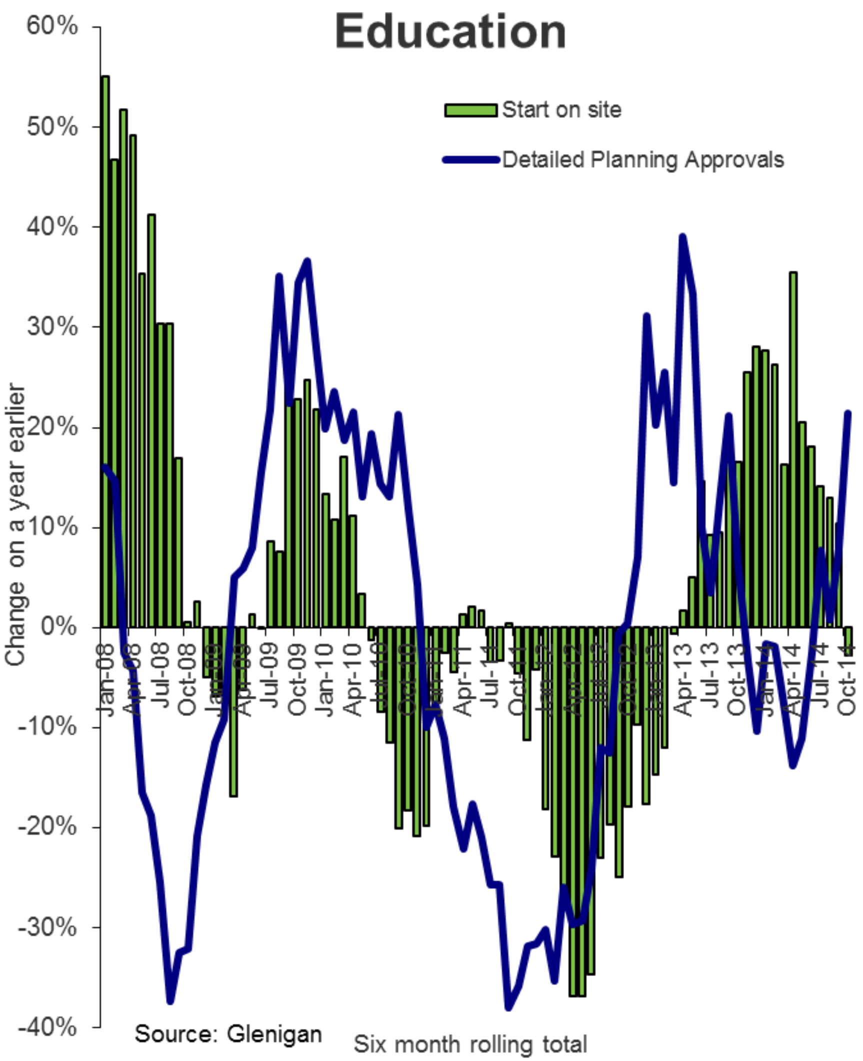
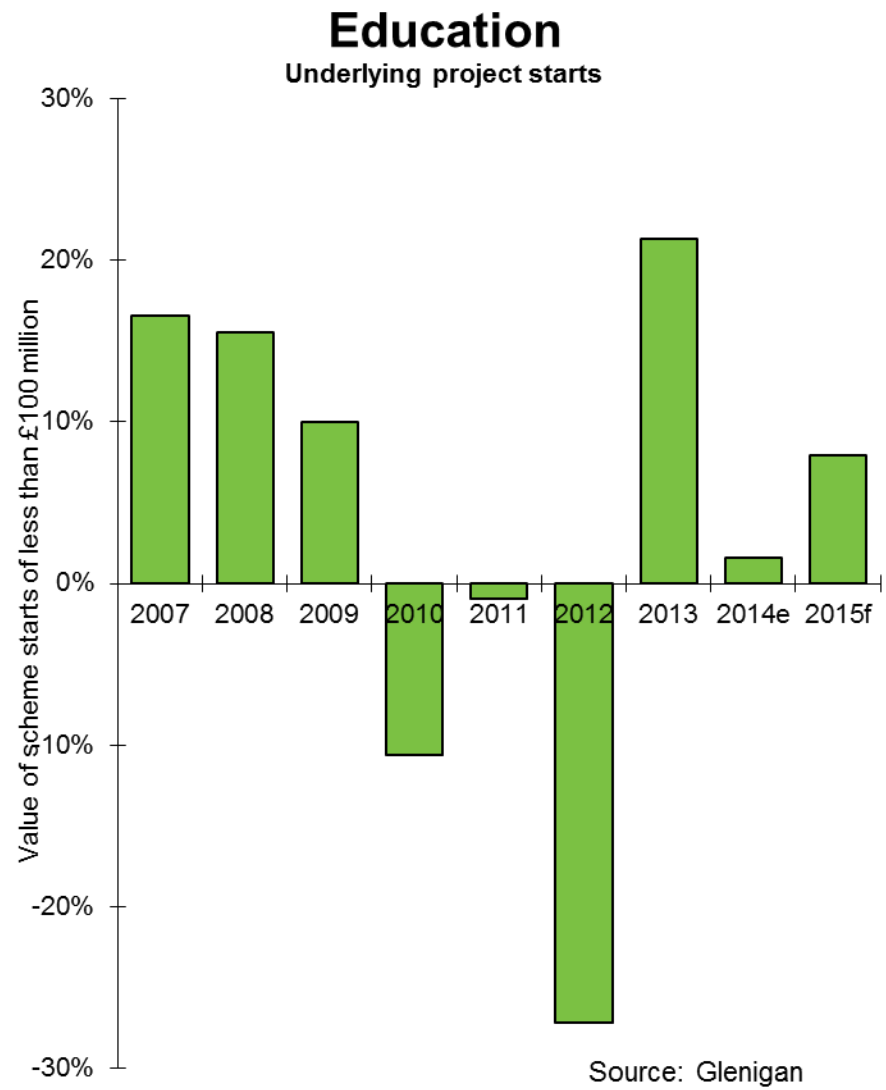
Education





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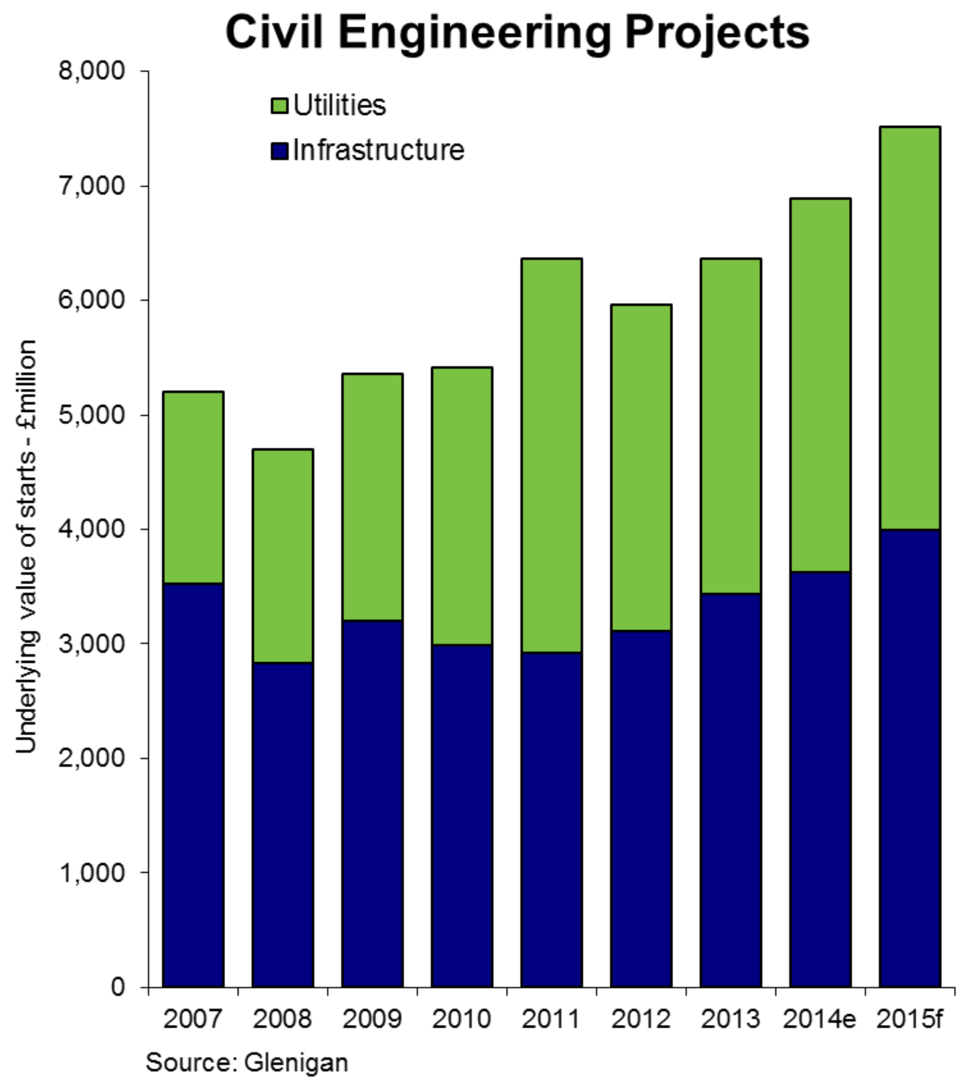
Civil engineering

- Sustained growth since 2008
- Further rise in underlying project starts
- Rail and utilities driving growth
- Sustained project flow
- Major projects boost activity
  - Crossrail
  - Hinckley Point
  - Network Rail
  - Northern Line extension



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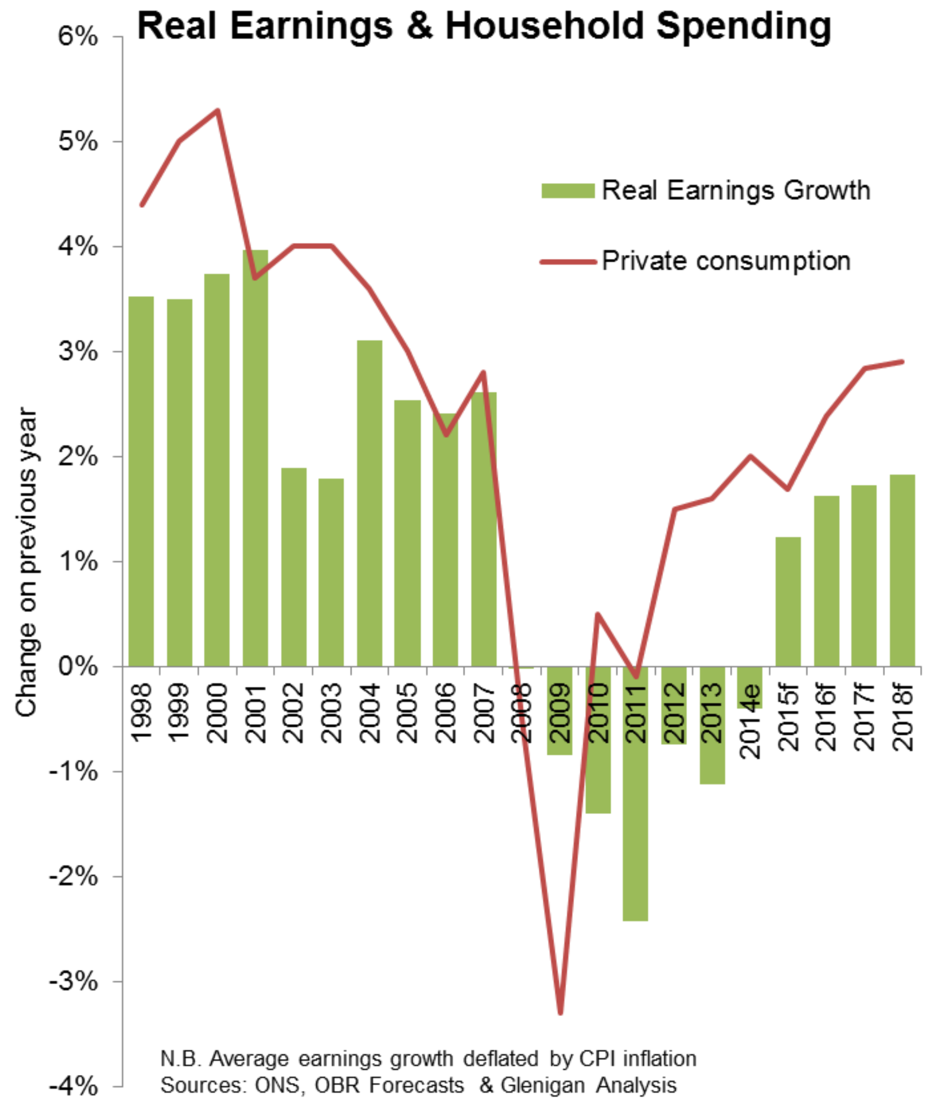
Brighter consumer prospects

- Long term consumer squeeze
- Consumer confidence returns
  - Moving out of recession
  - Lower inflation
  - Increased employment
  - Rise in household spending
- Real Household Incomes still under pressure
- Forecast rise in real earnings
  - Narrows gap between income and spending growth
  - Support rise in household lending



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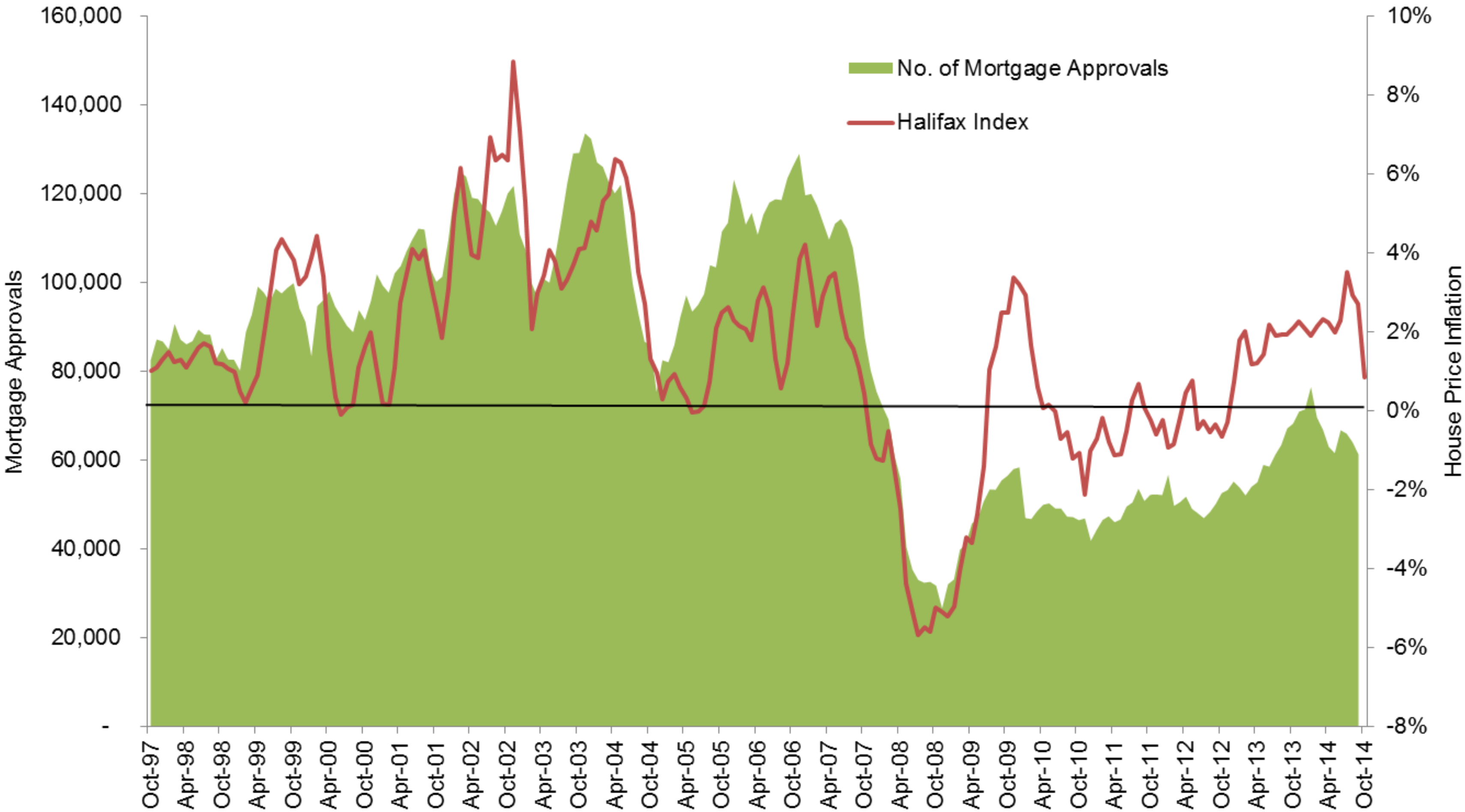
Housing market activity



Sources: Bank of England & Halfiax

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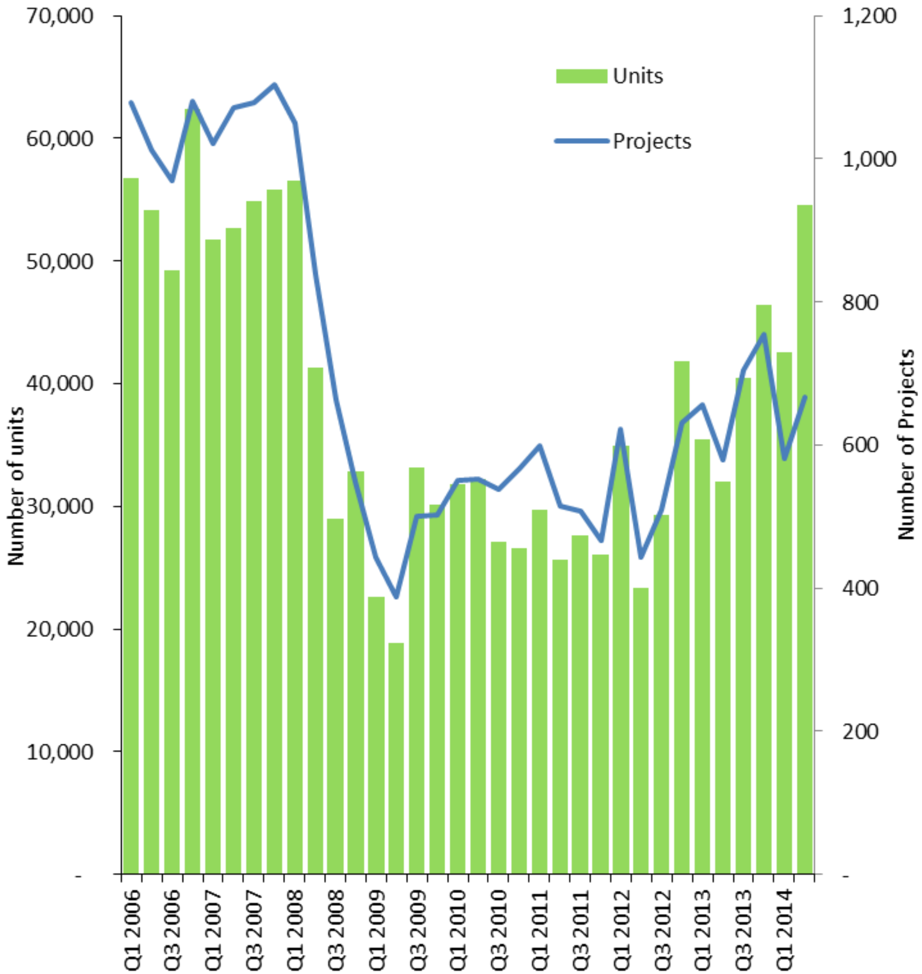
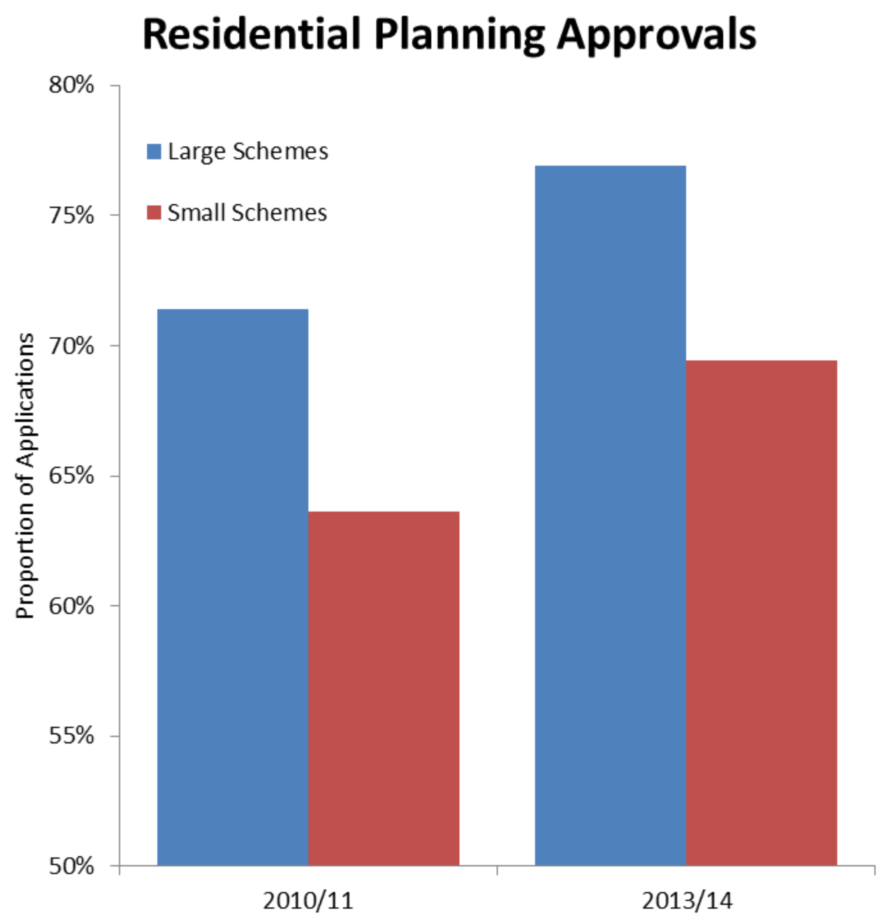
Rising planning approvals and approval rates



Source: Glenigan



Source: Glenigan

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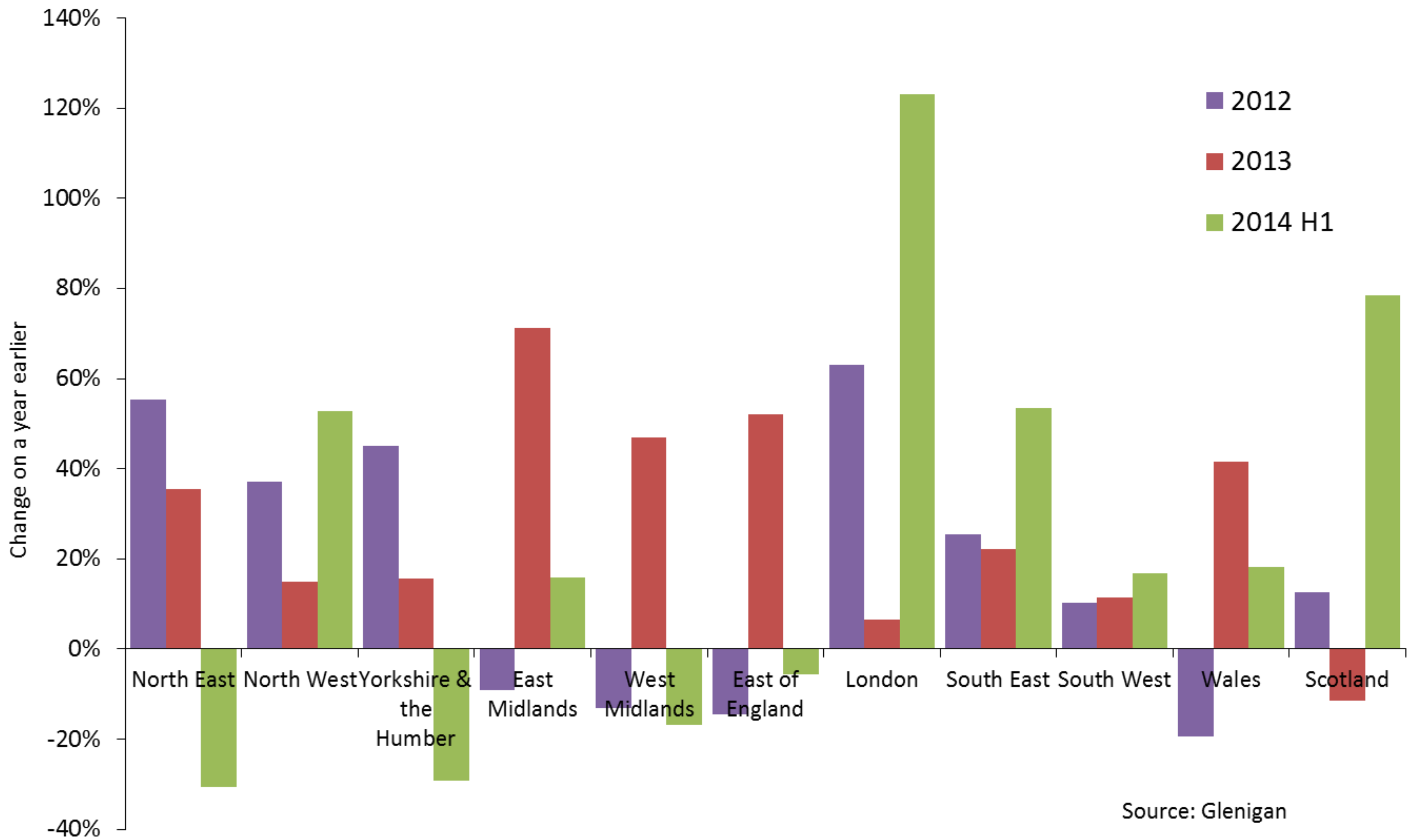
Rising planning approvals



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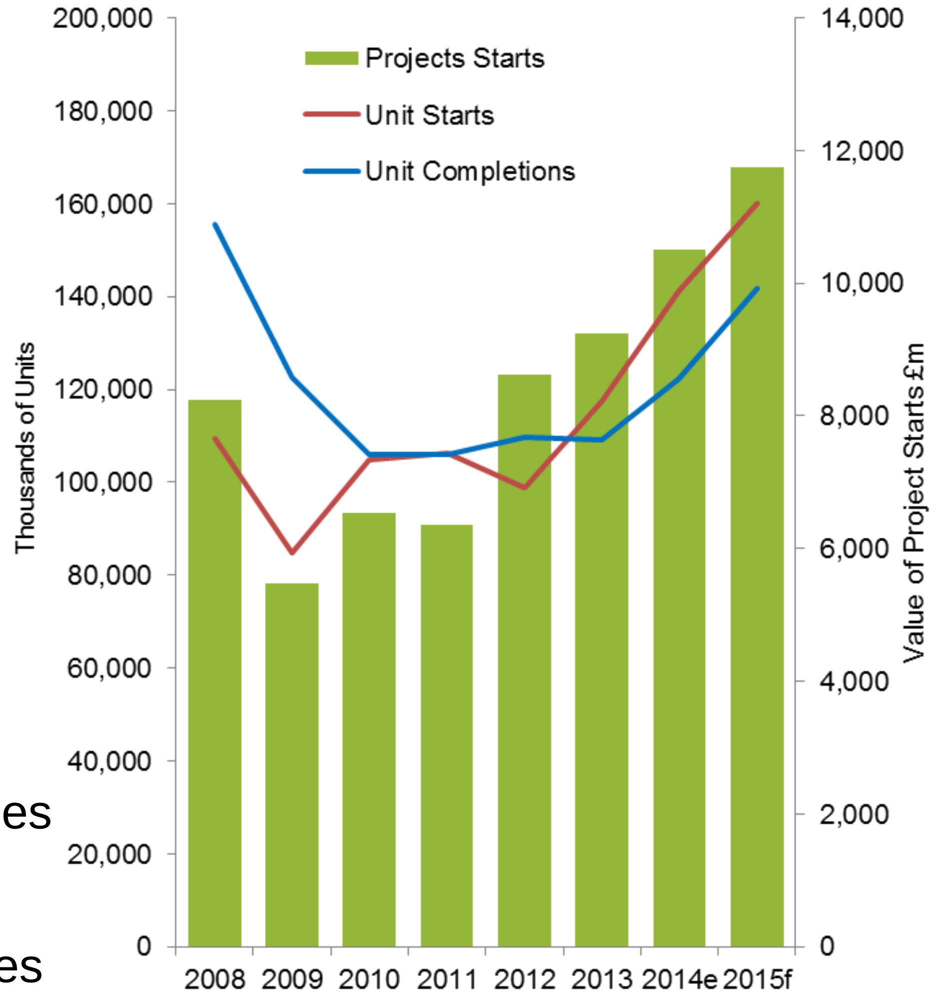
Private housing

- Three years of growth
- Further growth anticipated
  - Rise in household incomes and confidence
  - Improved mortgage finance availability
  - Government initiatives lifting market
  - Increase in planning approvals
  - Broader based regional growth
- Market risks
  - Tighter lending rules & tax changes
- Industry capacity concerns
  - Skilled labour & material shortages



Sources: DCLG, Glenigan

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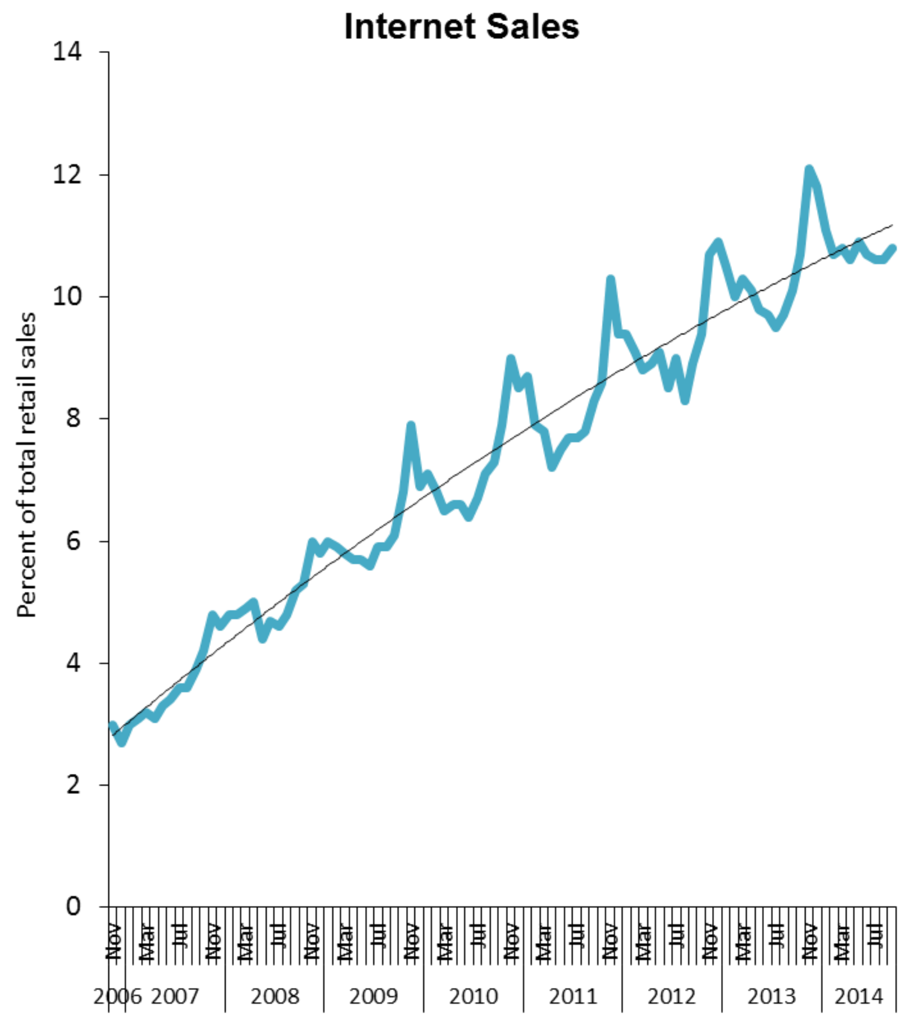
Brighter prospects for the high street?

- Retailers & retail construction hard hit by recession
- Recent strengthening in retail sales
  - Consumer confidence returns
  - Overhang of vacant floorspace
  - Supermarket price war
- Structural Change Underway
  - Supermarkets move back to the high street
  - On-line sales growing market share
  - Click & Collect
  - ‘Destination shopping’ spur to investment



Source: National Statistics

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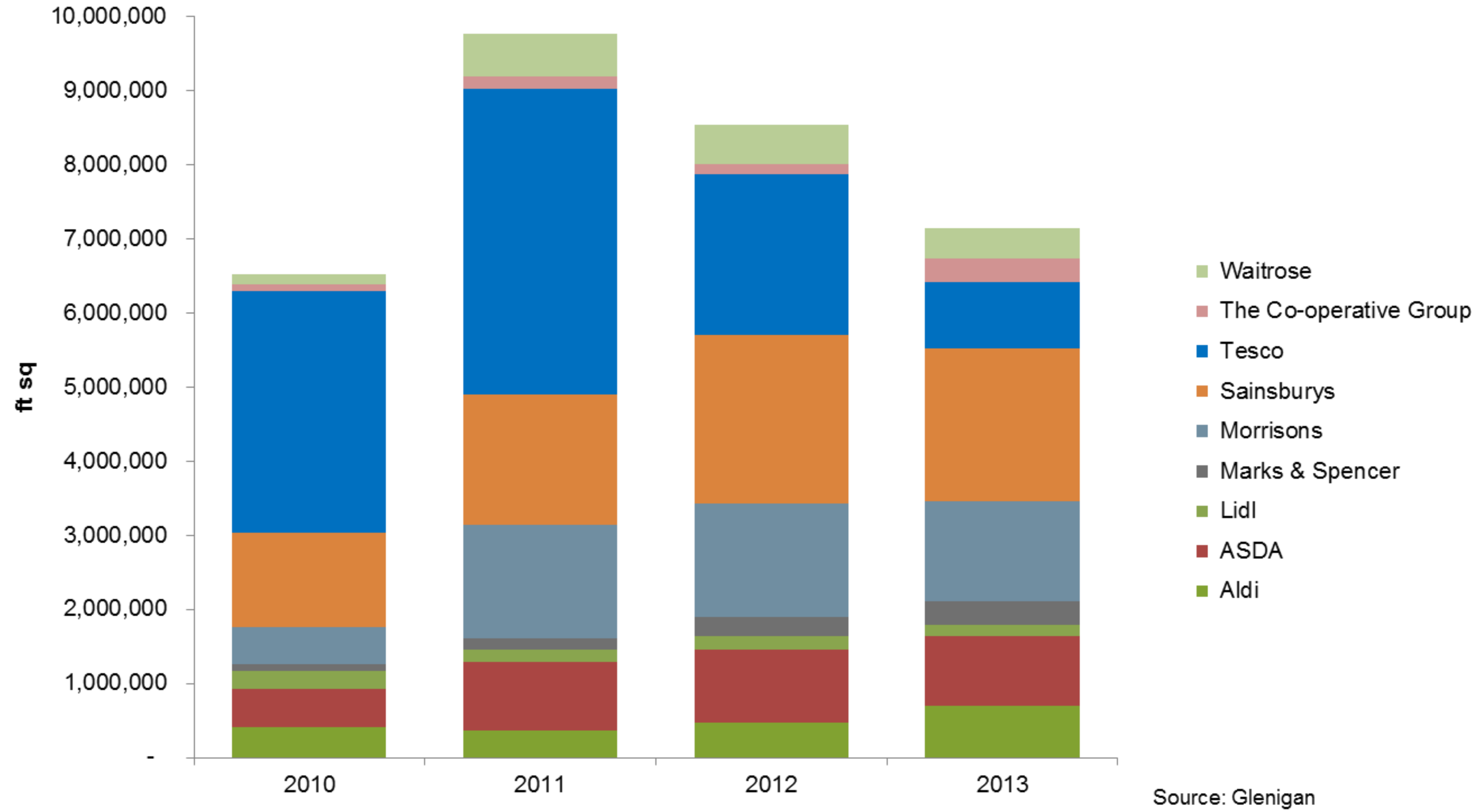
New supermarket floor space – planning approvals



Source: Glenigan

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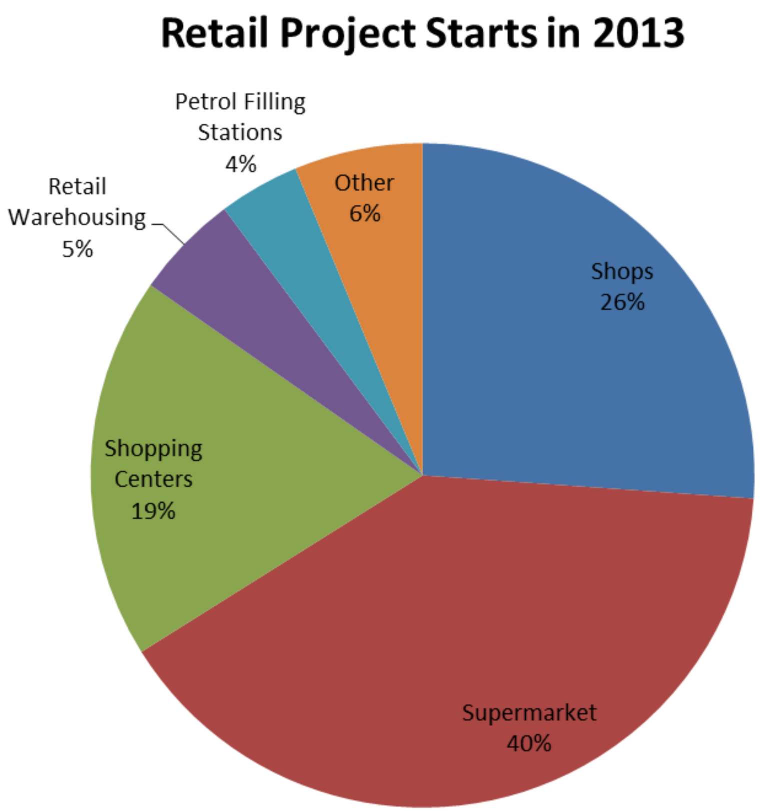
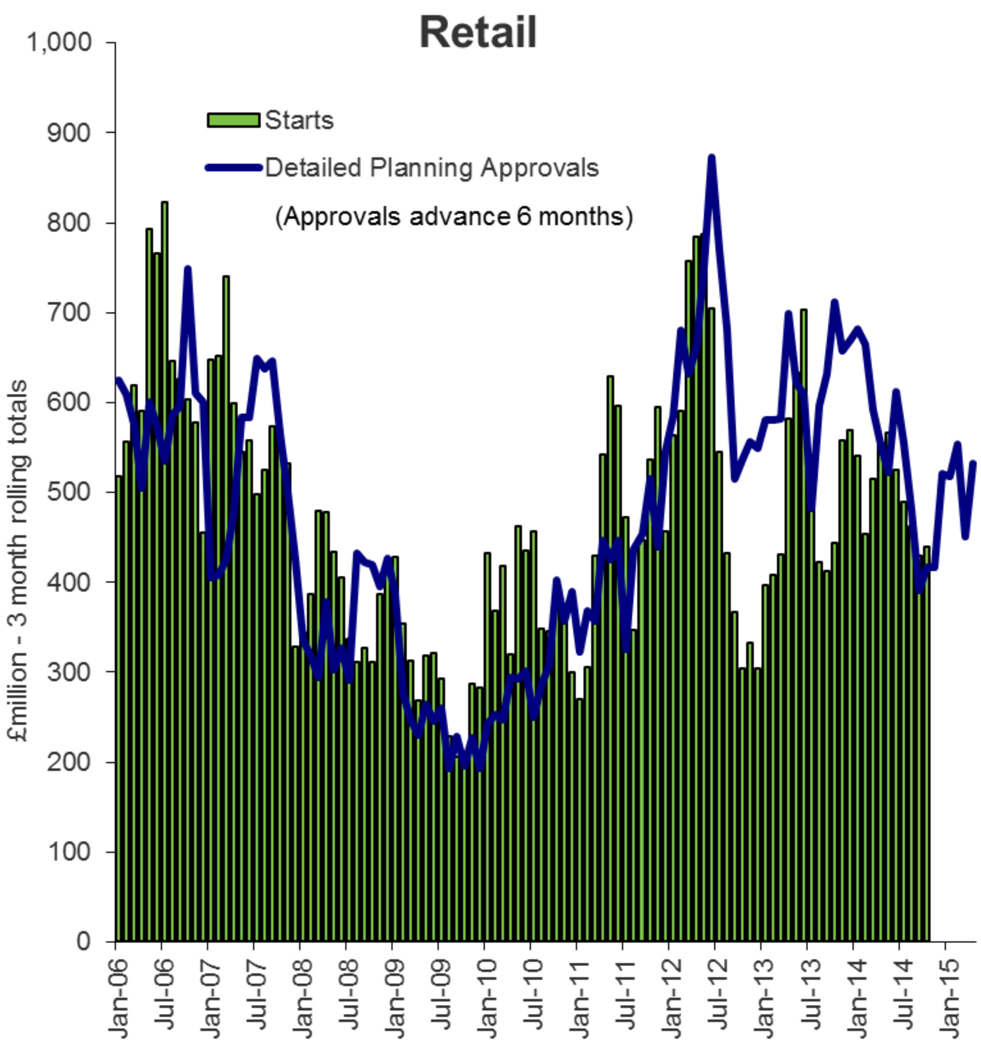
Retail construction





Source: Glenigan

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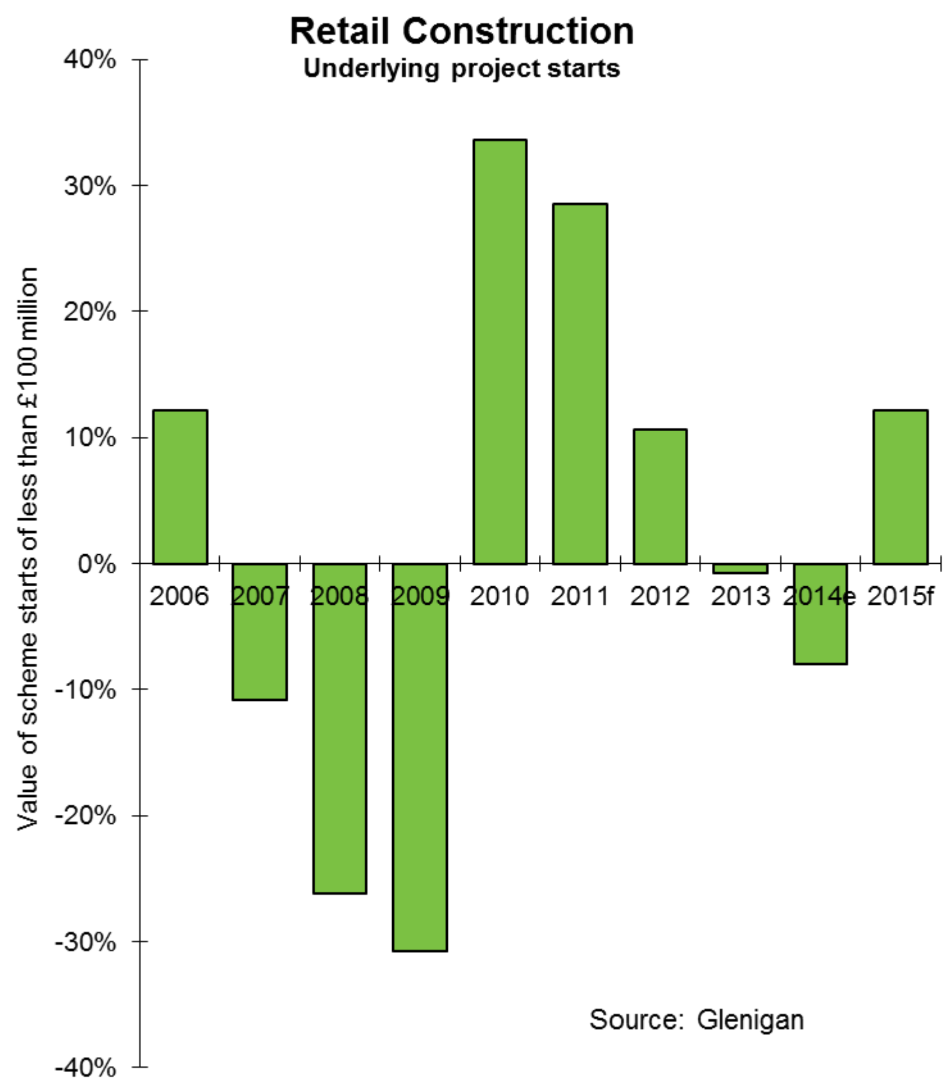
Retail construction

- Retail sales rising, but shifting spending patterns
- Supermarkets
  - Top four C-store networks
  - Discounters step up investment
- Internet challenge will remain:
  - New EU VAT rules may hit pure internet firms
  - ‘Bricks & clicks’ will still grow
- High street evolution
- More smaller scale fit-out projects
- Destination shopping centres – existing locations expanding



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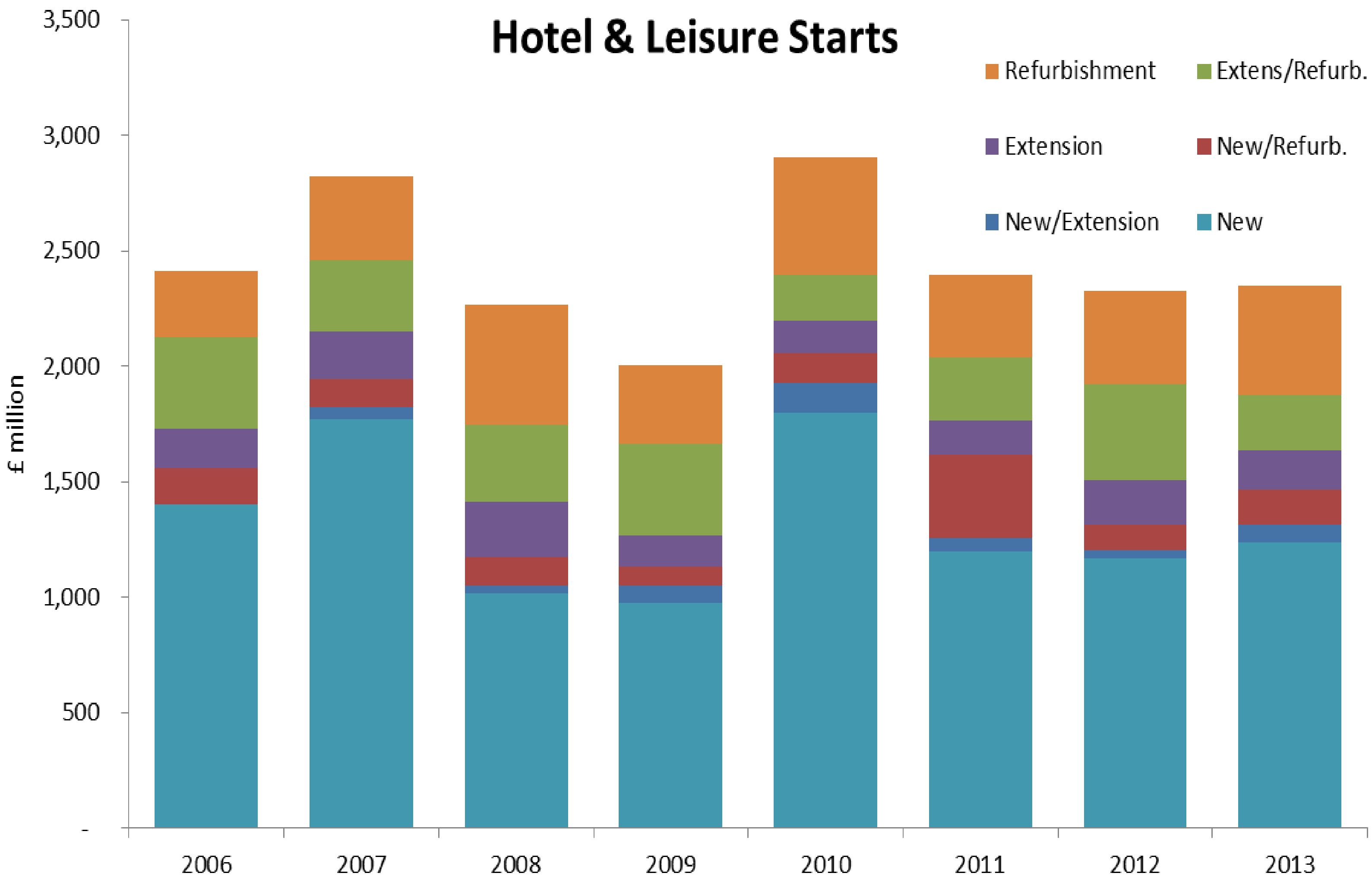
Hotel and leisure project starts



Source: Glenigan

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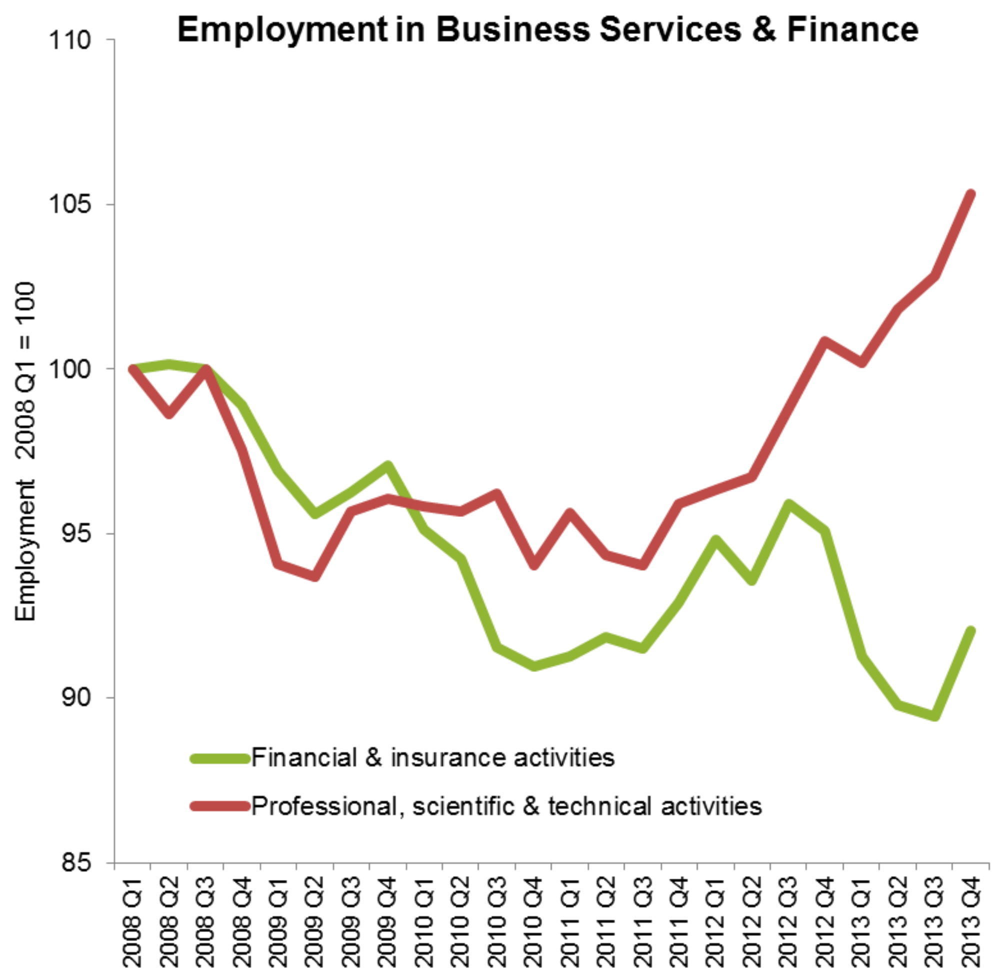
Private sector employment growth

- Financial & Insurance sector still weak
- Firm growth in other business services
- Higher private sector employment
- Increased demand for office accommodation
- Faster Employment growth ahead



Source: ONS

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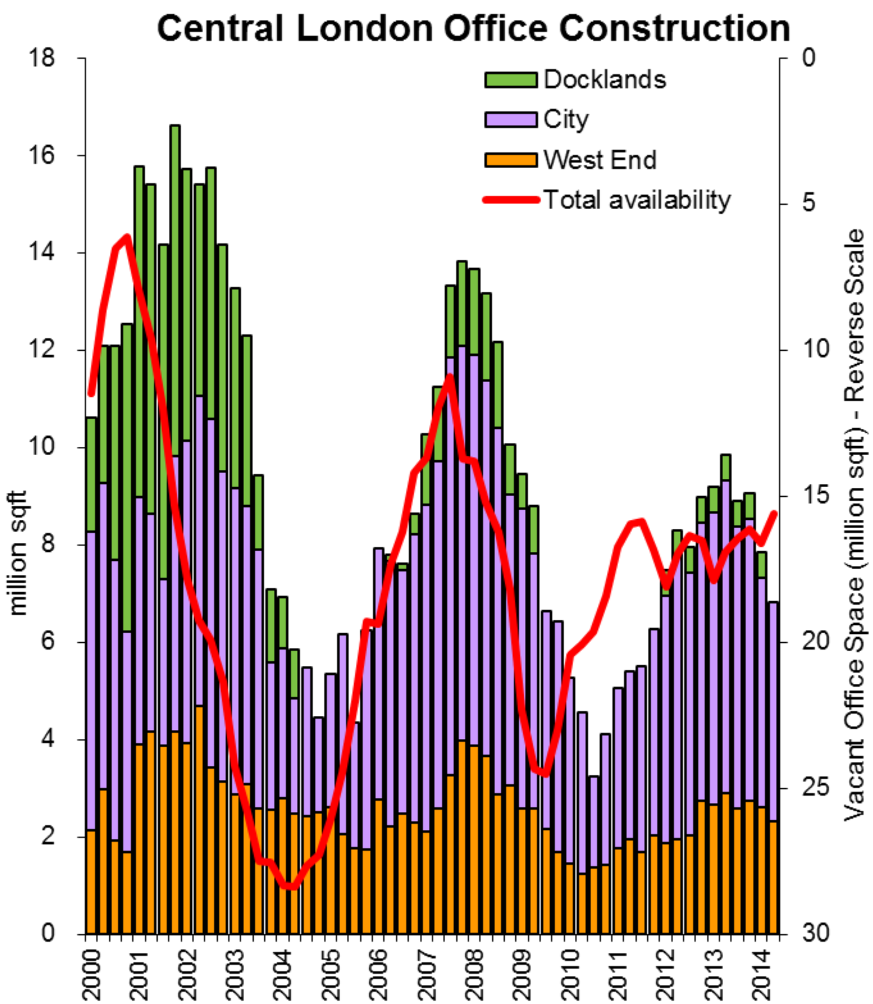
Office construction



Source: Knight Frank

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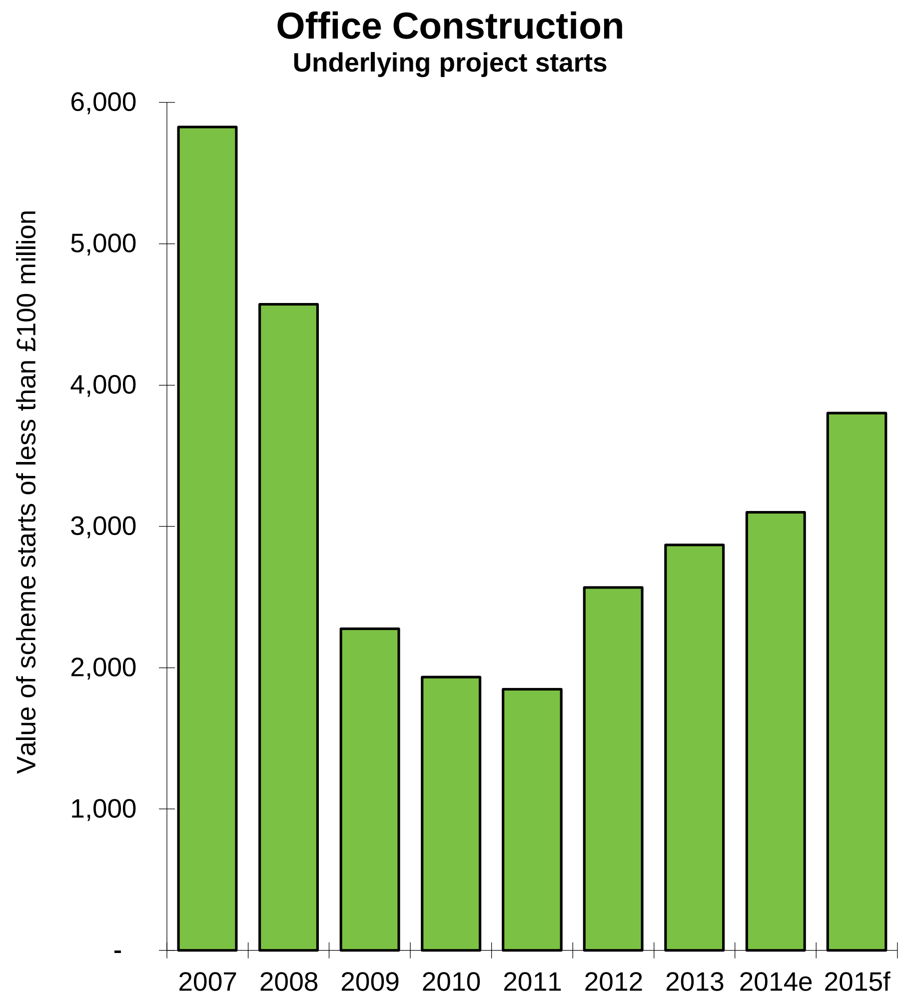
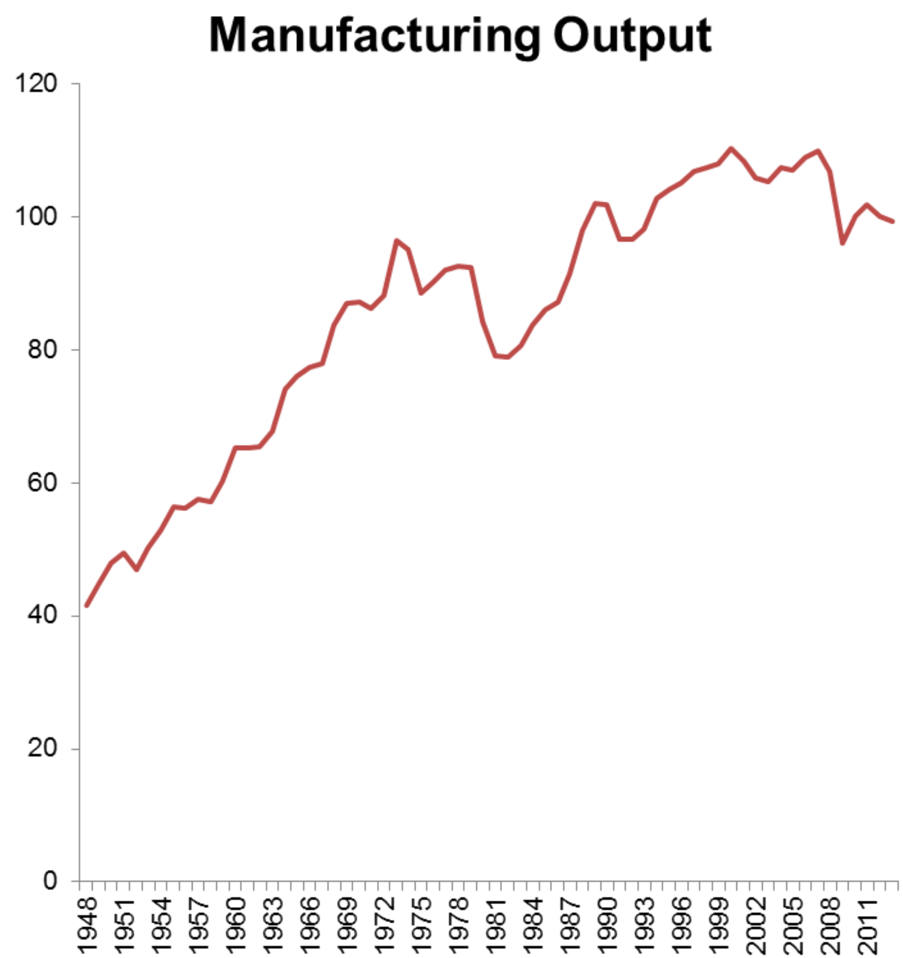


Source: Glenigan

Industrial activity

- Gradual recovery in UK manufacturing
- Surplus capacity remains with output still below peak
- Inward investment in key sectors
- Strengthening demand for industrial floorspace from distributors
- Supermarket investment in dark stores
- Support for retailers click & collect and on-line presence



Source: ONS

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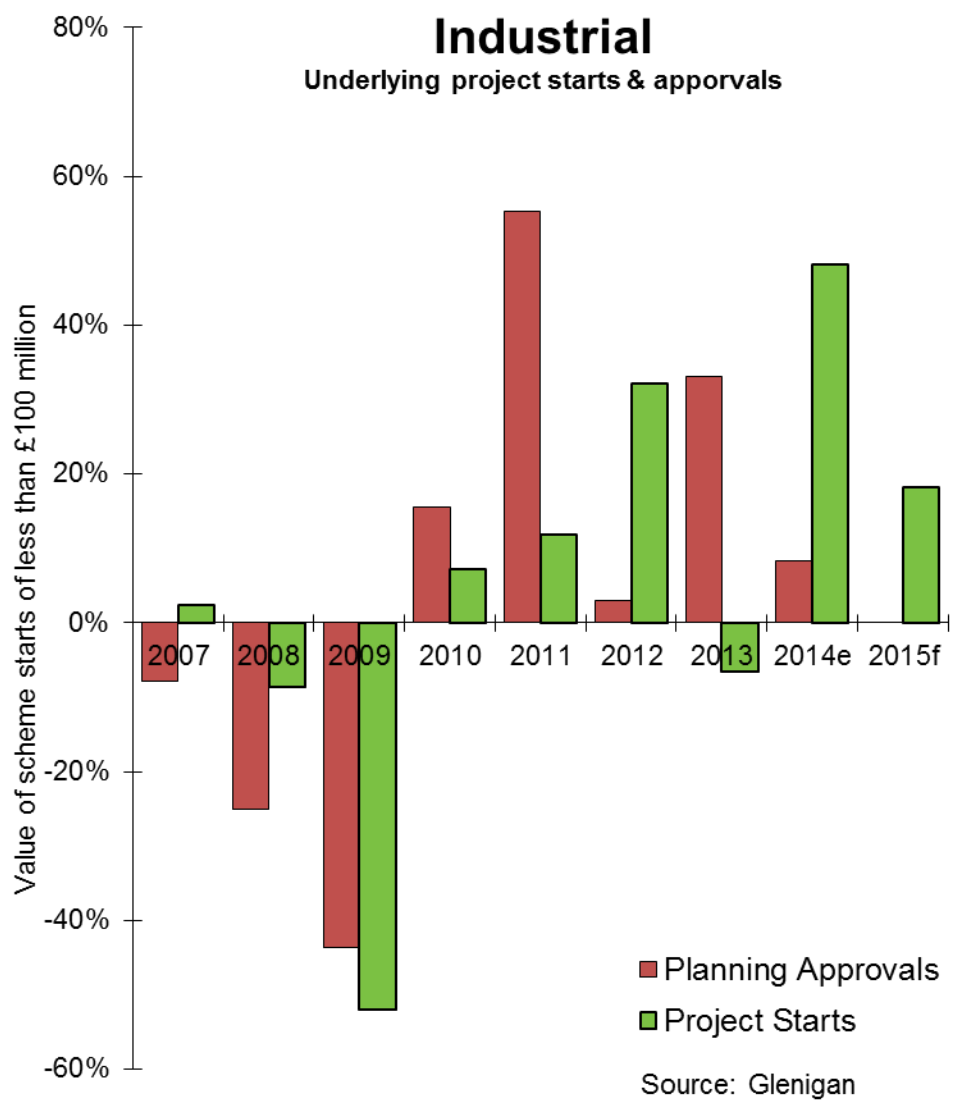
Industrial renaissance

- Early casualty of credit crunch
- Strong turnaround in development pipeline
- Sharp rise in starts in 2014
- Manufacturing confidence improved
- Investor interest in logistics space
- Rapid on-line retail sales growth continuing



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Construction prospects

- Government looking to private sector to lead the recovery
- Public sector capital funding constrained by Budget deficit
- Improving consumer confidence
- Broader housing market upturn in 2015
- Retail property facing structural change
- Office market strengthening in major conurbations
- Industrial upturn
- Rail and energy support civil infrastructure activity

Private sector drives recovery

	Value of Underlying Project Starts by Sector		
Change on previous year	**2013**	**2014e**	**2015f**
Private Housing	7.2%	13.5%	12.0%
Social Housing	16.1%	-5.5%	-11.9%
Industrial	-6.5%	48.2%	18.1%
Offices	11.7%	8.0%	22.7%
Retail	-0.8%	-8.0%	12.1%
Hotel & Leisure	0.7%	14.5%	10.4%
Education	21.3%	1.6%	7.9%
Health	-8.7%	9.0%	-12.0%
Community & Amenity	8.0%	-0.7%	-2.1%
Civil Engineering	6.7%	8.4%	9.0%
Total	7.6%	8.0%	7.3%

Source: Glenigan.
N.B. Underlying project starts exclude individual projects of £100m or more

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Julian Herbert, MEED Projects

New Projects in the Middle East

(Dubai Expo 2020 and beyond)

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What is MEED Projects?

MEED Projects is an on-line project tracking database, covering 8 major sectors across 18 markets in Middle East and North Africa….and now 2 markets in East Africa (Tanzania, Kenya)

19,000 profiles
12,000 active
1,500 on hold
5,500 complete/operational

Our credentials

Running order

- Economic outlook
- UAE in a regional context (GCC)
- Dubai

Source: MEED Projects

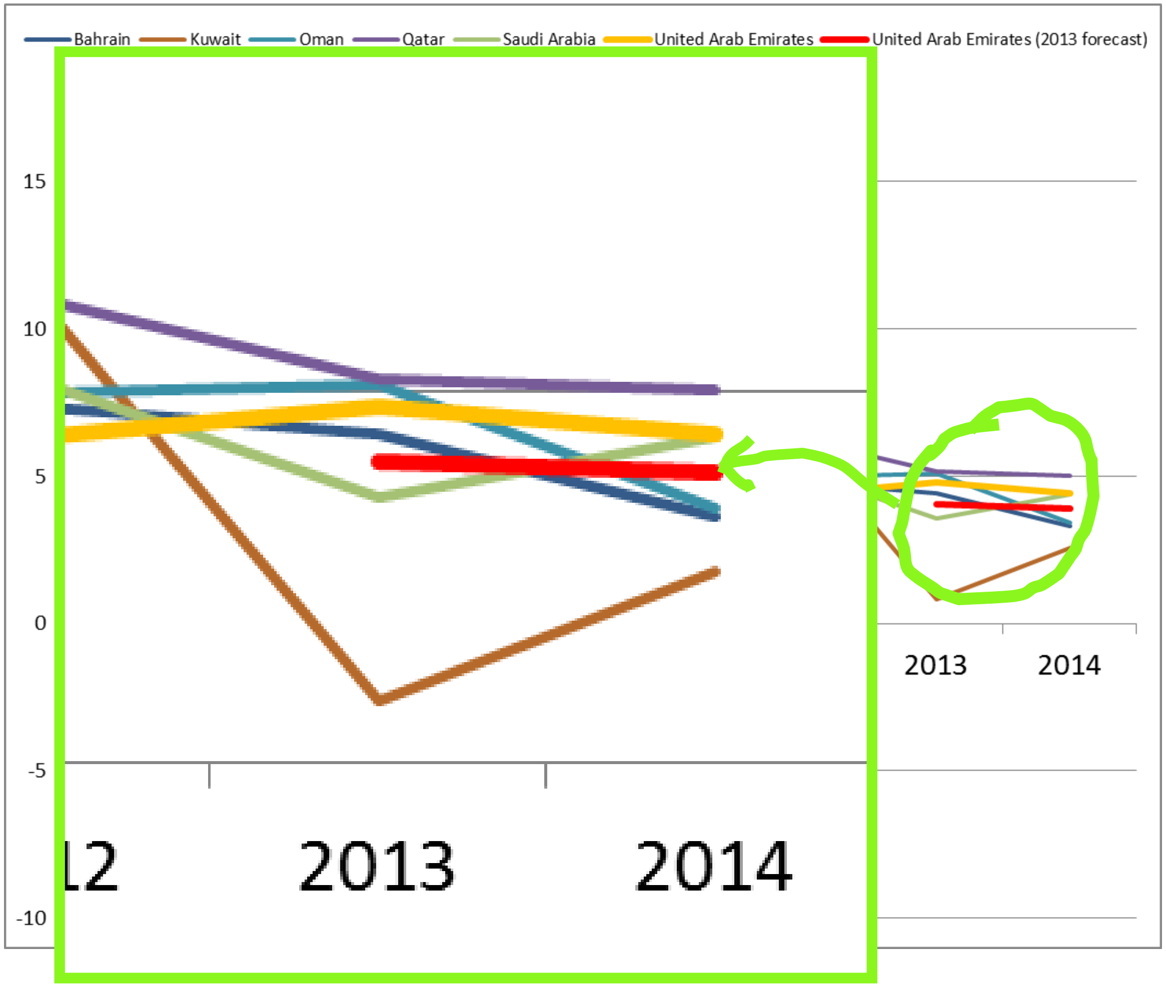
Running order

- **Economic outlook**

Source: MEED Projects

GCC economic outlook (IMF)

Real GDP growth and forecast for 2013 and 2014 (%) - IMF

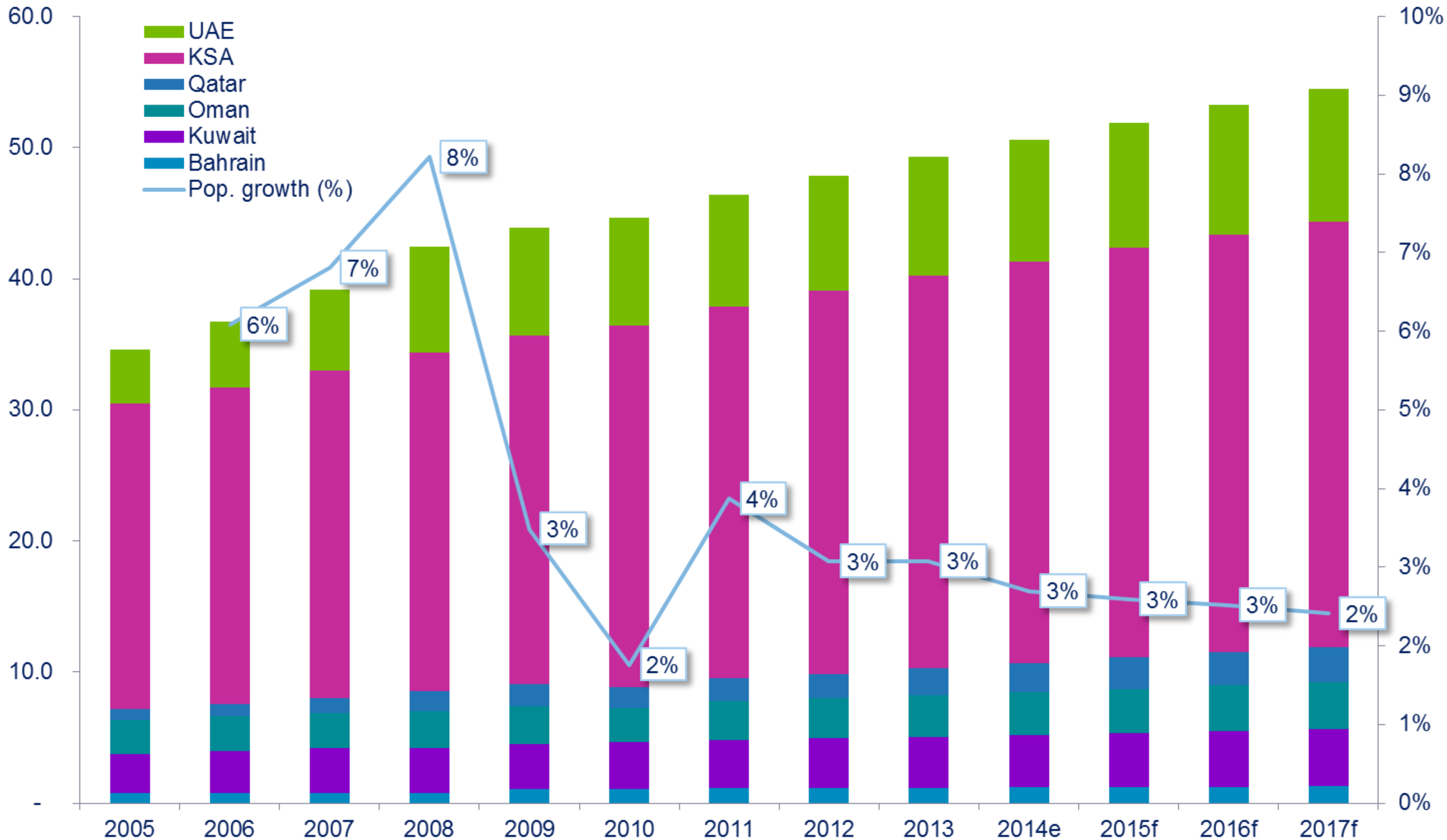


- Regionally/globally, outlook is stabilising
- Advanced economies up, emerging economies down
- MENA disrupted by upheaval, but high oil prices boost oil exporters
- IMF forecasting MENA slowing in 2013, upturn in 2014
- Oil price - $110 barrel in 2012, ~$100/barrel in 2013, $104/barrel (f) in 2014 (vs $104/barrel 2011 and $79/barrel 2010)
- MENA oil exporters = 4% 2014
- MENA oil importers = 3.1% 104
- *UAE = stable, improvement vs last forecast*

Source: IMF World Economic Outlook, April 2014

GCC population forecast

Total Population, 2005 – 2017 *(millions)*



Growing population due to continuous immigration means on-going requirement to expand housing, utilities, transport infrastructure etc

Running order

- Economic outlook
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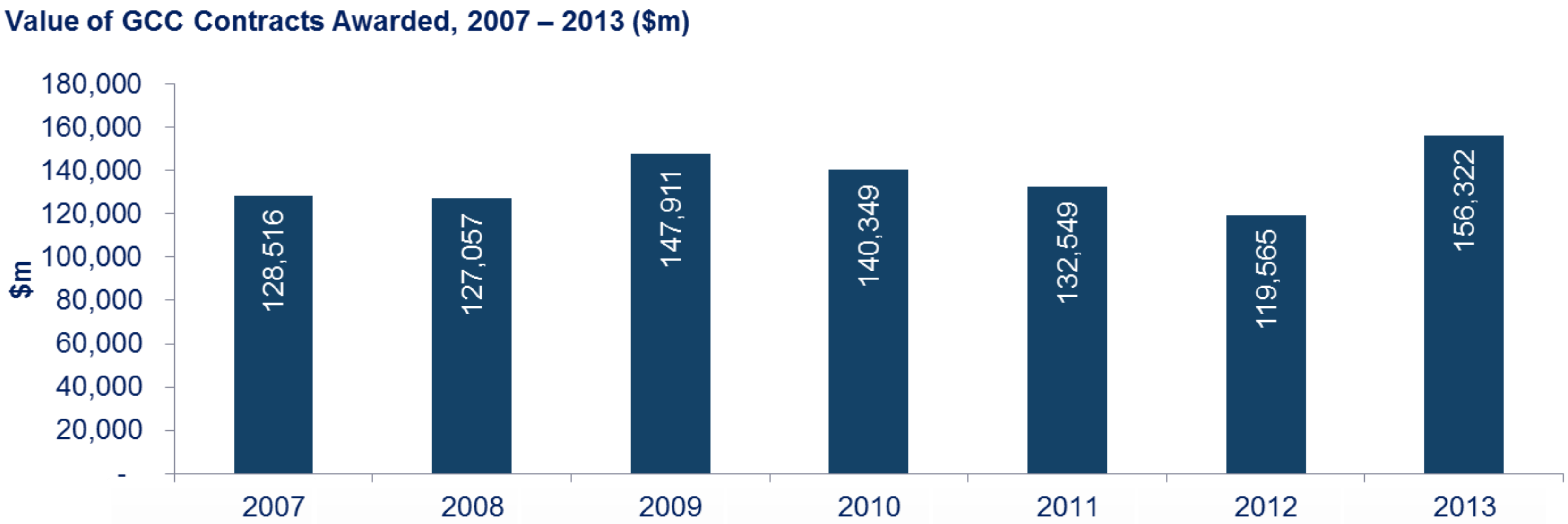
Source: MEED Projects

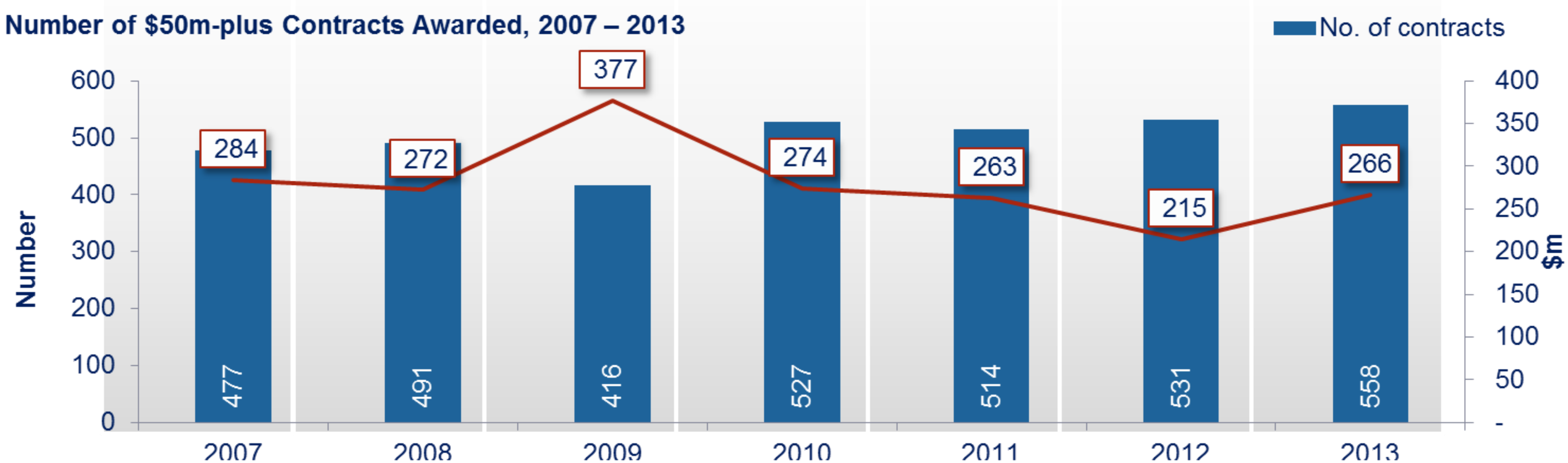
Running order

- **UAE in a regional context (GCC)**

Source: MEED Projects

GCC: Historical Landscape (1)

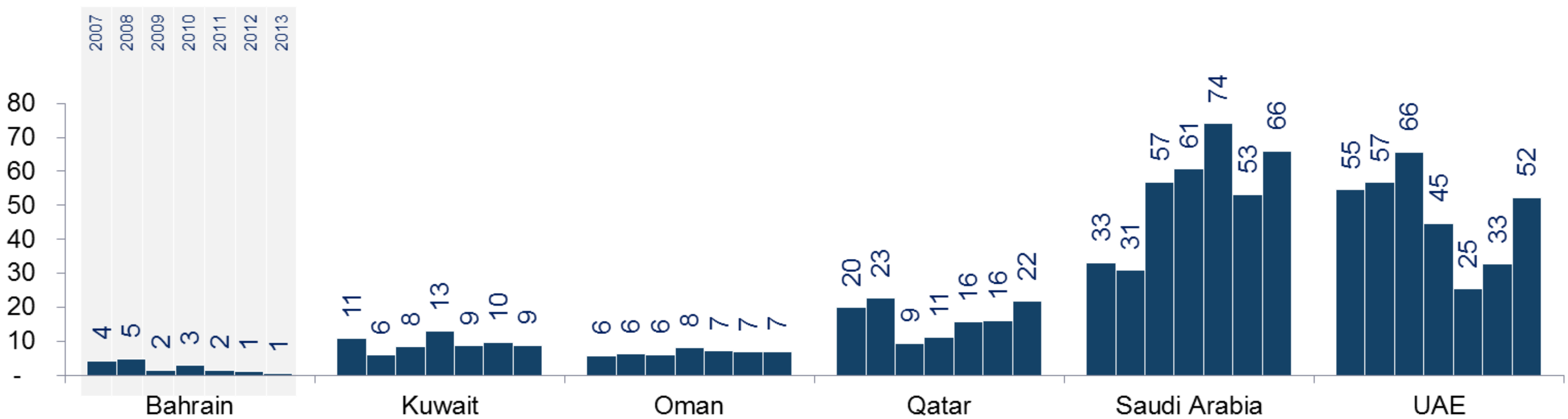




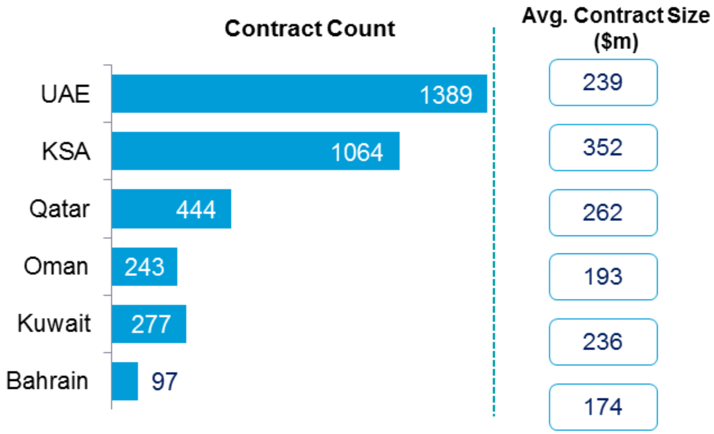
2013: Transport, led by just two rail projects (Doha, Riyadh Metros), matched Construction for the first time; UAE touches $40 billion ($44 billion including projects <$30 million); UAE Construction exceeds $22 billion – biggest year since 2008

GCC: Historical Landscape (2)

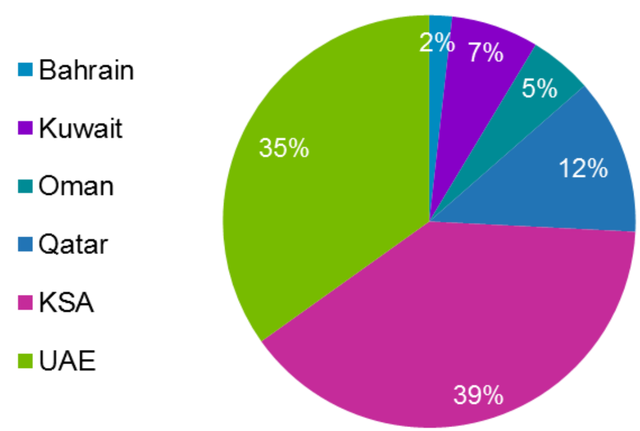
Value of GCC Contracts Awarded by Country, 2007 – 2013 ($bn)



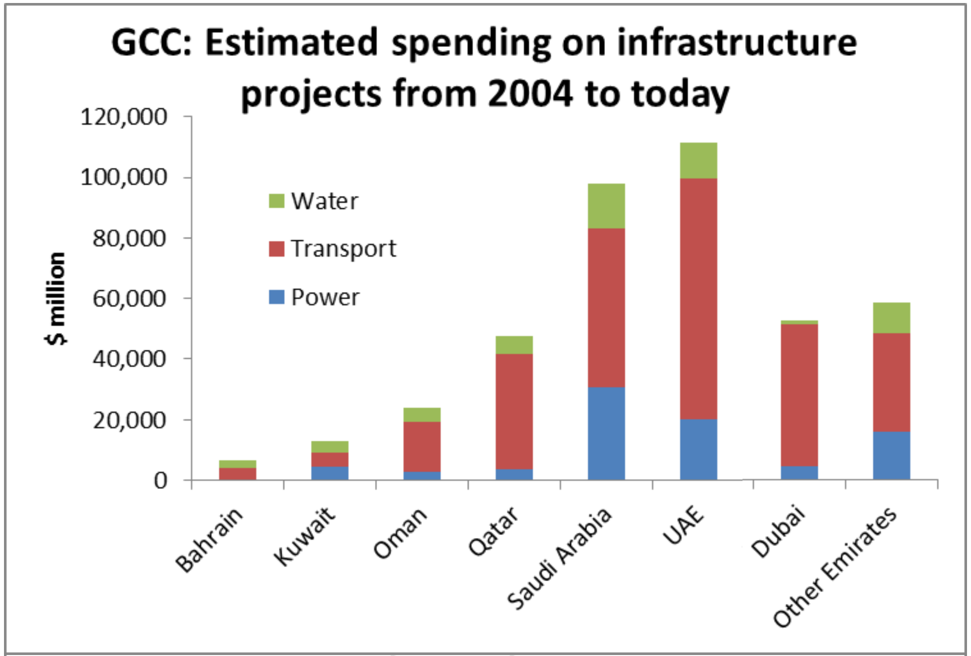
Number and Average Value of Contracts Awarded, 2007-2013

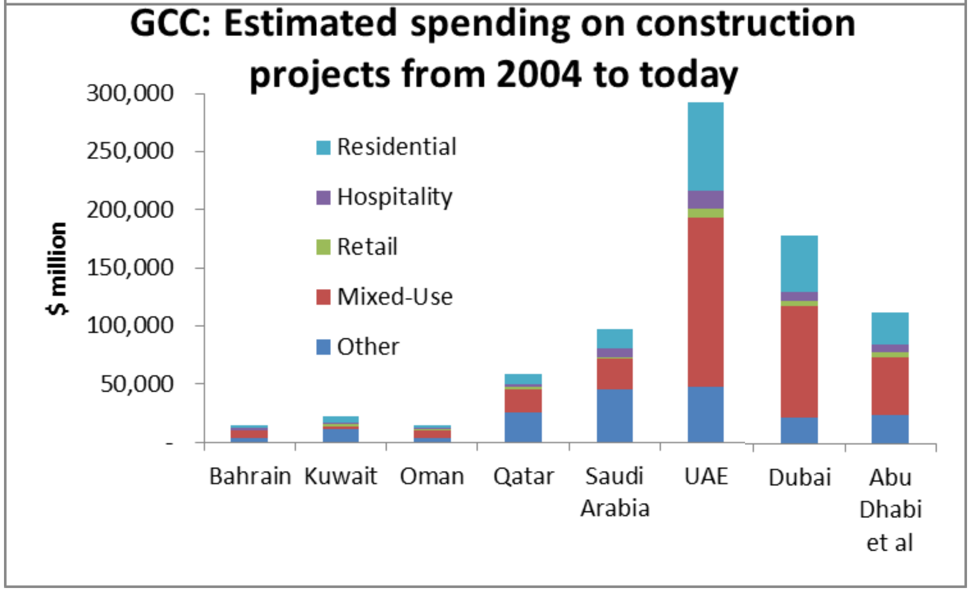


Contract Awards Breakdown by Country, 2007-2013



UAE's projects - past

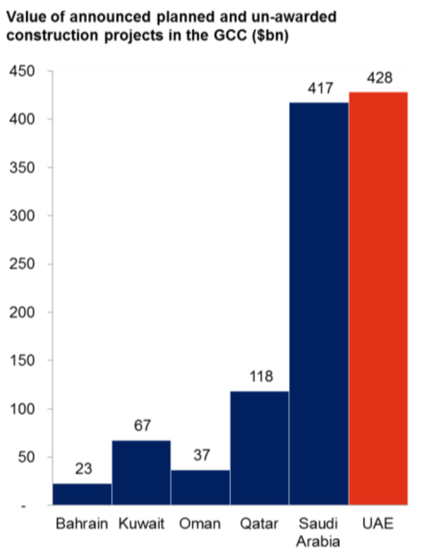


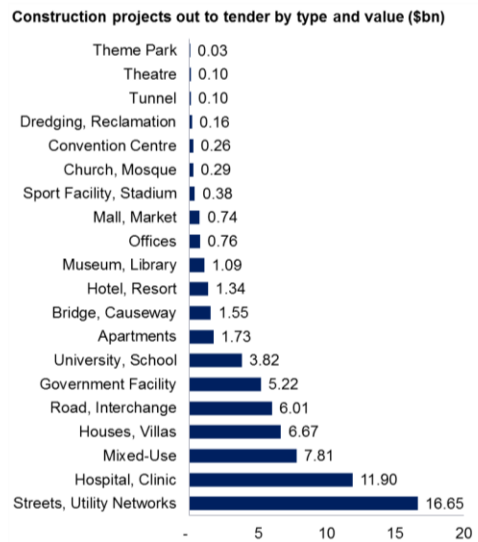


- GCC infrastructure $300 bn spent vs $450 bn in contract awards
- Dubai $52 bn spent vs $53 bn awarded
  - 20% of GCC roads
  - 20% of GCC airports
  - 50% of GCC rail

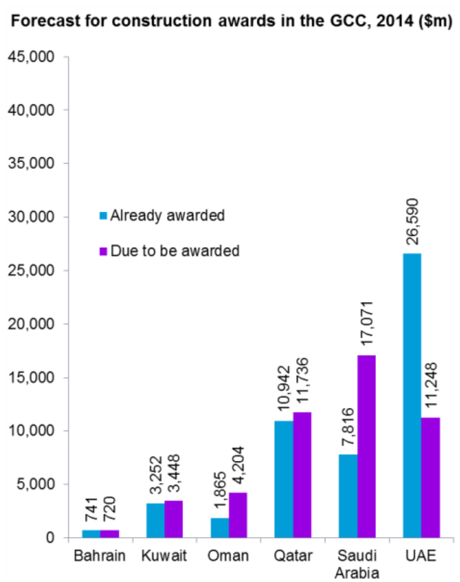
- GCC construction $500 bn spent vs similar awards
- Dubai $179 bn spent
  - 43% of GCC residential
  - 46% of GCC mixed-use
  - 27% of GCC retail
  - 30% of GCC hospitality

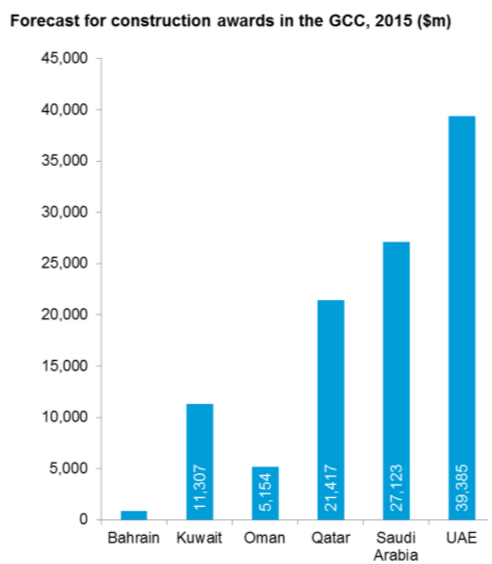
UAE's projects - future





- UAE accounts for 22% of known future projects in GCC
- UAE accounts for 34% of known future construction projects in GCC
- Buildings account for 91% of known future projects in Dubai





- Mixed use covers a multitude of sub-sectors including Residential, Hospitality, Retail, Leisure and Commercial
- Strong pipelines with all major developers in these sectors

Running order

- Economic outlook
- UAE in context
- Dubai

Source: MEED Projects

Running order

- **Dubai**

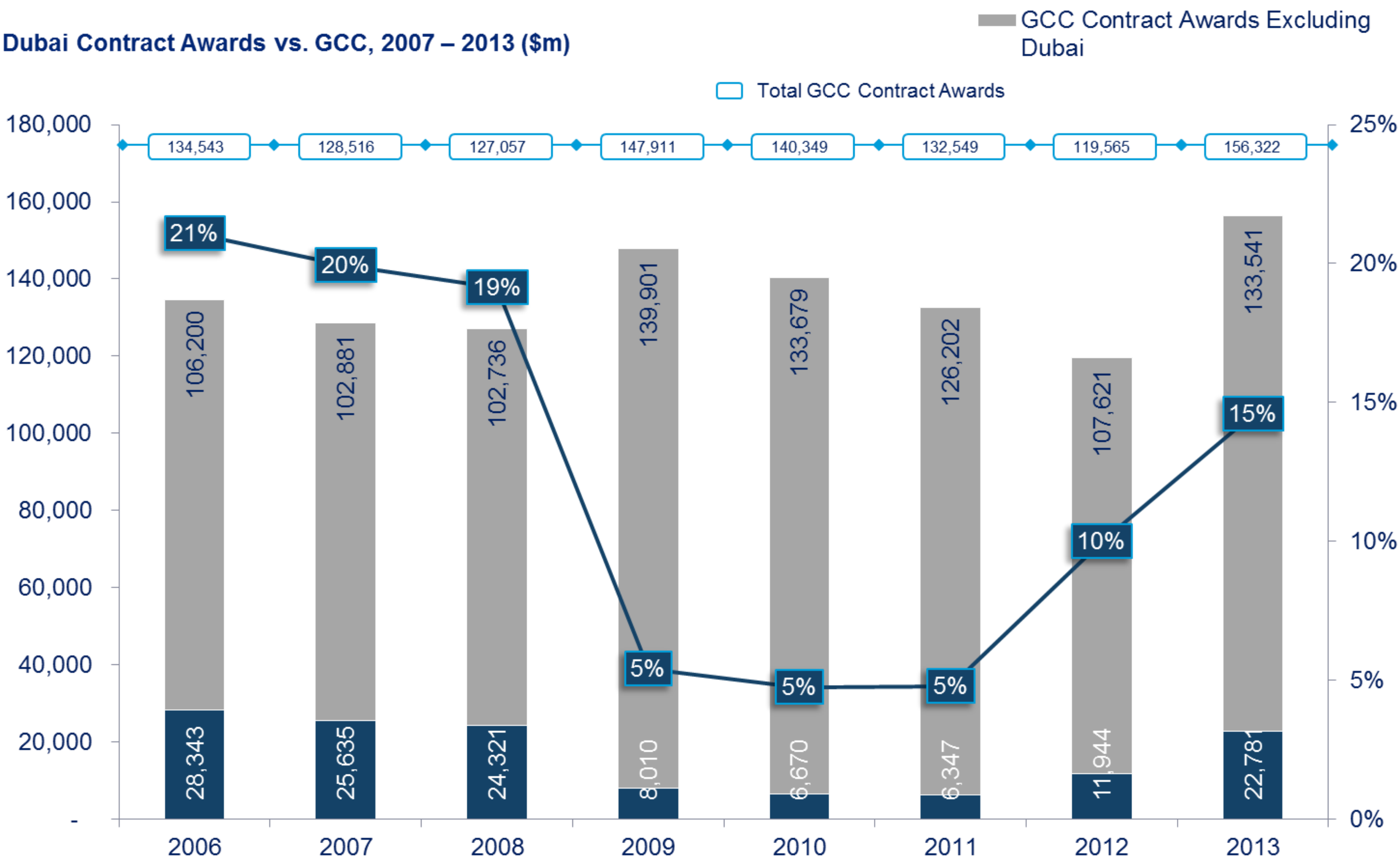
Source: MEED Projects

Dubai

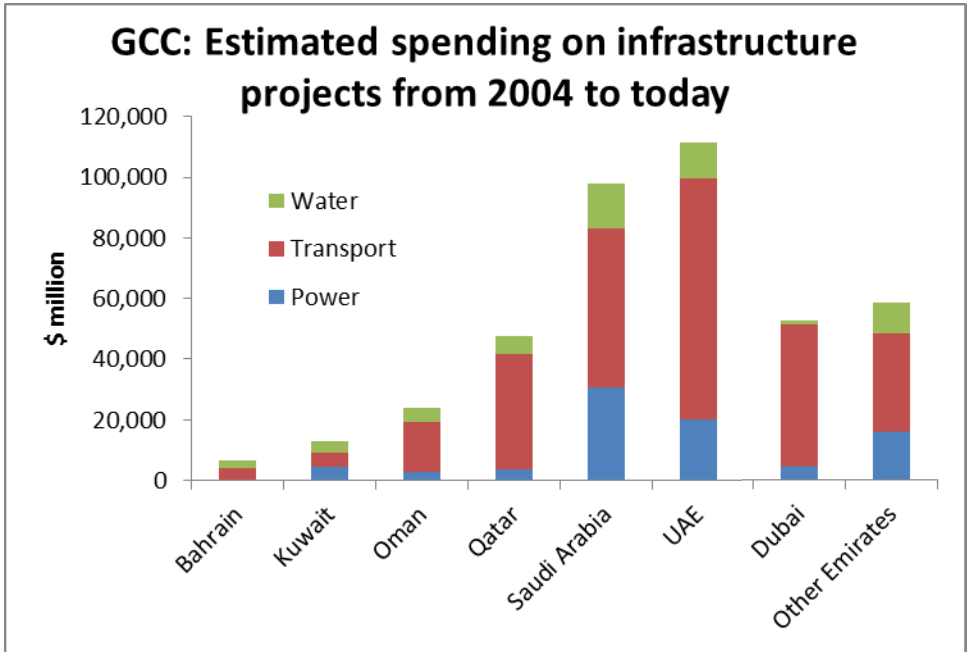
Dubai's recovery

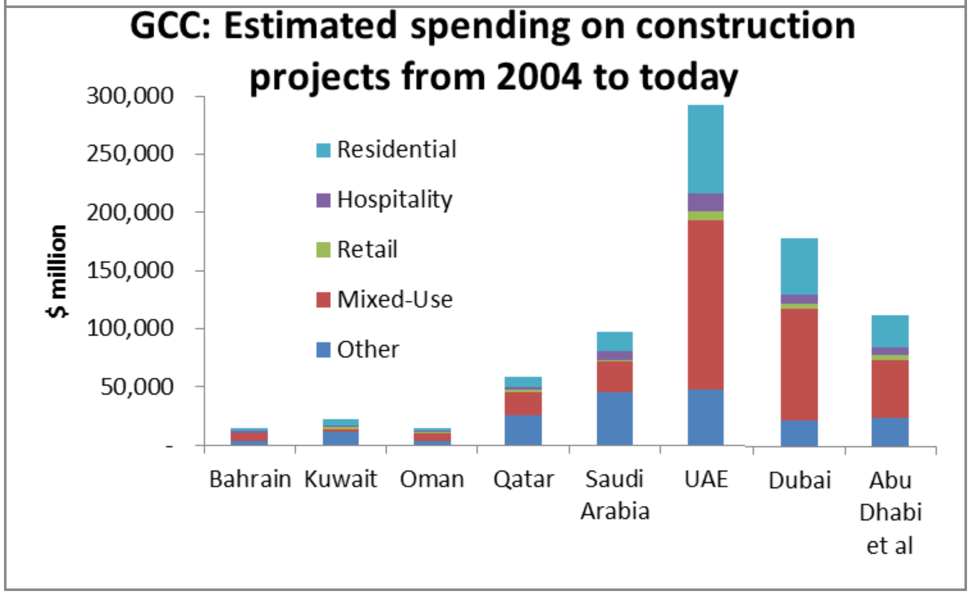
- Expo 2020
  - Gradual recovery since late 2011
  - $entiment!
- Non-oil economy
  - GDP growth for 2014 revised up from 4.7% to 5.5-6%; double-digit 2015-2018 (Monika Malik, Chief Economist, EFG Hermes UAE)
- "Safe-haven"
  - Arab Spring contributed 2% to GDP 2011 to 2013 (Monika Malik, Chief Economist, EFG Hermes UAE)
- Debt
  - 102% of GDP (vs ~17% UAE, 35% Qatar/Bahrain, 106% USA)
  - $20bn covenant due this year, DW/Nakheel from 2015

Dubai vs rest of GCC



Dubai's projects - past





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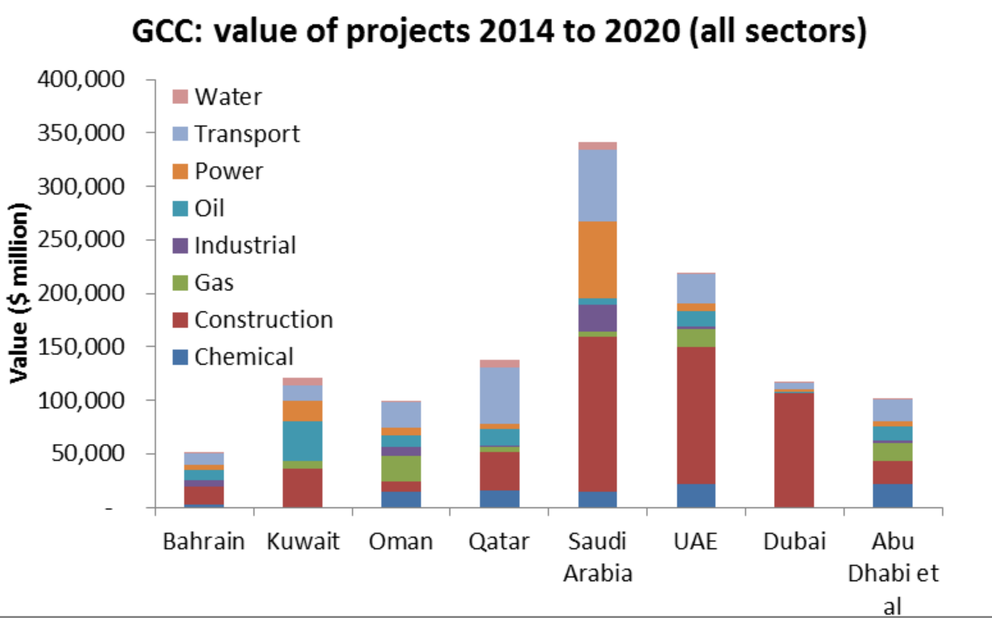
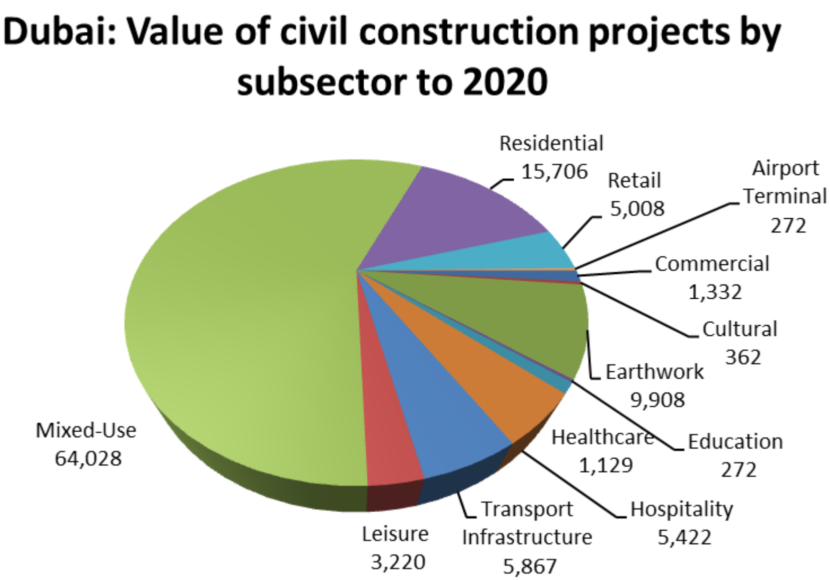
Dubai's projects - future

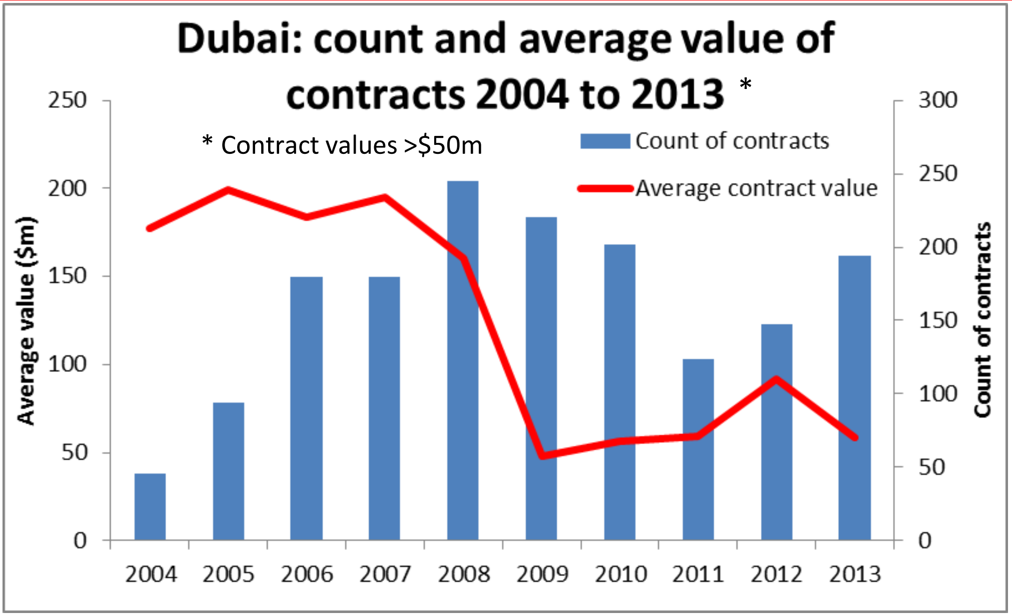




- Dubai accounts for 10% of known future projects in GCC
- Dubai accounts for 80% of known future construction projects in UAE
- Construction/Transport account for 97% of known future projects in Dubai

- Mixed use covers a multitude of sub-sectors including Residential, Hospitality, Retail, Leisure and Commercial
- Strong pipelines with all major developers in these sectors

Dubai's projects - contractors



- Dubai: between 2004 and December 2008 216 companies won 522 main civil contracts
- Between January 2009 and December 2013 132 companies won 272 main civil contracts
- In Dubai nine contractors featured in the top 20 before/after the crash
- In UAE as a whole, there are 11
- Contracting activity shifted from Dubai to Abu Dhabi

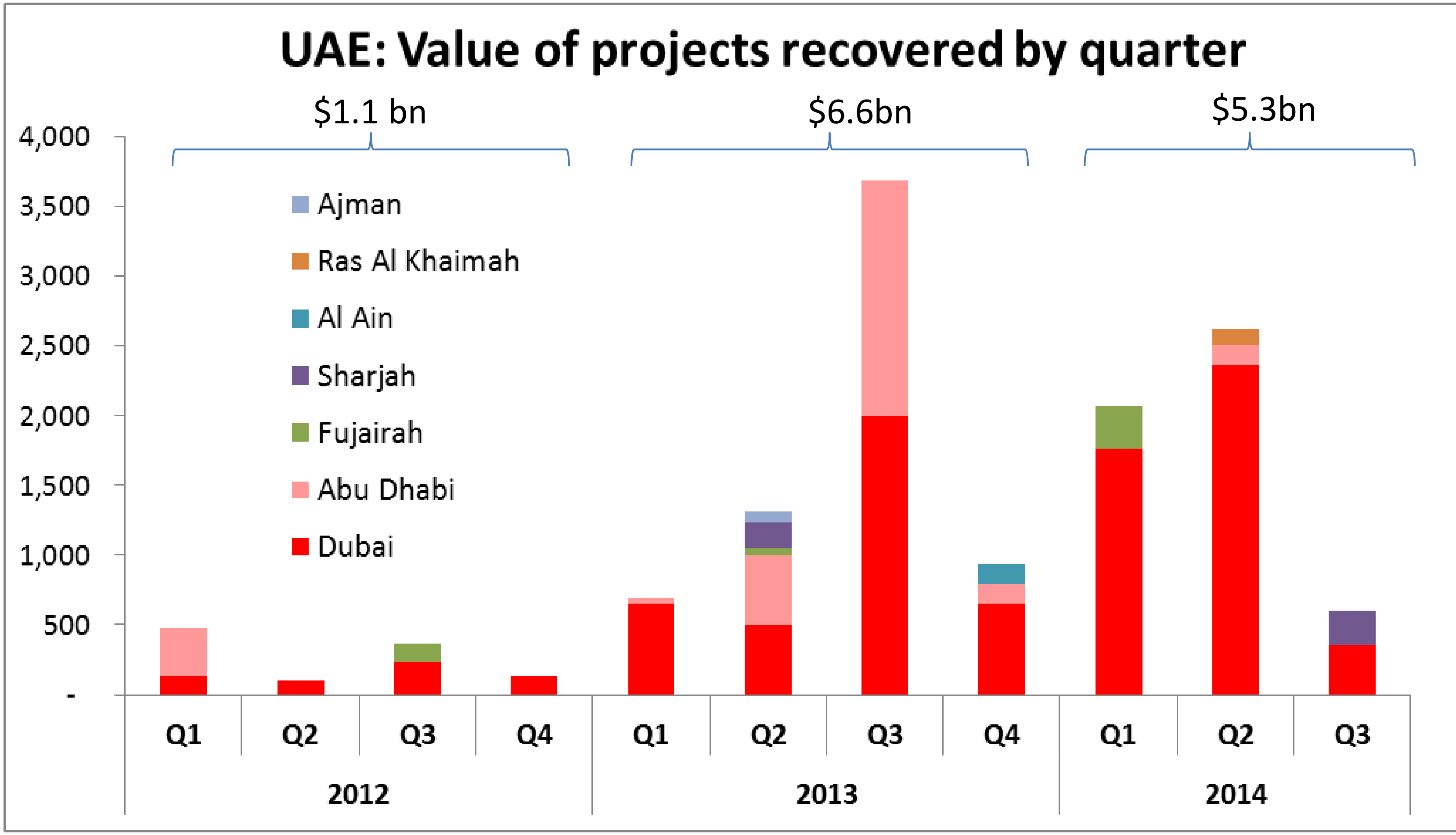
Dubai – up to & including Expo

- Investment plan is worth $6.9bn
  - Covers Expo site itself, facilities at DWC and additional infrastructure
    - Special Purpose Vehicle to be formed 2014 to deliver and operate site
      - Special Purpose Vehicle to be formed 2014 to deliver and operate site
        - 438 hectares, one third of site is Expo venue
          - 4 options for Metro Red Line extension (8-15km, 2-4 stations, up to AED 5 billion)
            - Master plan model shows 19 new intersections

- Al Sufouh tram
- Metro Red/Green Line Extensions
- 500km roads, 120 intersections
- 750km cycle ways
- DWC and DXB expansions
  - DMCC Burj 2020, Meraas (Bluewaters, Theme Parks), Nakheel (Palm projects, The World, Deira Islands)

$13bn of projects* resumed in 2.5 years

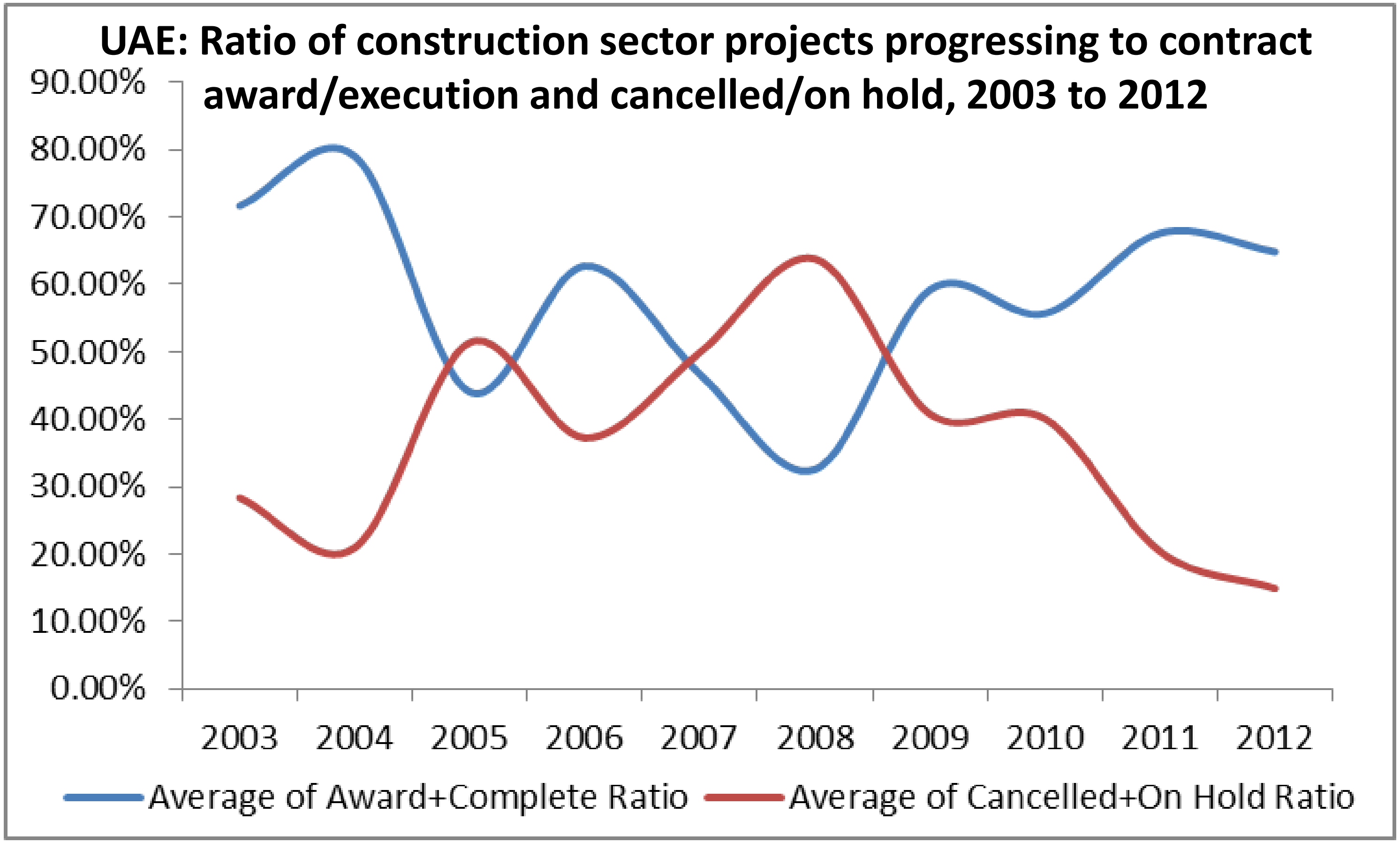
* Buildings only, includes only tendered packages; total value of all projects including masterplans is over $56bn



$1 billion worth of on hold projects resumed in 2012, $12 billion since start of 2013; over 50% of this is mixed-use

Sector confidence?

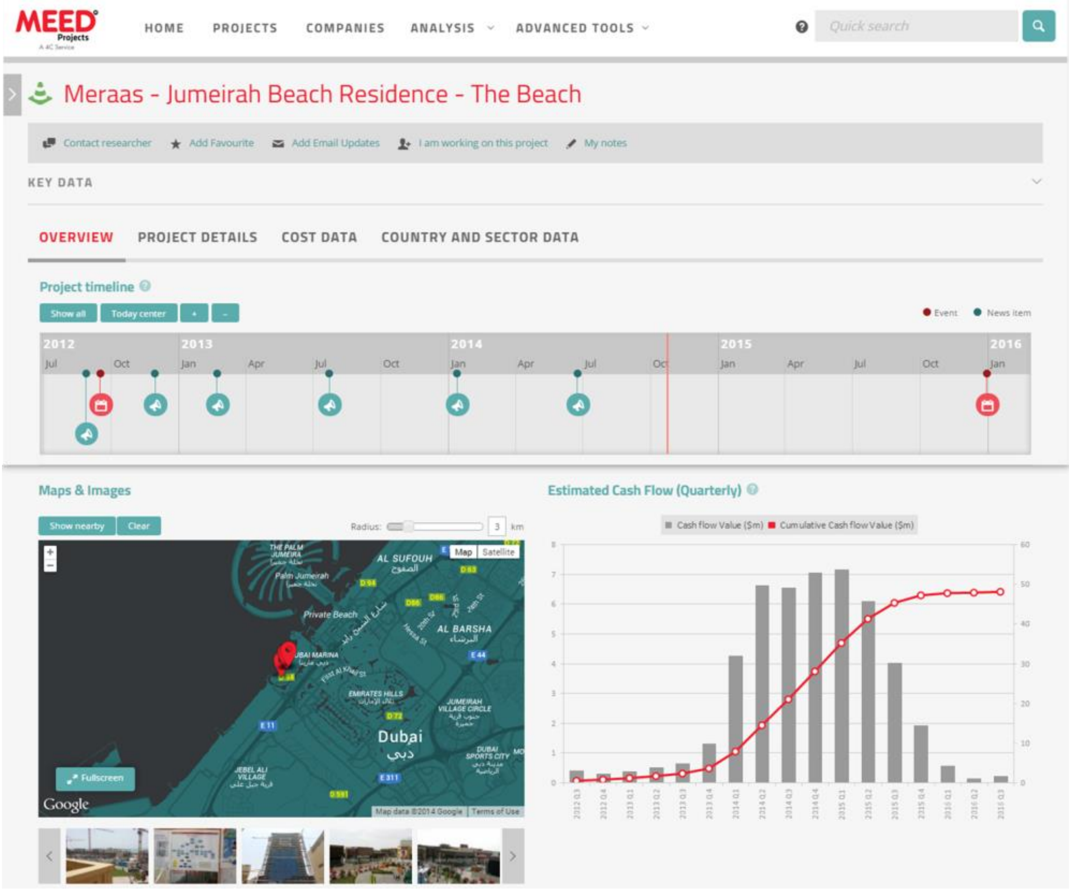
Step 1: arrange all UAE Construction projects in MEED Projects by year of announcement
Step 2: review whether each project has successfully progressed to contract award or completion
Implication: noisy lines imply volatility, uncertainty; widening gap between blue and red lines = fewer projects stalling



How do we know all this?

UAE/Qatar/Oman/Kuwait – "Boots"

- Surveyed every single construction site in the UAE three times since July 2013, Qatar and Oman once
- 2,000 more UAE , 450 more Qatar, 500 more Oman projects in MEED Projects now vs 12 months ago
- $75 billion more worth of opportunity
- Of these on the system, 500 are sub $30 million
- Total includes about 400 lower value (sub $5 million) opportunities
- 3,000 projects photographed, 7,000 images on the website
- GPS co-ordinates and location maps for 3,000 UAE projects (including on hold or complete), 600 Qatar projects



Opportunities

- Ar ... design – high qu ... r (re
  ho ... d re ...
- Sp ... erials supply – ... gh end retail,
  hospitality a ... l construction)
- Power gener ...
- Ra ... l services ... fety, ICT,
  st ...
- Logistics – (f ... bai, 1 in
  Al ... i)
- ... nation ...
- ...

BIM: READY OR NOT?

IAN CHAPMAN

ABOUT **ME**

CHARTERED ENGINEER

DIRECTOR OF NATIONAL BIM LIBRARY

BOARD MEMBER

B/555 STEERING PANEL

AGENDA

- Introduction to NBS
- The Market and Drivers for Change
- BIM and BIM objects
- The NBS National BIM Library
- Summary and Questions

RIBA ENTERPRISES **BRANDS**

nbs

Including….

nbs Create

nbs National BIM Library

The Construction Information Service

nbs

RIBA Bookshops

RIBA Appointments

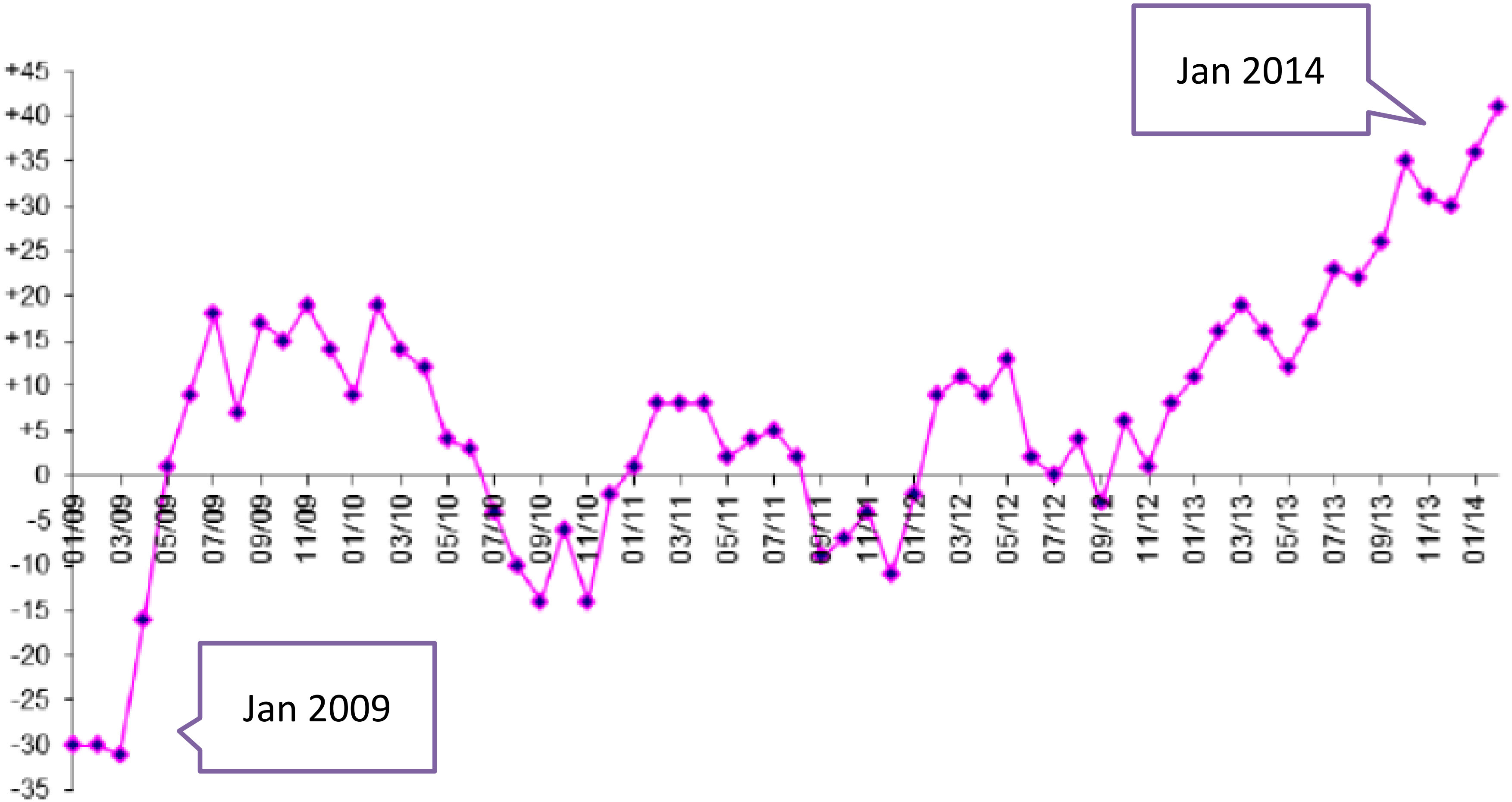
RIBA Publishing

riba product selector

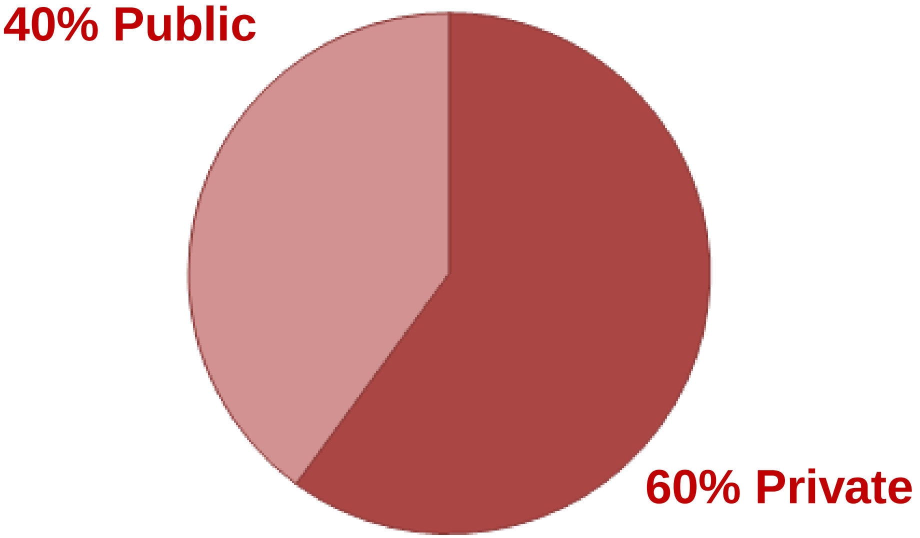
RIBA · CPD PROVIDERS NETWORK ·

RIBA J

MARKET ACTIVITY



UK CONSTRUCTION



Source: ONS and CPA Summer Forecast

Lower costs

33%

reduction in the initial cost of construction and the whole life cost of built assets

Faster delivery

50%

reduction in the overall time, from inception to completion, for newbuild and refurbished assets

Lower emissions

50%

reduction in greenhouse gas emissions in the built environment

Improvement in exports

50%

reduction in the trade gap between total exports and total imports for construction products and materials


CabinetOffice

Government Construction Strategy

May 2011

Government require fully collaborative 3D BIM (with all project and asset information, documentation and data being electronic) by 2016.

“For public works contracts and design contests, Member States may require the use of specific electronic tools, such as of building information electronic modelling tools or similar….”

nbs


CHANGE

TECHNOLOGY REVOLUTION

SkyDrive

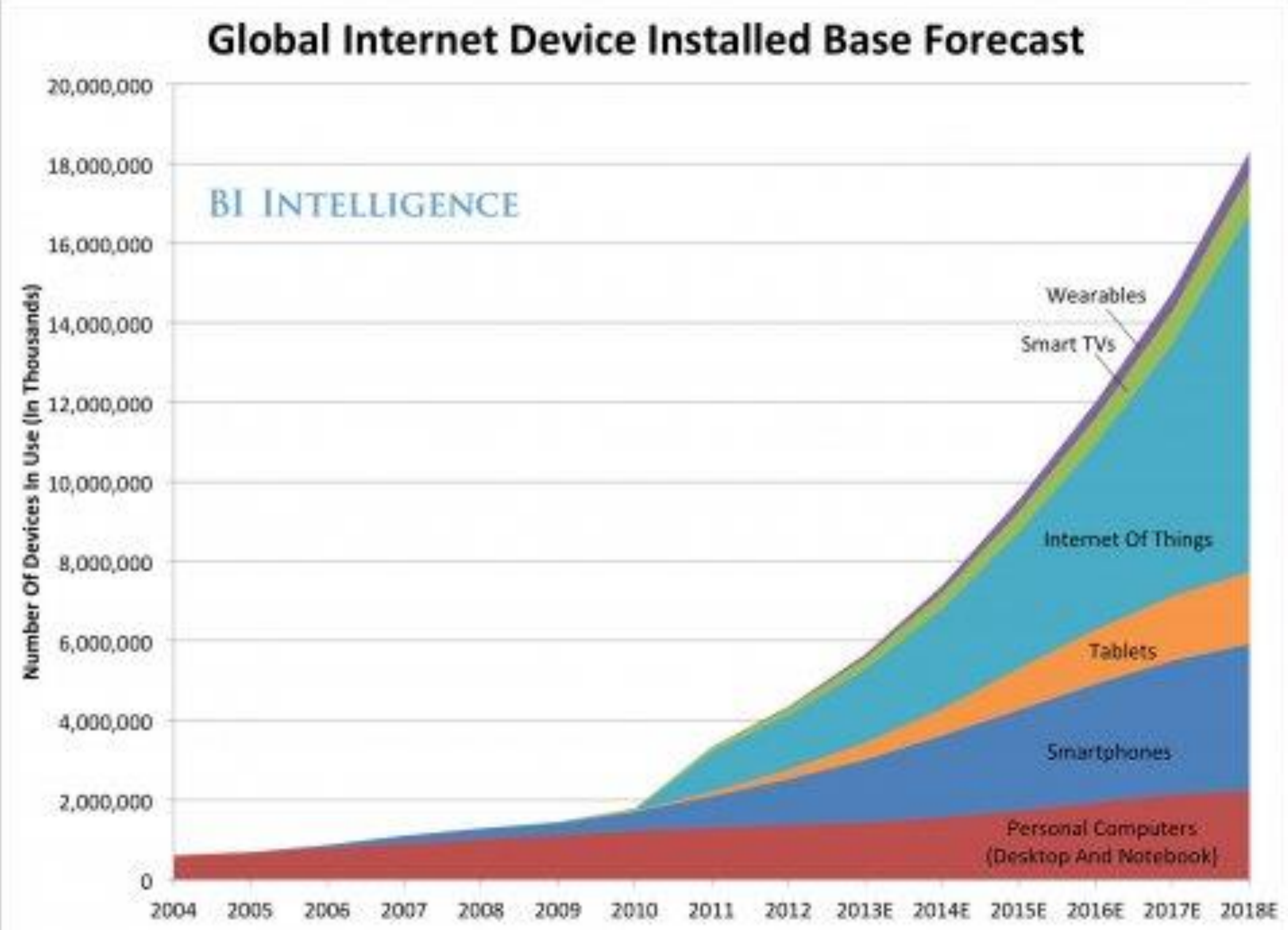
Google Drive

iCloud

Dropbox

nbs

THE INTERNET OF THINGS



Source: Gartner, IDC, Strategy Analytics, Machina Research, company filings, BII estimates

NBS NATIONAL BIM REPORT 2014

NBS NATIONAL BIM REPORT 2014

BIM awareness is near universal

BIM is the future of product information

59% turn to NBS for trusted information

NBS NATIONAL BIM REPORT 2014

BIM software is top of the poll

More than 75% need manufacturers BIM objects

77% create their own BIM objects, 49% use the NBS National BIM Library

LOTS **MORE**

- BIM usage by organisation type
- BIM barriers to adoption
- The international view
- The manufacturer’s view
- The small practice view
- Standardization

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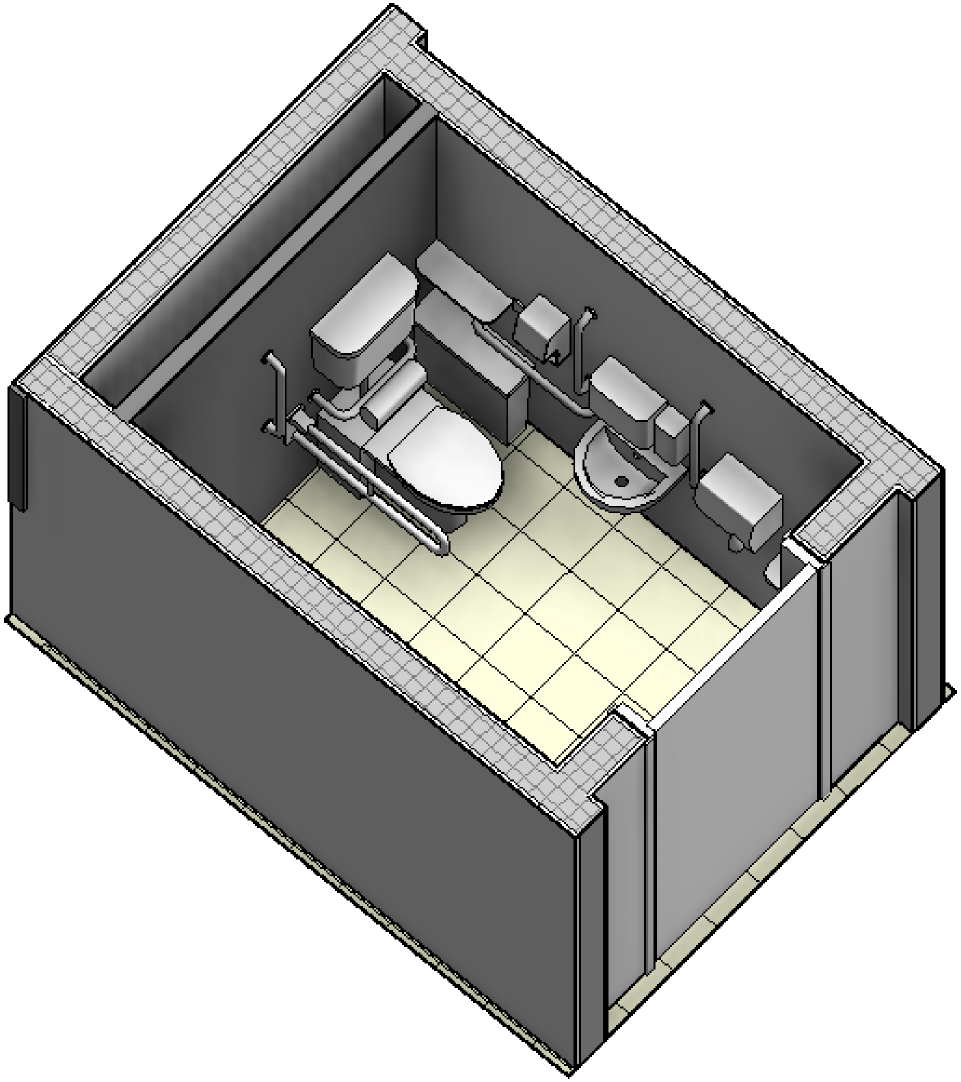
THE DIGITAL OFFICE

WHAT IS BIM?

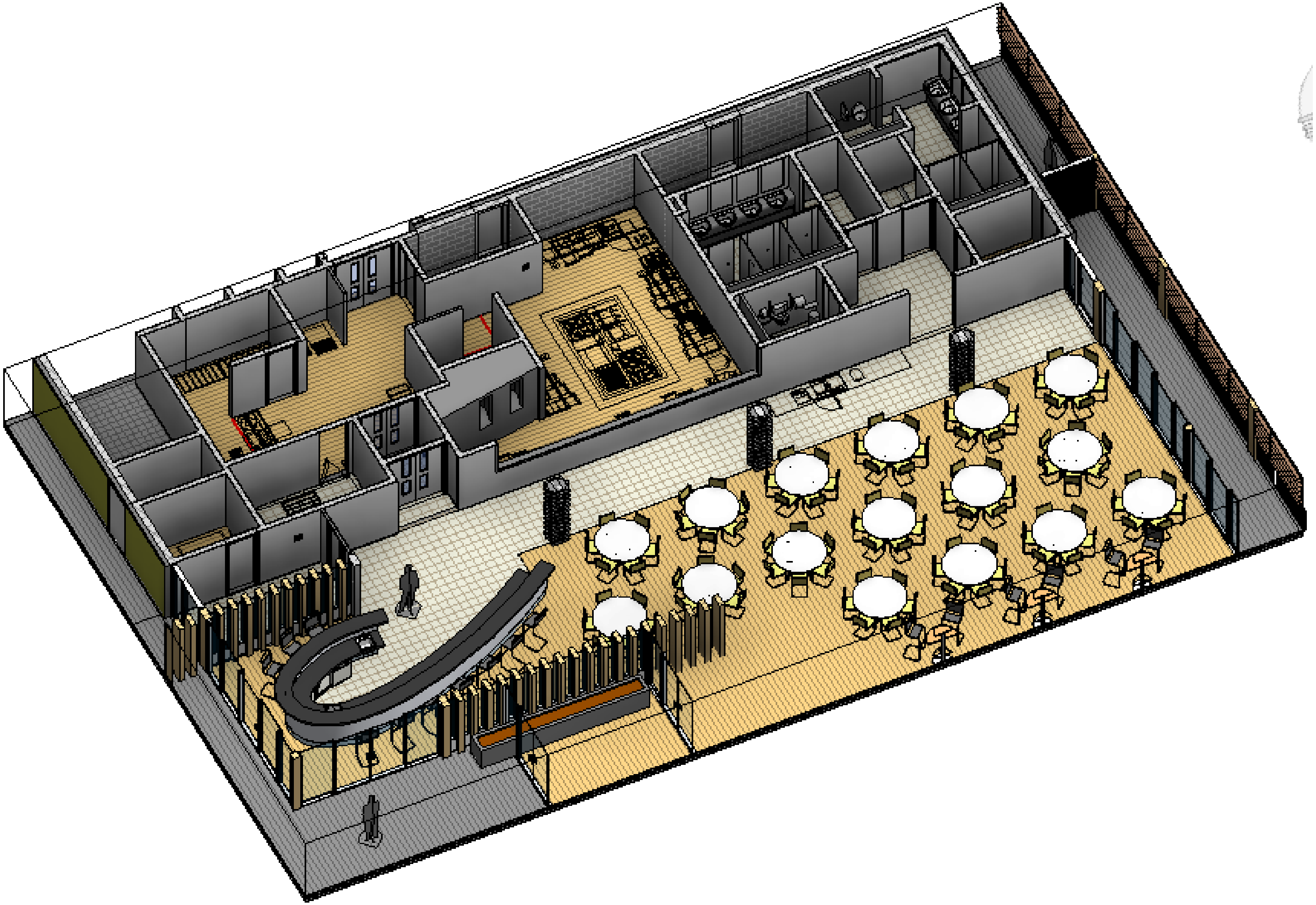
Building Information Modelling is about everyone understanding a building through the use of a digital model.

Building an information model

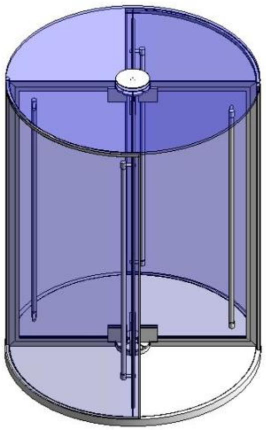
MODEL BUILDING

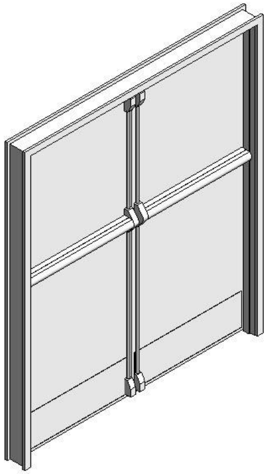


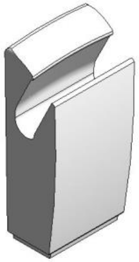
MODEL BUILDING

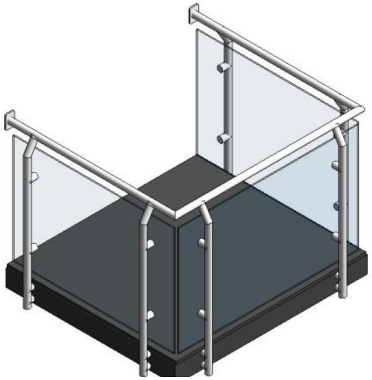


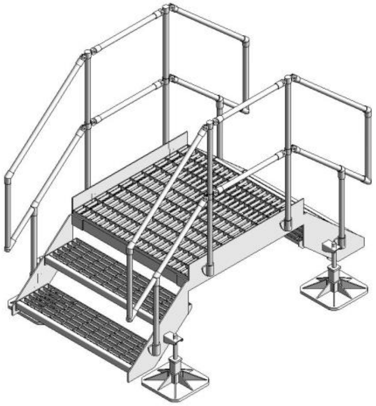
BIM OBJECTS

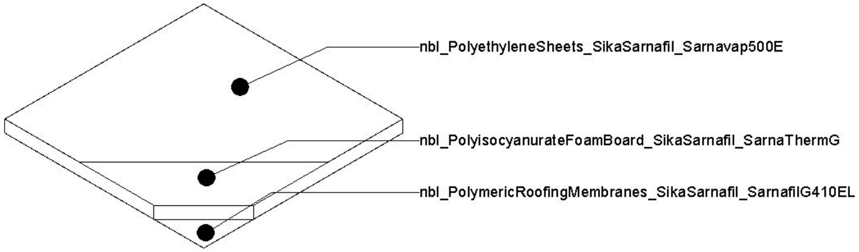






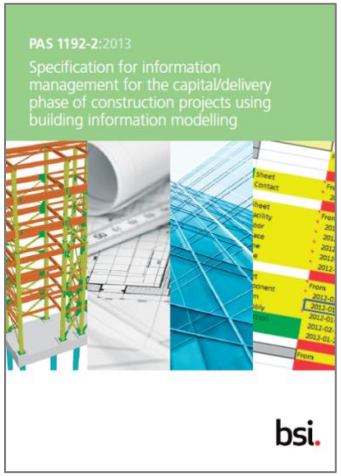





nbl_PolyethyleneSheets_SikaSarnafil_Sarnavap500E
nbl_PolyisocyanurateFoamBoard_SikaSarnafil_SarnaThermG
nbl_PolymericRoofingMembranes_SikaSarnafil_SarnafilG410EL


Build anything with blocks!

WHERE TO START?



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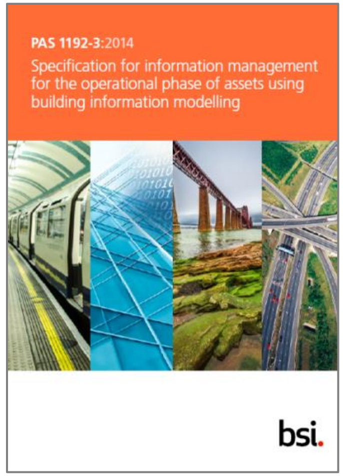

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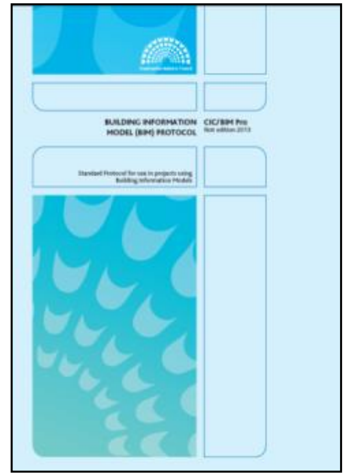

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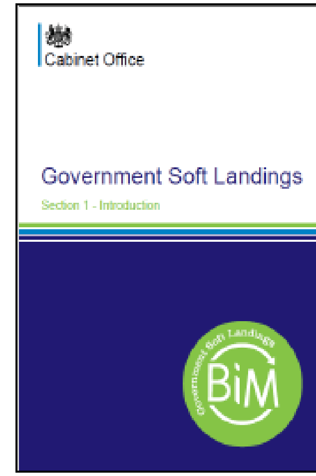

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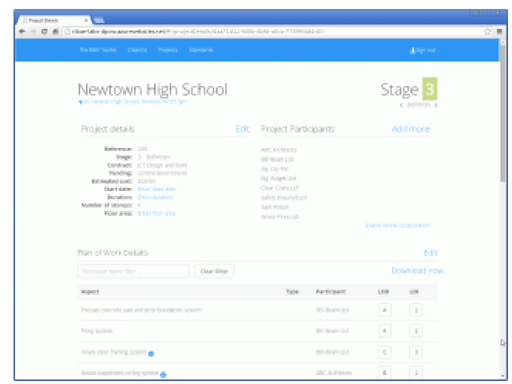


7

WHERE TO START?

STANDARDISATION

BENEFITS OF STANDARDISATION

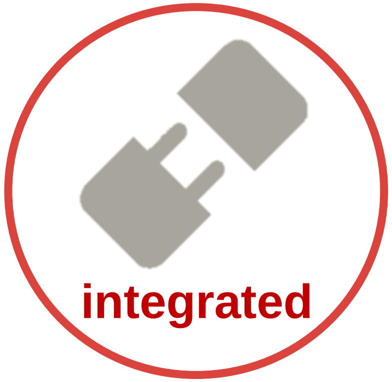
1. Enable trade
2. Improve safety
3. Facilitate efficient use of resources
4. Reduce time
5. Improve quality
6. Permit compatibility and aid integration
7. Improve value for money
8. A means of assessing goods in order to reject or accept them

OBJECTS OF DESIRE

Information
Geometry
Behaviour
Presentation

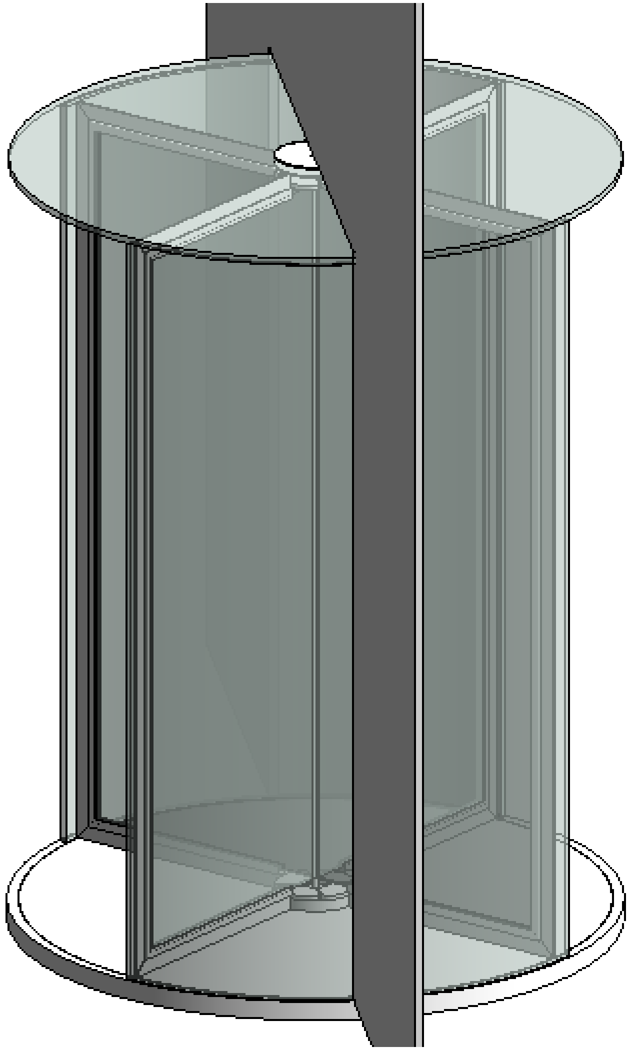
OBJECTS OF **DESIRE**

Information
Geometry
Behaviour
Presentation



OBJECTS OF DESIRE

- Information
- Geometry
- Behaviour
- Presentation



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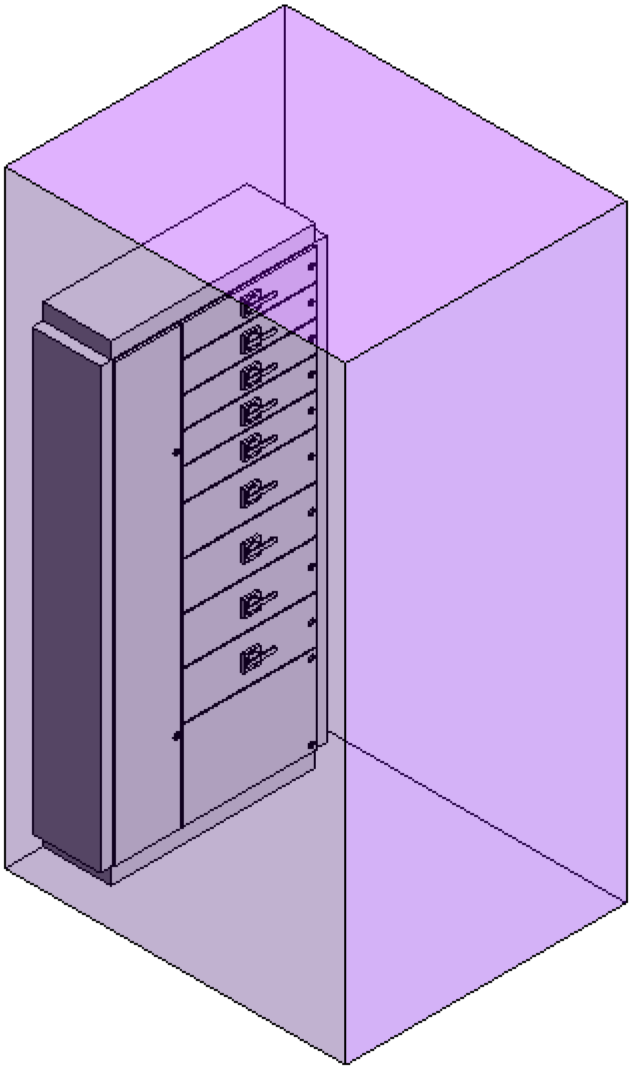
OBJECTS OF DESIRE

Information
Geometry
Behaviour
Presentation



OBJECTS OF DESIRE

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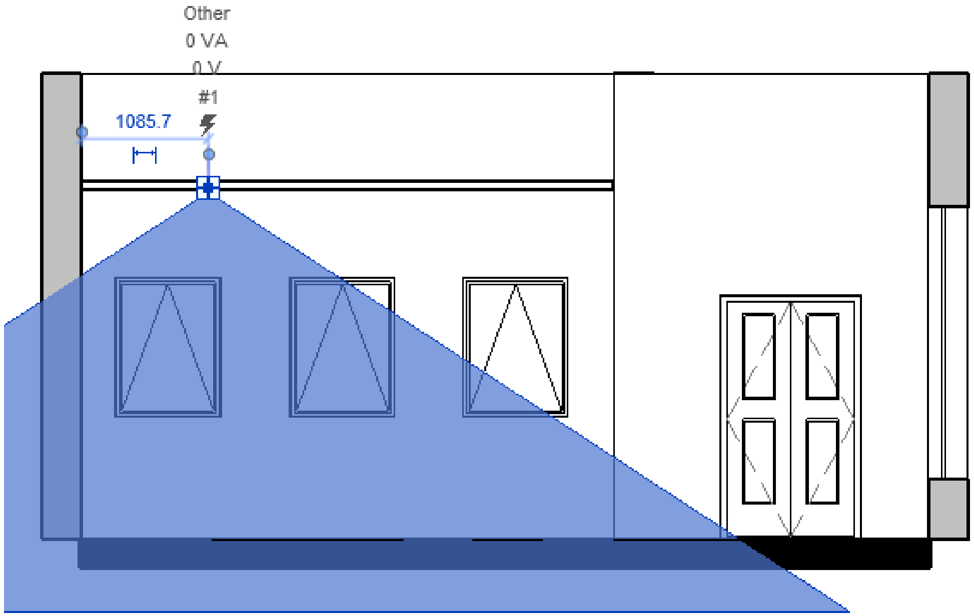
Geometry
Behaviour
Presentation



OBJECTS OF DESIRE

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Geometry
Behaviour
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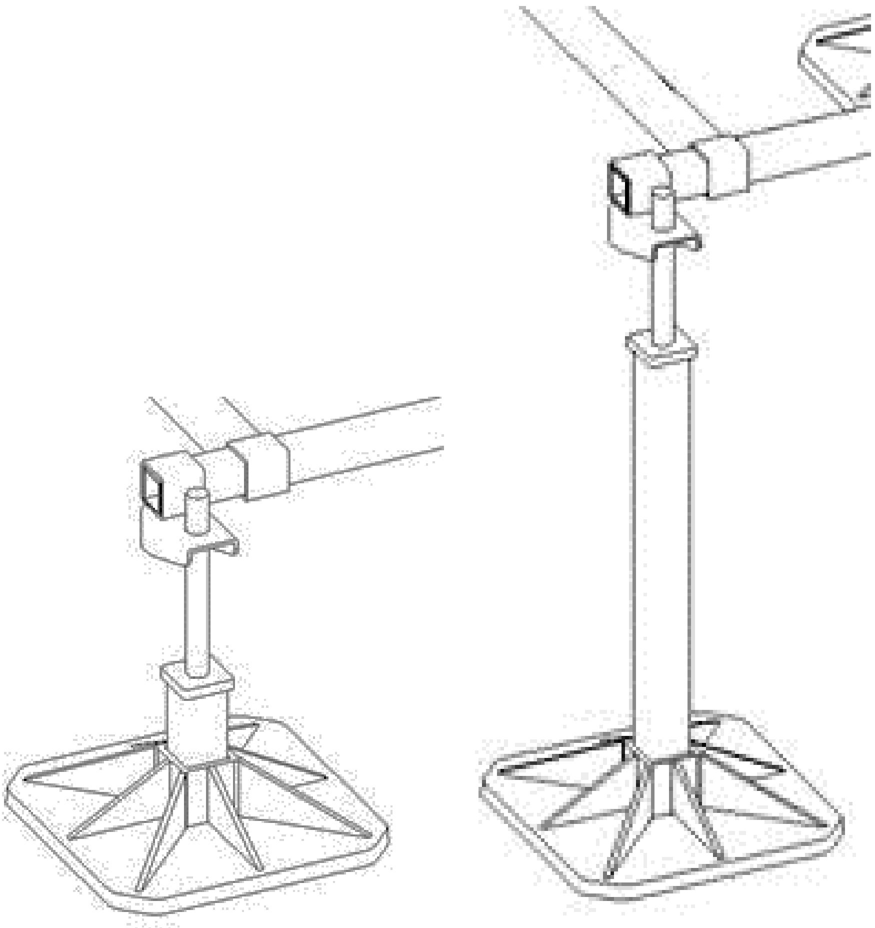


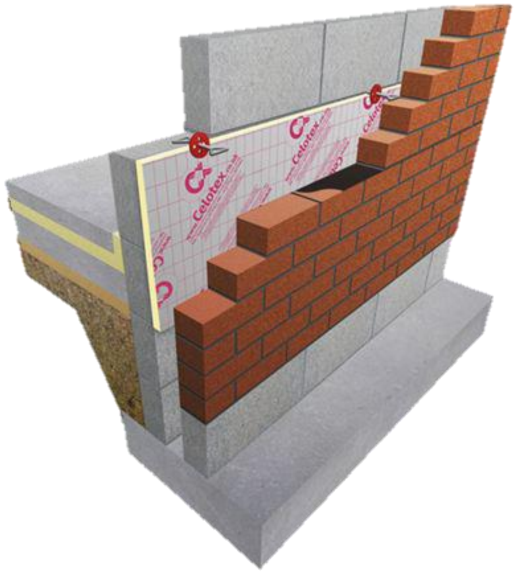
OBJECTS OF DESIRE

Information

Geometry

Behaviour

Presentation



OBJECTS OF **DESIRE**

Information
Geometry
Behaviour
Presentation

Up to date

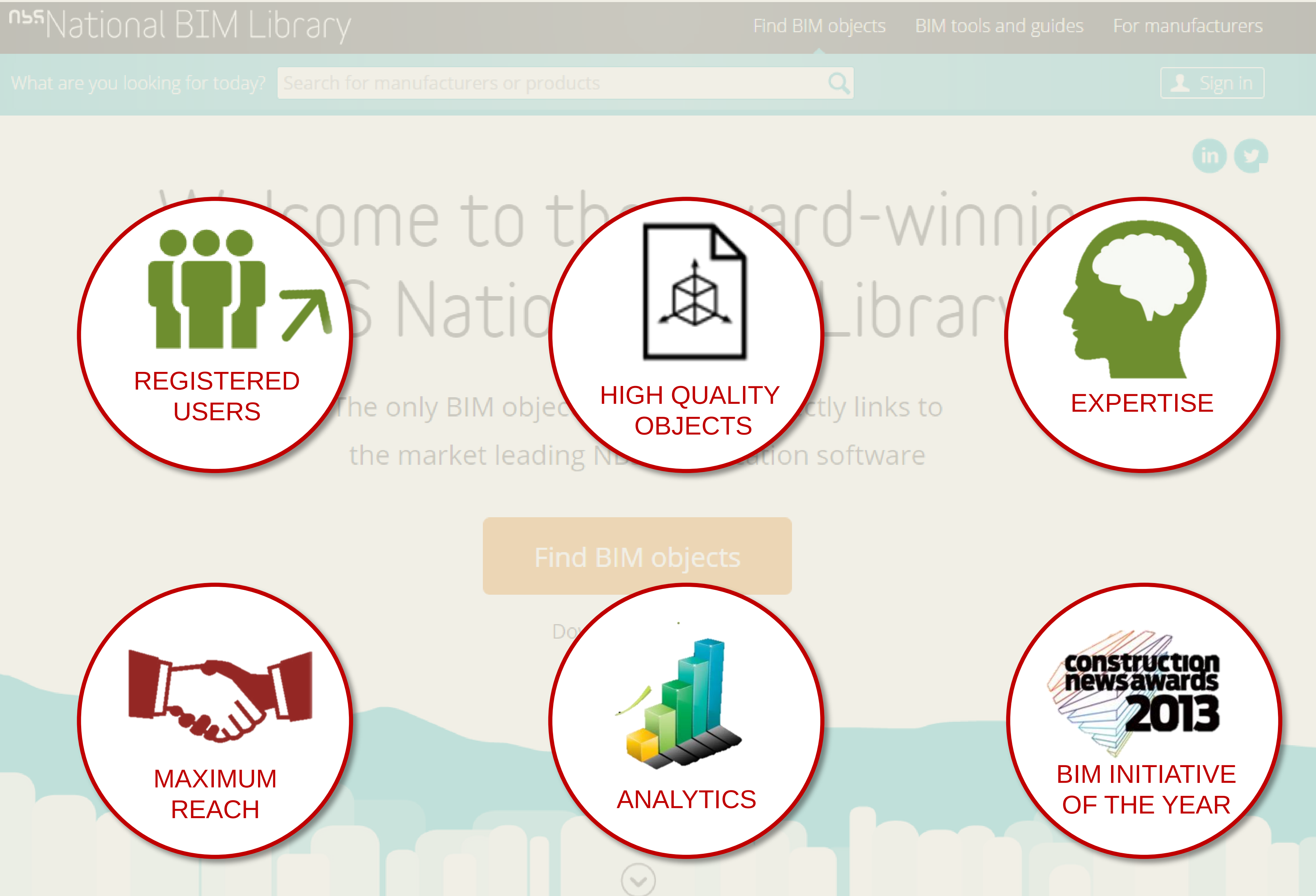

I don't have time to be this busy!

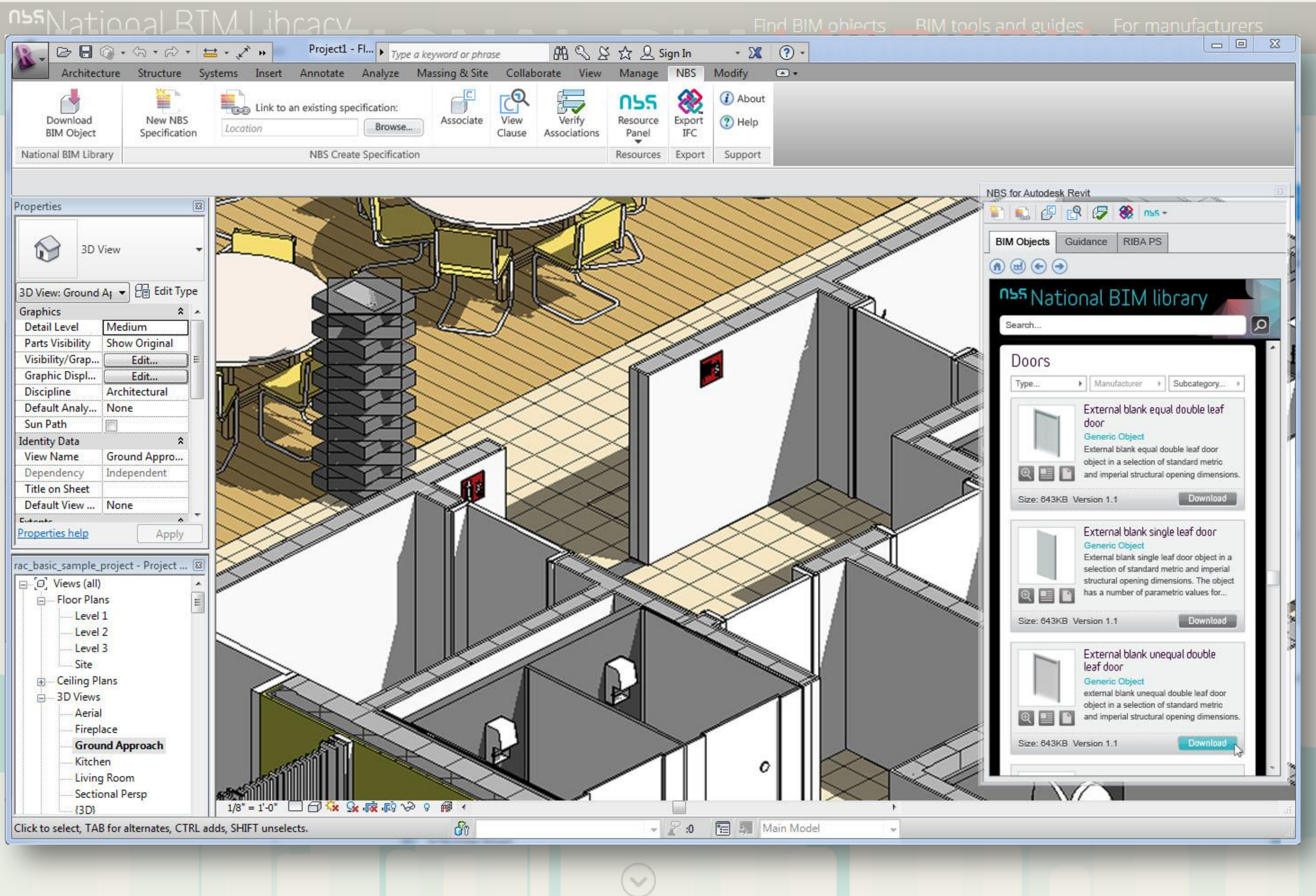
Welcome to the award-winning NBS National BIM Library

The only BIM object library which directly links to the market leading NBS specification software

Find BIM objects

Download plug-ins


National BIM Library
Find BIM objects
BIM tools and guides
For manufacturers
What are you looking for today?
Search for manufacturers or products
Sign in
REGISTERED USERS
HIGH QUALITY OBJECTS
EXPERTISE
Find BIM objects
MAXIMUM REACH
ANALYTICS
construction news awards 2013
BIM INITIATIVE OF THE YEAR


National BIM Library
Find BIM objects
BIM tools and guides
For manufacturers
Project1 - Fl...
Type a keyword or phrase
Sign In
Architecture
Structure
Systems
Insert
Annotate
Analyze
Massing & Site
Collaborate
View
Manage
NBS
Modify
Download BIM Object
New NBS Specification
Link to an existing specification:
Location
Browse...
Associate
View Clause
Verify Associations
Resource Panel
Export IFC
About
Help
National BIM Library
NBS Create Specification
Resources
Export
Support
Properties
3D View
3D View: Ground A
Edit Type
Graphics
Detail Level
Medium
Parts Visibility
Show Original
Visibility/Grap...
Edit...
Graphic Displ...
Edit...
Discipline
Architectural
Default Analy...
None
Sun Path
Identity Data
View Name
Ground Appro...
Dependency
Independent
Title on Sheet
Default View ...
None
Properties help
Apply
rac_basic_sample_project - Project ...
Views (all)
Floor Plans
Level 1
Level 2
Level 3
Site
Ceiling Plans
3D Views
Aerial
Fireplace
Ground Approach
Kitchen
Living Room
Sectional Persp
{3D}
1/8" = 1'-0"
Click to select, TAB for alternates, CTRL adds, SHIFT unselects.
Main Model
NBS for Autodesk Revit
BIM Objects
Guidance
RIBA PS
National BIM library
Search...
Doors
Type...
Manufacturer
Subcategory...
External blank equal double leaf door
Generic Object
External blank equal double leaf door object in a selection of standard metric and imperial structural opening dimensions.
Size: 643KB Version 1.1
Download
External blank single leaf door
Generic Object
External blank single leaf door object in a selection of standard metric and imperial structural opening dimensions. The object has a number of parametric values for...
Size: 643KB Version 1.1
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External blank unequal double leaf door
Generic Object
external blank unequal double leaf door object in a selection of standard metric and imperial structural opening dimensions.
Size: 643KB Version 1.1
Download

SUMMARY

Major  in the construction industry

Deadline  is fast approaching

Don’t be  out

SUMMARY

BIM is about 

an information model

BIM is for the 

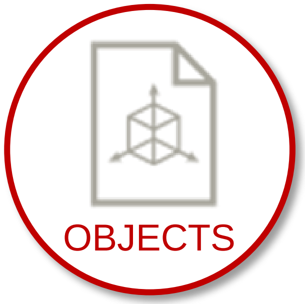
and the 

The demand for BIM objects is 

SUMMARY

Think carefully about how you create your objects

Ensure your objects are to the right standard and 

Make sure your 

have maximum appeal and reach

Adopt BIM now

a year from now you will wish you had 

today

THANK YOU

@IanChapmanNBS

Ian.Chapman@thenbs.com

in/IanChapmanNBS

MORE INFO

www.NationalBIMLibrary.com

www.theNBS.com/BIM

www.theNBS.com/BIMToolkit

www.BIMTaskGroup.org

Question and answer session

Glenigan
Constructing Insight

#GleniganBB

Bernard Johnson, Glenigan

Thank you for coming

Share your comments and photos

#GleniganBB

Glenigan
Constructing Insight
A 4C Service