

COVID-19

EXECUTIVE SUMMARY

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THE GLENIGAN CONSTRUCTION REVIEW

Reflecting activity to the end of February 2020

Olympia Centre Masterplan
Project ID: 12319820
Image Source: Heatherwick

Including a UK Construction
and COVID-19 impact assessment

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Intro

The Glenigan economics team have decades of experience delivering tailored construction insight, analysis and recommendations to companies just like yours.

Our industry insight has been built up over years of impartial data gathering and our economics team combine this with their commercial expertise to provide the in-depth strategic insight that you need to make key budgeting and planning decisions.

Glenigan data covers all construction sectors, including education, health, hotel and leisure, industrial, infrastructure, offices, private housing, retail, social housing, and utilities, and spans across all 13 regions of the UK.

If your strategic planning would benefit from our unique industry insight, contact us on 0800 060 8698 to discuss your requirements.

Contact us to discuss your requirements.



Written by **Allan Wilén**

Glenigan Economics Director

30 years experience in providing insightful market analysis and forecasts on UK construction and the built environment that can inform companies' business development and market strategies.



Co-written by **Rhys Gadsby**

Economic Analyst

Rhys joined Glenigan in 2019 and is responsible for the research behind the Glenigan Index, sector analysis for the Glenigan Construction Review, and is a regular contributor to bespoke reporting for customers.

UK Construction and COVID-19 initial impact assessment

As the Coronavirus/COVID-19 pandemic continues to impact lives and businesses globally, we look at the issues and risks that are impacting the UK construction industry.

WORKLOAD

Stalled projects:

Glenigan research has identified a rising number of projects that have been put on hold as a direct result of the Coronavirus – at last count 705 projects*.

This is only set to increase as a number of main contractors and housebuilders have already closed their sites, and the government is under pressure to protect construction workers and halt the spread of the virus.

Planning pipeline:

As yet Glenigan hasn't seen a drop off in the number of planning applications being submitted to local authorities for approval. This may change over the coming weeks as more clients and architects are working at home or self-isolating. In addition, the ability of local authorities to process and approve applications will be disrupted over the coming weeks, with planning staff away and committee meetings postponed. Significant delays would have a detrimental impact on firms' order books over the coming months.

Marketing and leads generation:

The widespread cancellation of industry exhibitions and events and of face-to-face meetings is severing an important traditional route for many businesses to raise their profile, network and find new work opportunities. Business will need to increasingly rely on alternative ways,

such as Glenigan, to identify opportunities and engage with potential customers and influencers.

PROJECT DELIVERY

Available workforce:

Government predicts that at the pandemic's peak up to a fifth of the UK workforce will be in self-isolation. This has clear implications for the operation of work on-site and the timely delivery of projects. Contractors will have to be alert not only to the welfare and availability of their own staff, but also the potential unavailability of staff at key sub-contractors which can potentially disrupt the critical path of a project.

Construction product availability:

The vast majority of construction products are manufactured in the UK; an estimated 26% of all materials are imported. However, the UK does import a high proportion of certain materials such as timber products and mechanical & electrical components. In addition, 62% of all imported construction products are sourced from the EU and 16% are imported from China, both regions have been subjected to extensive shutdowns and product supply may be interrupted. Similarly, as the pandemic progresses the availability of UK sourced products may also be disrupted.

**Correct at time publication: 25th March 2020*



Executive Summary

Decline in project starts, but major projects boost development pipeline.

Construction activity remained subdued during the three months to February. The value of projects starting on site averaged £4,895 million per month during the three months December to February, a 24% decline against a year ago.

The sharpest fall was in the value of major projects (of £100m or more), which at an average of £1,047 million a month were at half the level of a year ago. The value of underlying projects (under £100m) starting on site also fell, dropping by 8% against the preceding three months on a seasonally adjusted basis to stand 11% down on a year ago.

There was a small improvement in the value of contract awards which averaged £6,649 million a month during the three months to February, a 9% rise on a year ago. The increase was due to a doubling in the value of major contract awards. The value of underlying contract awards was 14% down on a year ago.

The development pipeline has stabilised. The value of overall approvals was 36% higher than a year ago. Major projects saw the sharpest recovery, being more than double the level of a year ago. The rise in the value of underlying detailed planning approvals was more modest, rising by just 1% against the preceding three months on a seasonally adjusted basis to stand 10% up a year ago.

CONSTRUCTION OUTPUT

The volume of construction work undertaken on site during the three months to January rose by 1.4% against the previous three months, according to the ONS, lifting output to stand 3.1% up on a year earlier.

Repair & maintenance work was 0.6% down on the previous three months and unchanged on a year ago. Private housing RM&I was particularly weak, dropping by 5.6% against the previous three months to stand 7.3% lower than a year ago. In contrast there was a 7% rise in public housing RM&I work.

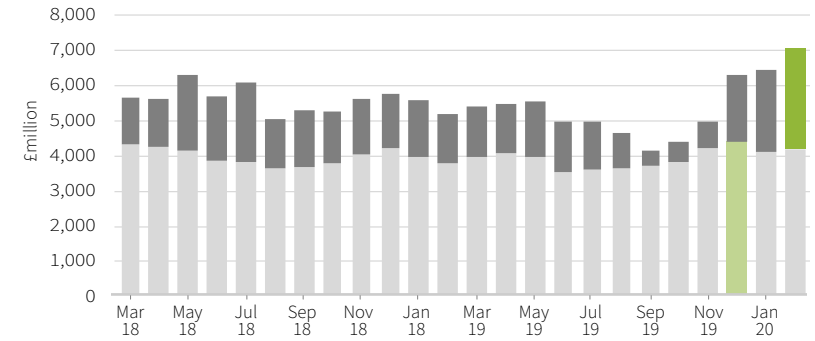
New work has been the principal driver for the increase in construction output. Overall new work output rose 2.4% during the three months to January and was 4.7% up on a year ago.

Public new housing is the fastest growing area, with output 16% higher than a year ago. Private new housing output was 2.4% up against the previous three months and was 3.4% higher than a year earlier. Public non-residential output rose by 2.4% against the previous quarter but was unchanged on a year ago. Industrial sector output increased by 5.5% against the previous quarter and was 6.8% up on a year earlier. Commercial sector output rose 2.1% against the previous quarter and was 5% higher than a year ago. Infrastructure output rose by 1.7% on the preceding three months and was 4.7% up on a year ago.

1.1 Detailed Planning Approvals

Source: Glenigan
 Three month average

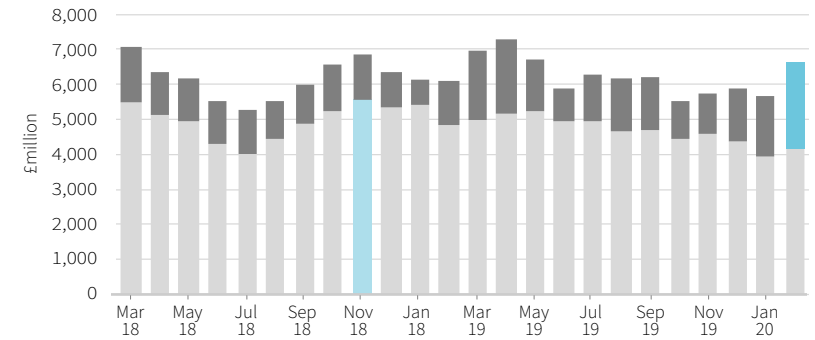
- Under £100M
- Over £100M
- Top Under £100M
- Top Over £100M



1.2 Main Contract Awards

Source: Glenigan
 Three month average

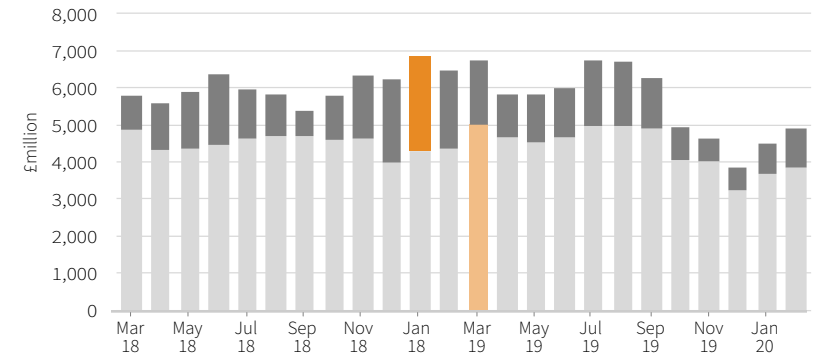
- Under £100M
- Over £100M
- Top Under £100M
- Top Over £100M



1.3 Starts

Source: Glenigan
 Three month average

- Under £100M
- Over £100M
- Top Under £100M
- Top Over £100M



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Contractors League Tables

Top 50 Contractors - March 2019 to February 2020

Contractors	#	£m		Contractors	#	£m	
1 Morgan Sindall	418	2026	0	26 Murphy	22	452	8
2 Kier	245	1690	4	27 John Sisk	9	413	1
3 Willmott Dixon	163	1581	4	28 Tarmac	72	405	1
4 Royal BAM	71	1470	0	29 Midas	67	389	5
5 Balfour Beatty	56	1401	3	30 Ferrovial	8	387	0
6 ISG	71	1287	1	31 Robertson	46	369	1
7 VINCI	37	1115	1	32 Readie	27	353	5
8 Graham	64	1089	6	33 Osborne	15	341	2
9 Galliford Try	72	1074	2	34 RG Group	19	332	7
10 Multiplex Europe	5	1070	1	35 Henry Construction	20	330	2
11 Mace	26	1019	8	36 Higgins	10	329	2
12 Bowmer & Kirkland	55	969	2	37 Costain	7	316	NEW
13 Buckingham	45	951	1	38 Ardmore	6	304	9
14 VolkerWessels	84	898	1	39 Lendlease	4	299	0
15 Sir Robert McAlpine	23	742	0	40 Interserve	47	294	4
16 Wates	41	679	4	41 nmcn	26	293	1
17 Winvic	34	672	2	42 Rydon	11	251	0
18 Bouygues UK	17	651	6	43 United Living	29	236	1
19 Hill Partnerships	29	544	2	44 A&H	22	234	3
20 McLaren	12	534	3	45 JRL	6	218	0
21 ENGIE	78	522	2	46 Mott Macdonald	14	216	NEW
22 Vistry	24	516	3	47 Farrans	21	216	NEW
23 McAleer & Rushe	15	488	3	48 Gilbert Ash	9	207	NEW
24 Laing O'Rourke	12	466	2	49 Durkan	10	205	1
25 McLaughlin & Harvey	21	457	6	50 Hochtief	3	202	1

Top 50 Contractors - February 2020

Contractors	#	£m		Contractors	#	£m	
1 Costain	3	305	NEW	26 Midas	3	41	NEW
2 Hitachi Zosen Inova	1	250	NEW	27 Mid Group	2	41	NEW
3 Winvic	6	231	47	28 ARJ	2	39	NEW
4 Kier	20	228	4	29 Laing O'Rourke	1	39	NEW
5 Willmott Dixon	20	203	1	30 Bowmer & Kirkland	2	39	7
6 Wates	5	200	42	31 GMI	3	38	6
7 Midland Metro Alliance	1	137	NEW	32 Caddick	3	37	1
8 McLaughlin & Harvey	3	129	23	33 Headcrown	2	32	NEW
9 McLaren	3	110	4	34 Ballymore	1	30	NEW
10 Galliford Try	8	105	3	35 DNA Integrated Construction	1	30	NEW
11 Royal BAM	7	96	38	36 Murphy	1	30	NEW
12 Morgan Sindall	22	72	9	37 TSL Projects	2	29	NEW
13 Carey	1	70	NEW	38 Interserve	4	29	NEW
14 Chartway	1	70	NEW	39 One Group	3	27	NEW
15 Balfour Beatty	7	64	4	40 Gilbert Ash	1	26	NEW
16 RG Group	5	60	NEW	41 Babcock	1	25	NEW
17 Bilfinger Berger	1	58	NEW	42 HG Construction	1	25	NEW
18 Anglian Building Services	1	57	NEW	43 McAleer & Rushe	1	25	NEW
19 Mott MacDonald	2	55	NEW	44 A&H	3	24	NEW
20 Vistry	6	53	NEW	45 Anwyl	1	24	NEW
21 Robertson	7	52	9	46 Higgins	2	24	NEW
22 SDC	2	47	3	47 Knight Harwood	3	22	NEW
23 ENGIE	8	45	NEW	48 RG Carter	3	21	14
24 VolkerWessels	12	43	22	49 Speller Metcalfe	2	20	NEW
25 Buckingham	3	42	3	50 Tarmac	2	19	6

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Clients League Tables

Top 50 Clients - March 2019 to February 2020

Clients	#	£m		Clients	#	£m	
1 Department of Health	291	1367	▲1	26 Translink	9	227	▼5
2 Greater London Authority	16	1147	▲1	27 Crawley Borough Council	4	224	▼5
3 Department for Transport	41	1024	▼2	28 Clarion	21	218	NEW
4 Department for Education	111	936	◊0	29 Places For People	12	218	▼5
5 Network Rail	100	910	◊0	30 Ministry of Justice	8	197	▼3
6 National Grid	31	767	◊0	31 Welsh Assembly	19	190	NEW
7 University College London	26	634	▲3	32 Lidl	77	188	▼2
8 Westminster City Council	14	550	◊0	33 West Midlands CA	3	182	NEW
9 Ministry of Defence	51	415	◊0	34 City of Edinburgh Council	48	182	▼3
10 Environment Agency	48	381	▲2	35 University of Cambridge	18	178	▼6
11 Leeds City Council	16	368	▲22	36 St Modwen	24	176	▲5
12 Notting Hill Genesis	7	338	▼1	37 University of Brighton	3	176	▼2
13 LB of Haringey	9	334	▲1	38 Aldi	67	174	▼4
14 Cornwall Council	18	287	▲34	39 LB of Ealing	11	171	▼1
15 Global Infrastructure Partners	7	279	◊0	40 Wolverhampton City Council	10	170	NEW
16 LB of Enfield	9	265	◊0	41 Crown Estate	4	168	▼2
17 Gateshead MBC	3	262	NEW	42 Argent	6	168	▲2
18 Segro	14	252	NEW	43 LB of Harrow	7	164	◊0
19 Birmingham City Council	25	248	▼6	44 Aviva	12	157	▼25
20 Glasgow City Council	12	242	▲3	45 LB of Waltham Forest	14	156	NEW
21 Lendlease	8	240	NEW	46 Roxhill	7	156	NEW
22 Southern Housing	7	234	NEW	47 Berkeley Square	4	155	▼19
23 Morgan Sindall	18	233	▲3	48 Henry Boot	14	150	▼2
24 Homes England	16	231	▼6	49 HMRC	13	149	▼2
25 Peabody Trust	7	229	▼5	50 Kent County Council	26	144	NEW

Top 50 Clients - February 2020

Clients	#	£m		Clients	#	£m	
1 Department for Transport	8	353	▲21	26 Bristol City Council	1	32	◊0
2 Biffa Waste Services	1	250	NEW	27 South Gloucestershire Council	1	32	NEW
3 Southern Housing	2	165	NEW	28 St Modwen	2	32	NEW
4 Cornwall Council	2	146	NEW	29 Co-operative Group	15	28	NEW
5 West Midlands Combined Authority	1	137	NEW	30 Glasgow City Council	2	27	NEW
6 William Grant & Sons	1	127	NEW	31 Home Office	6	26	NEW
7 LTE Group	1	120	NEW	32 Ministry of Defence	5	26	NEW
8 Department for Education	13	114	▲15	33 Brunel University London	1	26	NEW
9 Tata	1	90	NEW	34 National Grid	2	25	NEW
10 Elliot	1	70	NEW	35 Hotel La Tour	1	25	NEW
11 Hyde	1	70	NEW	36 Leeds City Council	1	25	NEW
12 LB of Barking & Dagenham	2	69	NEW	37 Hertfordshire County Council	1	24	NEW
13 Scottish Government	3	66	NEW	38 Fortitudo	1	24	NEW
14 Omega Warrington	1	63	NEW	39 Allied London	1	24	NEW
15 Department of Health	28	59	▼14	40 Acis	2	24	NEW
16 EDF Energy	1	58	NEW	41 Prologis	1	22	NEW
17 Curzon De Vere	1	57	NEW	42 University of Sheffield	1	22	NEW
18 Palmer Capital	1	48	NEW	43 Clarion	2	21	NEW
19 ZF Services	1	45	NEW	44 He2 Haverhill	1	21	NEW
20 Environment Agency	4	40	▲1	45 FORE Partnership	1	20	NEW
21 Olympus Property	1	39	NEW	46 Landid	1	20	NEW
22 Renfrewshire Council	5	38	NEW	47 LB of Waltham Forest	4	20	▼43
23 Eutopia Homes (Exeter)	1	36	NEW	48 Buckinghamshire County Council	3	19	NEW
24 Network Rail Limited	9	34	NEW	49 J Sainsbury	2	18	NEW
25 DB Symmetry	1	33	NEW	50 Roxhill	1	18	NEW

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Glenigan Index

The value of work starting on site during the three months to February was unchanged against the previous three months on a seasonally adjusted basis and was 11% down on a year ago, according to the latest Glenigan Index.

The latest index reveals that things have steadied over the last three months, but project starts are ultimately still down on a year ago. The more certain political environment has contributed to short term stabilisation and should continue to enable postponed public-sector projects to proceed to site, although disruption from the Coronavirus is a risk to anticipated growth over the coming months.

Residential starts further declined during the three months to February. Private housing starts fell 4% against the preceding three months on a seasonally adjusted basis and declined 12% compared with a year ago. Social housing starts dramatically slipped back on the previous three months by 24% on a seasonally adjusted basis, and by 28% on a year ago.

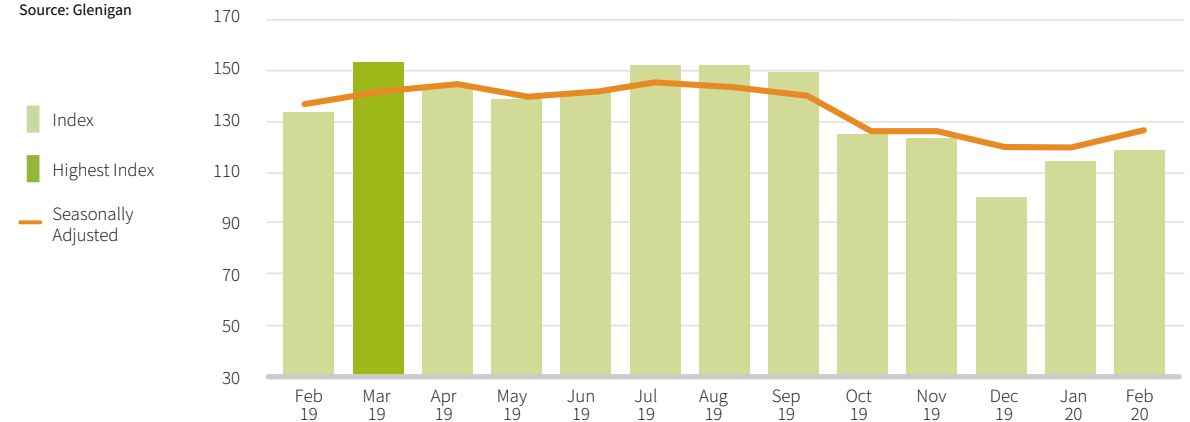
Non-residential projects improved against the preceding three months on a seasonally adjusted basis, climbing 8%, but were unchanged on a year ago. Key to this growth was Education starts, where starts grew 39% against the preceding three months on a seasonally adjusted basis, and by 31% against a year ago. Community & Amenity and Industrial starts also saw growth, with starts increasing by 48% and 8% on a year ago respectively. Retail, Health and Hotel & Leisure starts all slipped back compared with a year ago, falling by 36%, 14% and 13% respectively."

Civil engineering starts were 16% down on the preceding three months on a seasonally adjusted basis and were significantly down against a year ago (31%). Utilities starts were 32% lower than a year ago and were 26% down on the preceding three months on a seasonally adjusted basis. Infrastructure project starts significantly declined, being 9% down against the preceding three months on a seasonally adjusted basis and by 30% against a year ago.

Up on year ago, most regions have seen a double-digit decline in starts. The North West, East Midlands and South West saw the greatest falls, with 41%, 35% and 20% drops respectively. Wales, the North East, South East and Yorkshire also saw significant declines. Bucking the trend were the East of England and West Midlands, seeing a 34% and 29% rise in starts on a year ago respectively. The two regions were the only ones to see growth against a year ago.

3.1 Glenigan Index

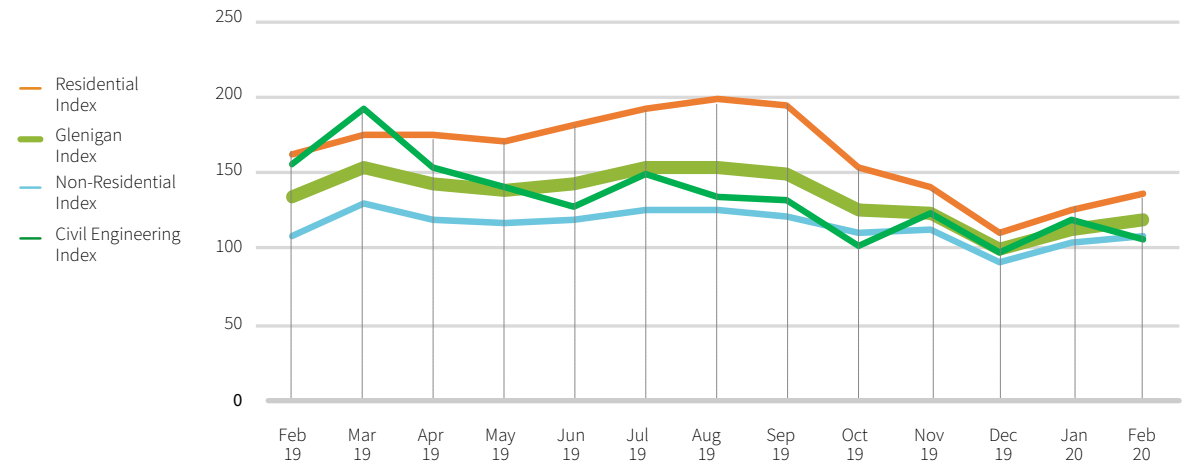
Source: Glenigan



Note: For the Index, 2006 = 100

3.2 Indices Growth

Source: Glenigan



Economic Outlook

- Covid-19 outbreak to depress economic growth near term
- UK economic activity flat
- Decline in manufacturing output and flat service sector
- Budget promises sustained rise in infrastructure investment

A weakening in the service sector and a fall in manufacturing resulted in no growth for the UK economy during the three months to January against the preceding three months, limiting growth against a year ago to 0.8%.

The services sector was flat in the three months to January 2020 following a period of subdued growth. The poor performance in part reflects weak retail sales volumes which fell by 0.8% against the previous three months, with declines across all sectors.

UK manufacturing contracted by 1.2% during the period and was 3.2% down on a year ago. The latest CIPS survey suggests that the UK manufacturing sector improved in February, with manufacturing output accelerating to a ten-month high as domestic demand continued to recover on the back of reduced political uncertainty. Improvements were mostly seen in consumer related areas and the production of intermediate goods. In contrast the downturn in investment goods continued.

The survey found that supply chain disruptions were rapidly emerging, however, as the outbreak of COVID-19 led to sizeable raw material delivery delays, rising input costs and increased pressure on stocks. These pressures are likely to intensify over the coming months as the outbreak disrupts activity and demand in the UK, Europe and other key markets.

EMPLOYMENT

At 3.8% the unemployment rate during the final quarter of 2019 was 0.1 percentage points lower than the previous quarter and 0.2 percentage points lower than a year earlier. UK employment levels edged up to a record high 76.5% as the inactivity rate declined.

The number of job vacancies has been falling since early 2019, although it remains high in historical terms. The ONS estimated that there were 810,000 vacancies in the UK during the three months to January 7,000 more than during the preceding three months but 50,000 fewer than the record high reached a year earlier.

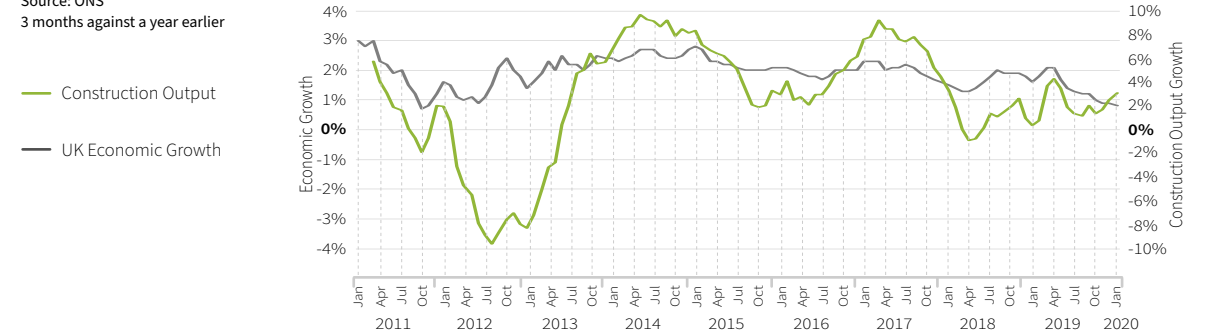
BUDGET 2020

The Office for Budgetary Responsibility published its latest forecasts alongside the 2020 Budget. The OBR expect the UK economy to grow gradually over the next five years, although the timing of the forecasts' compilation means that they do not reflect the impact of the now global spread of COVID-19 or the outbreak in the UK. This suggests that UK growth is highly likely to be lower than forecast this year, although the extent of the downturn is unclear.

The Budget included a Government commitment to a substantial increase in capital expenditure on infrastructure and built environment projects. The OBR anticipated that government investment will rise by 10.9% next year, helping to lift UK economic growth to 1.8%.

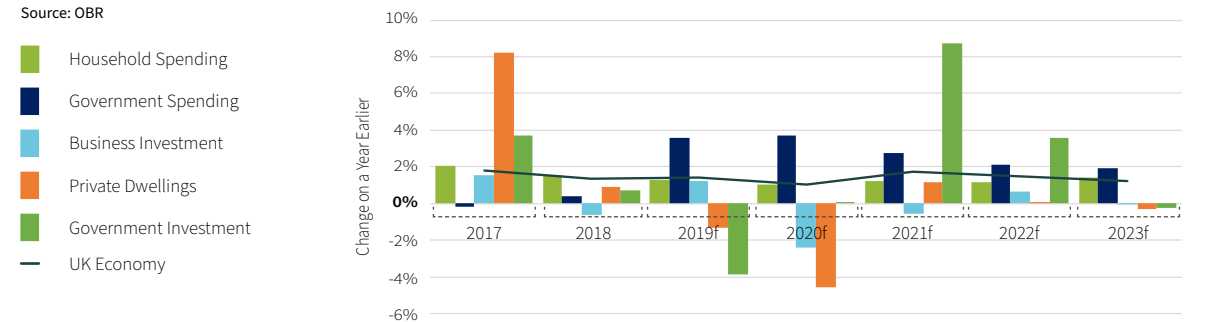
4.1 UK Economy & Construction

Source: ONS
3 months against a year earlier



4.2 UK Economic Growth & Investment

Source: OBR



4.3 Job Vacancies

Source: Office of National Statistics



Housing - Overview

Project starts recover and further growth in planning approvals points to a brighter future for the sector.

Totalling £5,585 million, the value of residential starts during the three months to February was 25% down on a year ago. The decline was largely driven by a decline in major project (£100m or more) starts, which were 55% down on a year ago. Furthermore, underlying projects (less than £100m in value), dropped by 16% on a year ago, and by 4% against the preceding three months on a seasonally adjusted basis.

At £7,144 million, the value of main contracts awarded during the three months to February were 7% down on a year ago, seeing a slight recovery. The decline was largely influenced by major project awards, which were 22% lower than a year ago. Underlying projects reaching contract award stage were 5% down against the previous year.

The total value of detailed planning approvals was significantly up, by 47% on the previous year. The growth was largely due to a sharp rise in the planning approval of major projects, rising by 169% against a year ago. Additionally, underlying approvals saw growth, with a 6% rise on a year ago, and a 5% rise against the preceding three months on a seasonally adjusted basis.

47%

The rise in the value of residential detailed planning approvals

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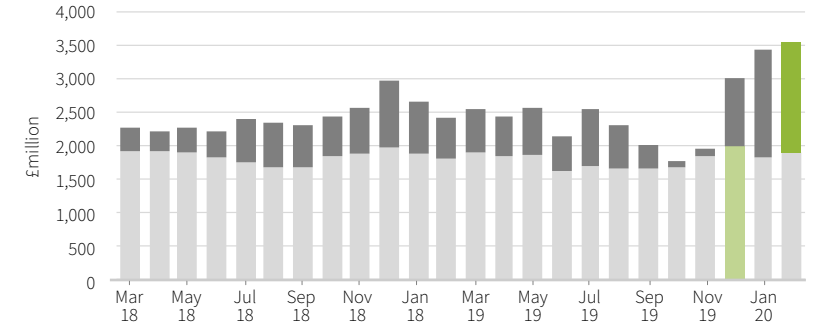
Community & Amenity

Civil Engineering

5.1.1 Housing: Detailed Planning Approvals

Source: Glenigan
 Three month average

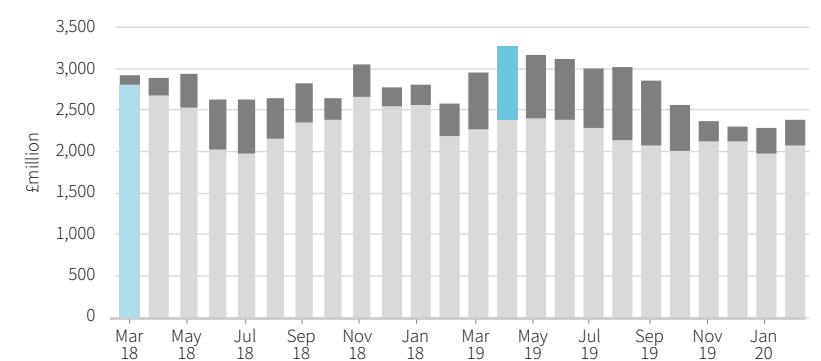
Over £100M
 Under £100M
 Top Under £100M
 Top Over £100M



5.1.2 Housing: Main Contract Awards

Source: Glenigan
 Three month average

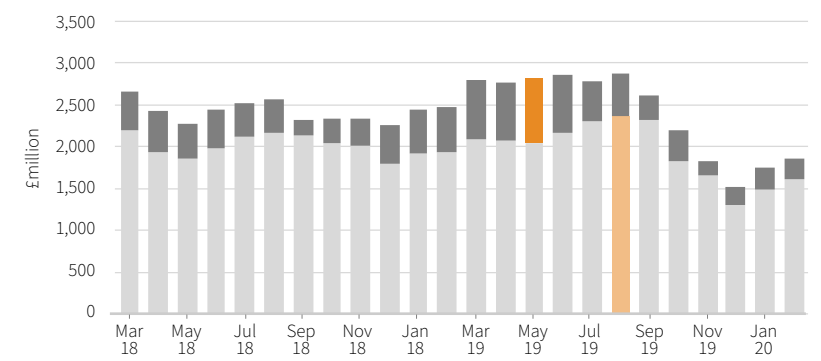
Over £100M
 Under £100M
 Top Under £100M
 Top Over £100M



5.1.3 Housing: Starts

Source: Glenigan
 Three month average

Over £100M
 Under £100M
 Top Under £100M
 Top Over £100M



Housing - Types of Projects Started

Accounting for 41% of residential work started, the value of private housing projects starting on site dropped 15% during the three months to February to total £2,291 million. Furthermore, private apartment starts fell, declining by 38% on a year ago, to total £1,716 million. Private apartments accounted for 31% of residential starts.

Social housing-led project starts saw further growth, with starts up 33% during the three months to February, to total £569 million. Social sector apartment projects continued to fall, dropping by 31% during the three months to February, totalling £290 million. Student accommodation projects further declined on a year ago, with starts down 53% against the previous year, valuing £391 million.

5.1.4 Housing: League Tables (January 2019 To January 2020)

Source: Glenigan

Contractors	Projects	£million
ENGIE	67	637
Mace	3	618
Hill Partnerships	28	522
VINCI	9	418
Sons & Co	1	400
Wates	15	359
Willmott Dixon	20	353
Mclaren	3	334
Formation Architectural Design	2	300
Higgins	8	295

Clients	Projects	£million
Barratt	53	667
London Borough of Barking & Dagenham	10	565
Vistry	40	509
Taylor Wimpey	47	452
Morgan Sindall	11	437
Weston	3	415
Countryside	27	413
Telford & Wrekin Council	3	402
J&T Real Estate	1	400
Kier	8	390

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Project Spotlight



Image source: Studio Egret West

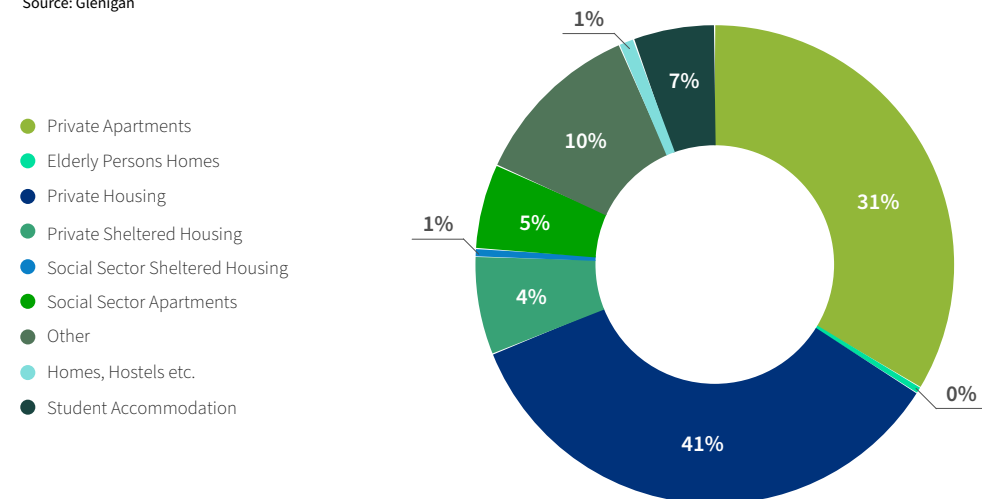
Faraday Works

Detailed plans have been submitted for a residential-led mixed use scheme, comprising of 492 residential units. This development has been designed to achieve BREEAM Excellent rating.

Project ID: 20104664

5.1.5 Types Of Housing Projects Started 3 Months To February 2020

Source: Glenigan



Housing - Regional

London was the most active region in the country during the three months to February, with starts totalling £1,100 million and accounting for a fifth of sector starts.

Most UK regions saw a double-digit decline in residential starts. However, Scotland bucked the trend during the three months to February, increasing by 41% to £608 million, seeing it become the fastest growing region for residential starts. Starts were boosted by work commencing on site for the £90 million, 413-unit development named 'The Victoria' (Project ID: 16276800). Despite the national trend, Yorkshire & the Humber and the North East also saw growth, with starts rising 27% and 22% respectively on a year ago.

With detailed planning consents in London totalling £3,908 million during the three months to February, residential planning approvals accounted for 37% of the sector. The approval of the £350 million Barking Urban Village, consisting of 1122 flats, contributed to this growth (Project ID: 17223221). Scotland also saw a large rise in planning consents, with approvals up 117% during the three months to February against the previous year. Consents in the region accounted for 11% of the sector.

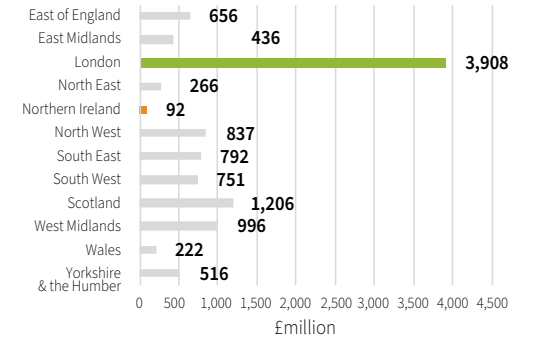
Accounting for 7% of the sector, the South West saw a 41% increase in residential planning consents, totalling £751 million during the three months to February. This was boosted by the £140 million 'Finzels Reach' project in Bristol, consisting of 318 flats (Project ID: 18243075). Wales and the North West also saw approvals rise strongly, rising by 34% and 31% respectively.

£5,585m

The combined value of starts during the three months to February

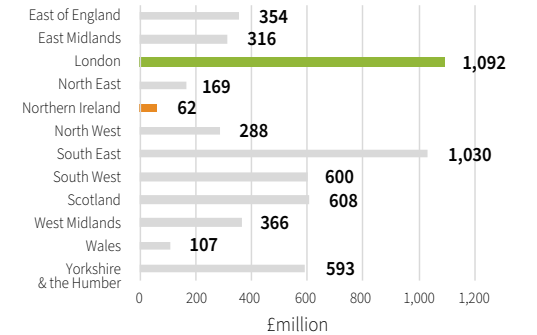
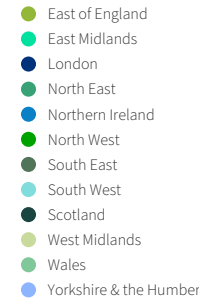
5.1.6 Share Value Of Housing Starts In The Last 3 Months

Source: Glenigan



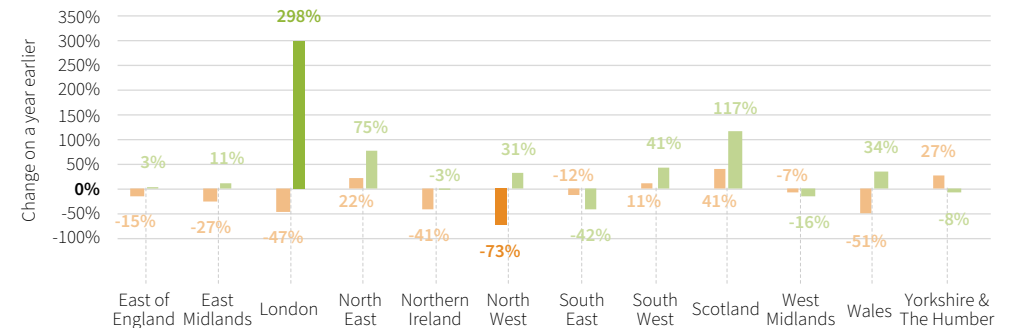
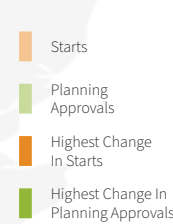
5.1.7 Share Value Of Housing Planning Approvals In The Last 3 Months

Source: Glenigan



5.1.8 Changes In Housing Starts And Planning Approvals On A Year Earlier

Source: Glenigan



Industrial - Overview

Starts, main contract awards and detailed planning approvals all climb, in what was a strong three months for the sector.

Totalling £1,202 million, the value of industrial project starts during the three months to February were 22% up on a year ago. The value of underlying project starts (excluding projects of £100 million or more), climbed 8% on the previous year, and by 3% against the preceding three months on a seasonally adjusted basis.

The value of main contract awards also climbed during the three months to February. Awards were up by 2% against the previous year and by 11% on the preceding three months. Contracts awarded during the period totalled £1,324m. The growth was largely propped up by major project (£100m or more) contracts, which totalled £244m. On the other hand, underlying contract awards, totalling £1,080m, were 17% down on the previous year.

The value of detailed planning approvals also saw a rise during the three months to February, seeing a 46% spike against a year ago. This was partly due to a recovery in major projects gaining approval, with a 34% increase on a year ago. The value of underlying detailed planning approvals also strengthened, being 47% higher than a year ago and 21% higher than the preceding three months on a seasonally adjusted basis.

22%

Increase in the combined value of work commencing on site

COVID-19

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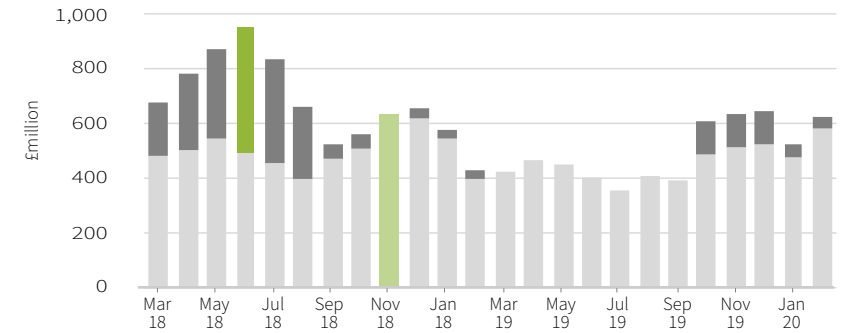
Community & Amenity

Civil Engineering

5.2.1 Industrial: Detailed Planning Approvals

Source: Glenigan
 Three month average

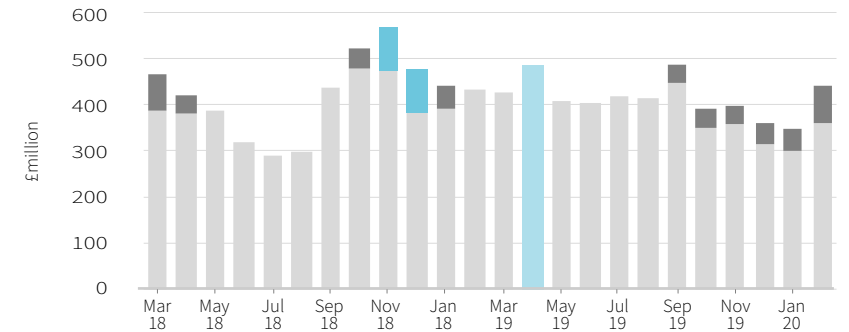
Under £100M
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 Top Under £100M
 Top Over £100M



5.2.2 Industrial: Main Contract Awards

Source: Glenigan
 Three month average

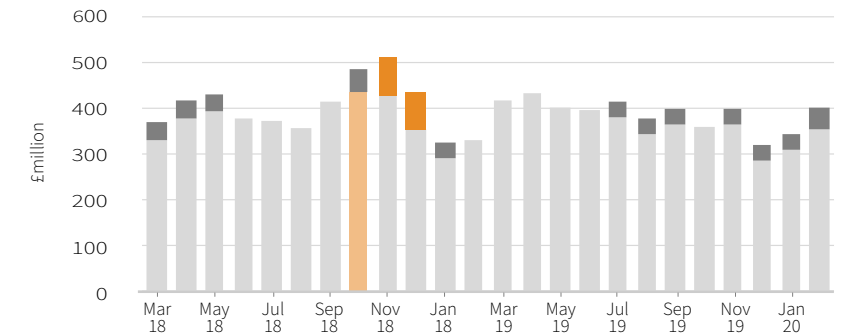
Under £100M
 Over £100M
 Top Under £100M
 Top Over £100M



5.2.3 Industrial: Starts

Source: Glenigan
 Three month average

Under £100M
 Over £100M
 Top Under £100M
 Top Over £100M



Industrial - Types of Projects Started

Accounting for 55% of sector starts, manufacturing projects saw some growth during the three months to February. Valued at £657 million, manufacturing starts rose 12% against a year ago.

Warehousing & Logistics project starts during the three months to February totalled £502 million, this was a 40% increase compared with the previous year. The sub-sector accounted for 42% of industrial starts during the period.

5.2.4 Industrial: League Tables (January 2019 To January 2020)

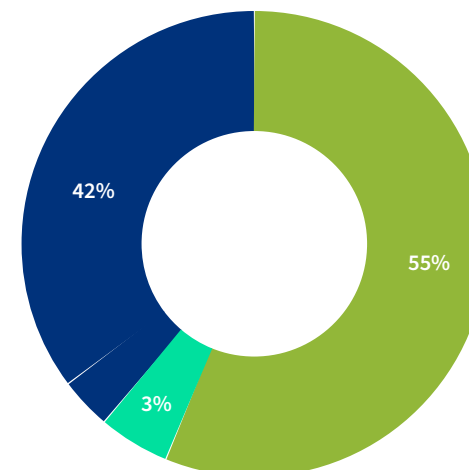
Source: Glenigan

Contractors	Projects	£million
Buckingham	9	511
Winvic	22	455
Readie	23	316
A & H	17	197
TSL Projects	3	126
ISG	6	125
Bowmer & Kirkland	4	124
VolkerWessels	8	103
Stirlin	1	100
CRH	1	100

Clients	Projects	£million
Segro	10	228
IDI Gazeley	4	169
Roxhill	7	142
Coventry & Warwickshire Development	1	140
St Modwen	15	121
Wren Kitchens	1	120
FKX	1	120
Peel Holdings	3	117
Verdion	2	109
Prologis	8	104

5.2.5 Types Of Industrial Projects Started 3 Months To February 2020

Source: Glenigan



Project Spotlight



Image source: Mace

Jaguar Land Rover Logistics Operations Centre

Work has commenced on site for the construction of a new logistics operations centre. The scheme includes highway works, parking facilities and environmental works. Work is scheduled to be completed in 2021.

Project ID: 16450551

COVID-19

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Industrial - Regional

With just over a quarter of the sector's starts, the East of England was the most active region. With starts totalling £309 million, this was a 200% rise against a year ago. This was influenced by the start of 5 warehouse units in Bedfordshire, valuing at £40 million (Project ID: 17347333). The South East and West Midlands also saw strong growth, with changes of 98% and 49% on a year ago respectively. Starts were boosted in the South East by work commencing on a £37 million storage unit in Rochester, Kent (Project ID: 18163549).

During the three months to February, the West Midlands accounted for the greatest share of detailed planning consents, accounting for 19% of the sector. Plans were valued at £359 million during the period. The approval of 3 industrial units in Worcester, valued at £70 million, boosted growth for the region (Project ID: 19405301). Elsewhere, the East Midlands and South East saw further growth in terms of detailed planning approvals. Accounting for 17% and 16% of sector starts, the regions saw 42% and 59% spikes in approvals respectively. Approvals in the East Midlands included a £66 million distribution campus in Swadlincote, Derbyshire (Project ID: 19427352).

46%

Rise in the total value of detailed planning approvals during the three months to February

COVID-19

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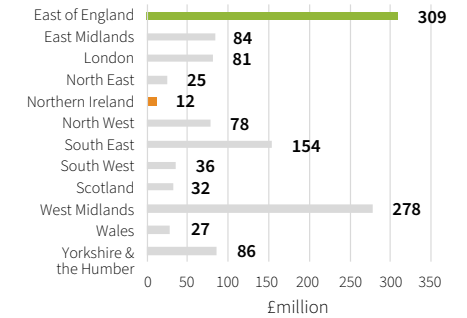
Education

Community & Amenity

Civil Engineering

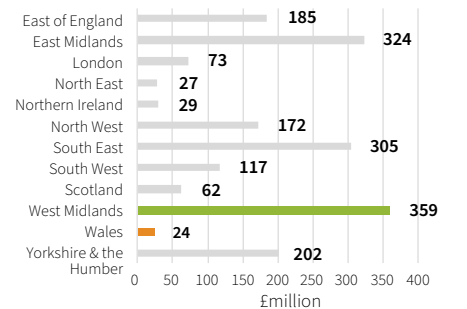
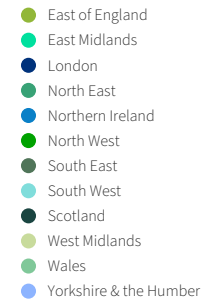
5.2.6 Share Value Of Industrial Starts In The Last 3 Months

Source: Glenigan



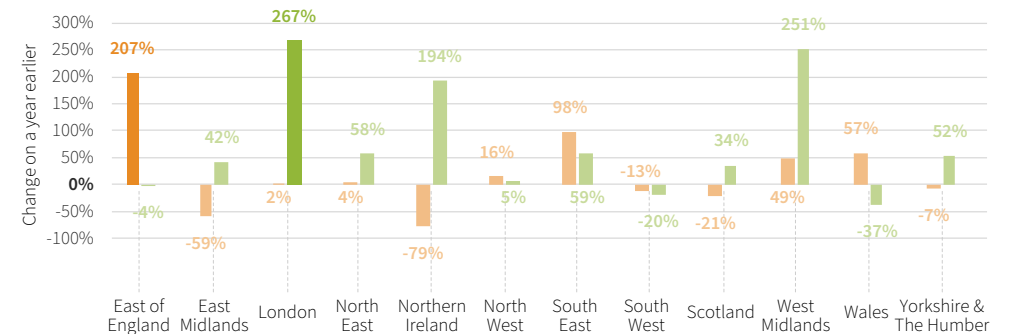
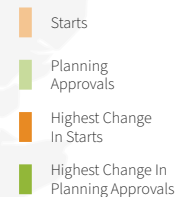
5.2.7 Share Value Of Industrial Planning Approvals In The Last 3 Months

Source: Glenigan



5.2.8 Changes In Industrial Starts And Planning Approvals On A Year Earlier

Source: Glenigan



Offices - Overview

Main contract awards improve on a year ago, but starts remain slow.

At £1,072 million, overall starts were 24% down on a strong performance in the previous year. The absence of major project (projects totalling £100 million or more) starts contributed to the decline against a year ago. Underlying project (under £100 million) starts also declined against a year ago, seeing a 5% fall. Despite this, underlying project starts did increase by 11% against the preceding three months on a seasonally adjusted basis.

The value of contract awards continued to improve during the three months to February, rising by 15% against the previous year, totalling £1,831 million. The growth was largely driven by the awarding of major project contracts, valuing £875 million, a rise of 215% against a year ago. Despite major project contract growth, underlying contract awards continued to slump, declining by 27% against the previous year, and by 29% against the preceding three months.

Totalling £2,621 million, the value of detailed planning consents more than doubled on the previous year. The main source of this growth was major project approvals, witnessing a seven-fold increase on a year ago thanks to the approval of a single £1,400 million project. However, during the three months to February, underlying detailed planning consents dropped 13% on the preceding three months (seasonally adjusted), and declined 11% on the previous year.

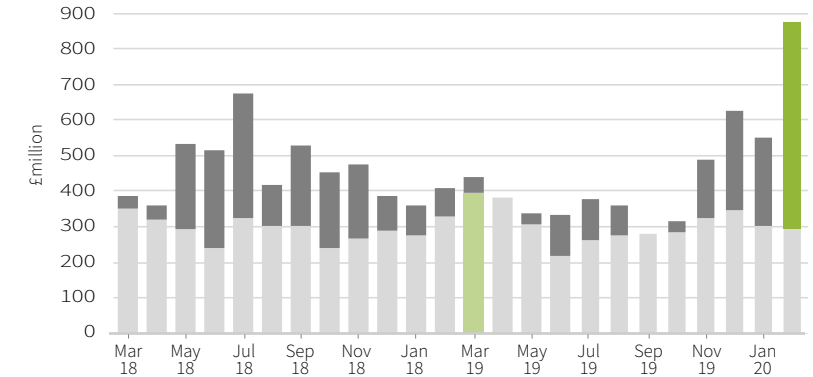
£2,621m

Combined value of detailed planning approvals during the three months to February

5.3.1 Offices: Detailed Planning Approvals

Source: Glenigan
 Three month average

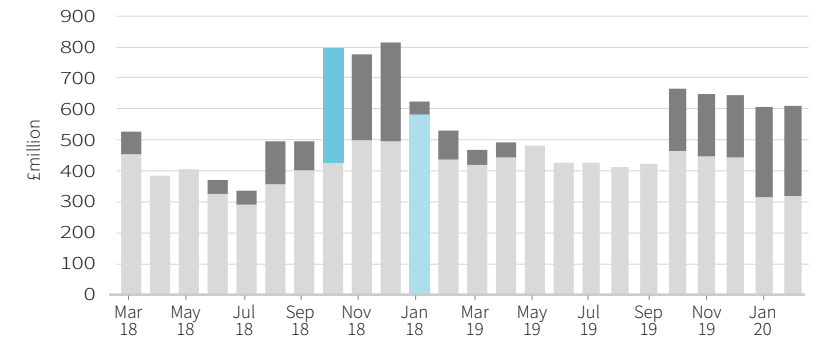
Under £100M
 Over £100M
 Top Under £100M
 Top Over £100M



5.3.2 Offices: Main Contract Awards

Source: Glenigan
 Three month average

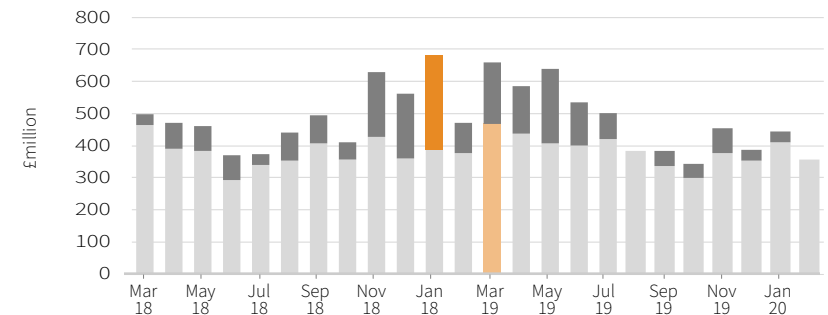
Under £100M
 Over £100M
 Top Under £100M
 Top Over £100M



5.3.3 Offices: Starts

Source: Glenigan
 Three month average

Under £100M
 Over £100M
 Top Under £100M
 Top Over £100M



Size of Offices Projects

The higher value bands generally saw a large decline in the value of projects started during the three months to February against the previous year. With an absence of any major projects commencing on site during the period, this heavily contributed to the overall decline in starts. The value of £50 million to £100 million and £10 million to £20 million projects starts totalled £69.2 million and £125.2 million, seeing declines of 71% and 51% respectively. Furthermore, projects up to £5 million saw a 10% decline against the previous year.

Alternatively, two value-bands did see a substantial increase on the previous year. The value of £5 million to £10 million and £20 million to £50 million projects rose 81% to £243 million and 62% to £416 million respectively during the three months to February.

Project Spotlight

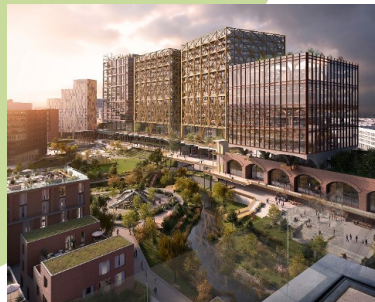


Image source: U+I

Mayfield Phase One

Detailed plans have been granted for phase one of the Mayfield scheme in Manchester. Works are due to start on site in June 2020. This development has been designed to achieve BREEAM Excellent rating

Project ID: 19385575

5.2.4 Offices: League Tables (January 2019 To January 2020)

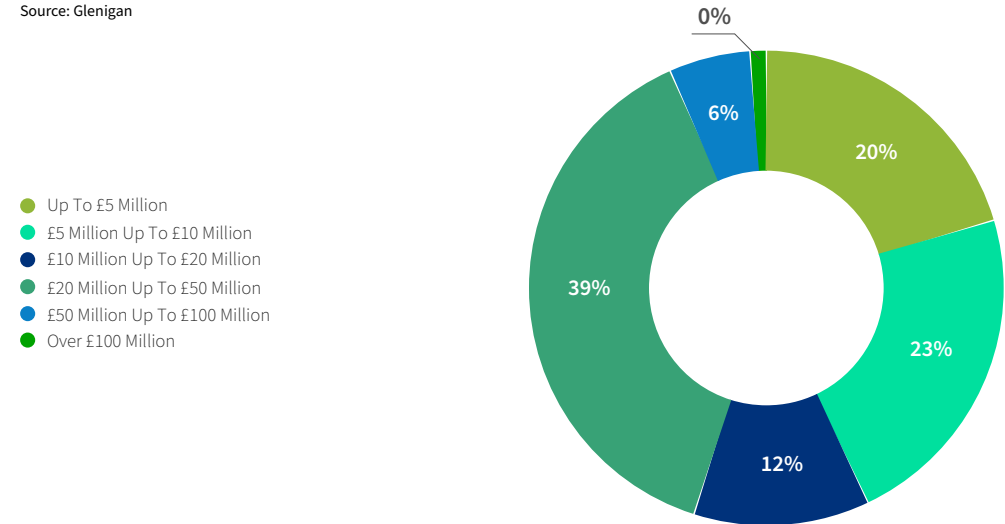
Source: Glenigan

Contractors	Projects	£million
Mace	16	1,122
Morgan Sindall	226	621
ISG	21	294
Royal BAM	7	285
BW Interiors	25	164
Willmott Dixon	17	146
Lendlease	2	129
Bowmer & Kirkland	7	128
Galliford Try	3	121
Parkeray	35	104

Clients	Projects	£million
M&G Real Estate	1	875
HB Reavis	1	600
HM Revenue & Customs	9	122
Victoria Circle	1	100
Land Securities	1	100
Native Land	1	100
Royal Bank of Canada	2	85
Allied London	2	76
British Land	9	75
Castlefield Properties	1	74

5.2.5 Value Of Offices Projects Started 3 Months To February 2020

Source: Glenigan



Offices - Regional

Despite being 11% down on the previous year, London was still unsurprisingly the dominant region for office starts. At £583 million, this accounted for 54% of office starts during the three months to February.

Accounting for 8% of office starts, Northern Ireland starts totalled £88 million during the three months to February. This boost was largely due to work commencing on site for the £45 million 'Paper Exchange' mixed-use development scheme in Belfast (Project ID: 15238823). Bucking the national trend, three other regions grew in terms of starts, with the West Midlands, Yorkshire & the Humber, and Scotland strengthening by 111%, 81% and 20% respectively.

Nationally, detailed planning approvals more than doubled during the three months to February compared with a year ago. This was largely influenced by the approval of a single major project – Phase 1 of the Mayfield scheme in Manchester, valued at £1,400 million (Project ID: 19385575).

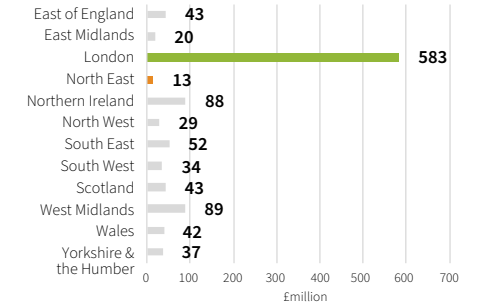
Elsewhere, detailed planning approvals in London accounted for 11% of sector approvals, totalling £287 million. Approvals include a new £50 million office development in Croydon (Project ID: 15113193). The West Midlands and South East also experienced tremendous growth, with approvals sharply up during the three months to February against the previous year.

15%

The rise in the value of main contracts awarded

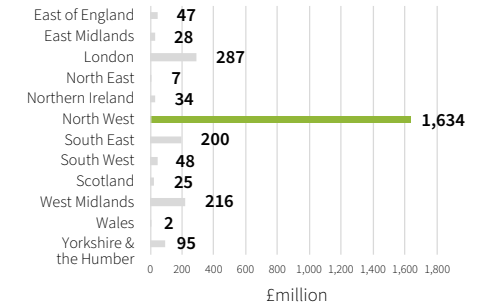
5.3.6 Share Value Of Offices Starts In The Last 3 Months

Source: Glenigan



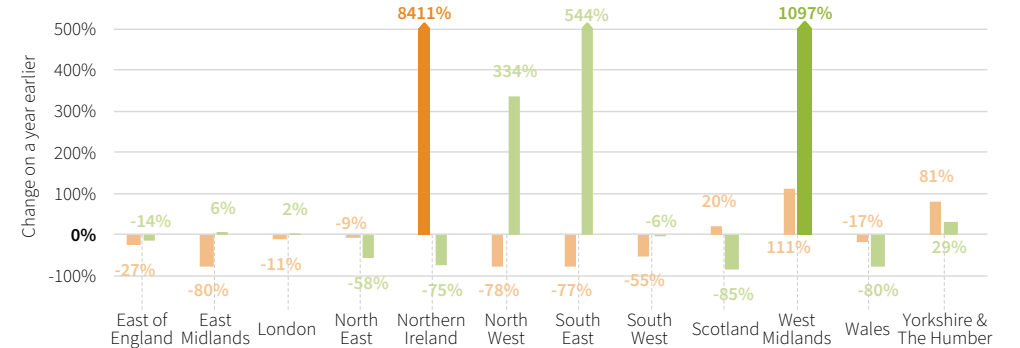
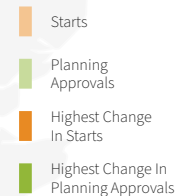
5.3.7 Share Value Of Offices Planning Approvals In The Last 3 Months

Source: Glenigan



5.3.8 Changes In Offices Starts And Planning Approvals On A Year Earlier

Source: Glenigan



Retail - Overview

Starts decline during the three months to February, however main contract awards and detailed planning approvals return to growth.

At £378 million, the value of retail starts during the three months to February were sharply down on a year ago. Plans are being reviewed for the £300 million extension to Meadowhall Shopping Centre in Sheffield (Project ID: 15388185), originally due to start in January, therefore no major projects (£100 million or more) commenced on site during the three months to February. The value of underlying starts (less than £100 million), was 36% down on a year ago, and 14% down on the preceding three months on a seasonally adjusted basis.

The value of projects reaching main contract award in its entirety saw strong growth against the previous year during the three months to February. The value of contracts awards was 155% up on a year ago, and 133% up on the previous three months. However, these figures were heavily influenced by the awarding of a single major contract. The value of underlying contracts gives a better oversight, and in contrast, fell 33% against the previous year, and 39% against the previous three months.

The development pipeline returned to growth during the three months to February for the sector. Approvals saw a 27% increase against the previous year, largely driven by the approval of a single major project. Additionally, the value of underlying projects receiving detailed planning consent also improved against the previous year, seeing a 9% increase. Furthermore, when comparing the three months to February against the preceding three months (on a seasonally adjusted basis), the value of approvals increased by 4%.

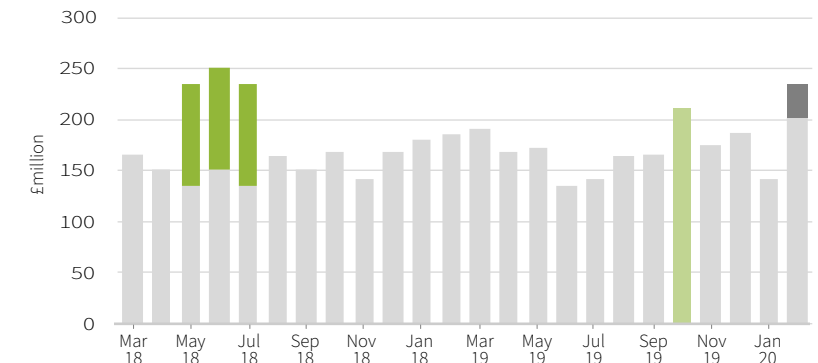
27%

Increase in the value of detailed planning approvals during the three months to February

5.4.1 Retail: Detailed Planning Approvals

Source: Glenigan
 Three month average

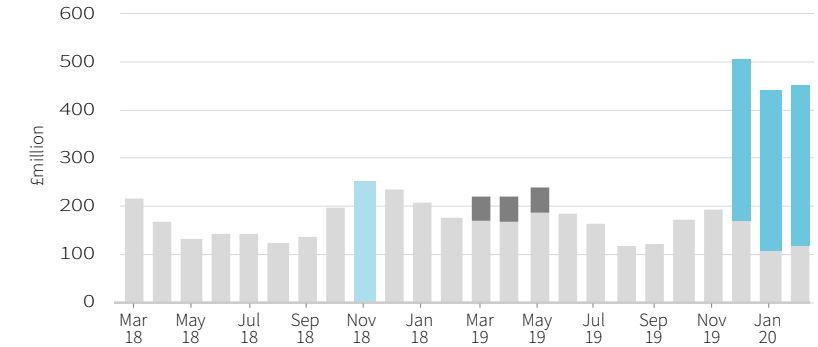
- Under £100M
- Over £100M
- Top Under £100M
- Top Over £100M



5.4.2 Retail: Main Contract Awards

Source: Glenigan
 Three month average

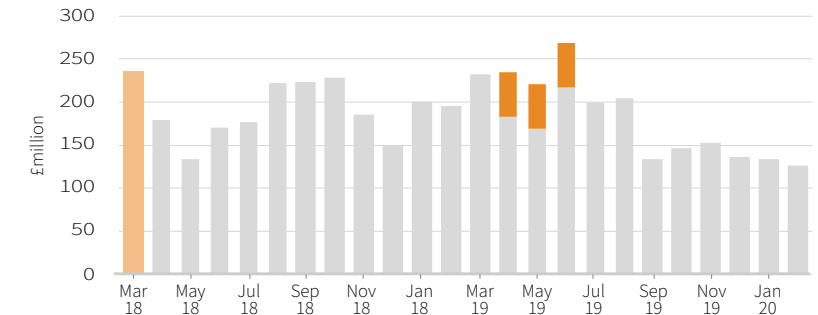
- Under £100M
- Over £100M
- Top Under £100M
- Top Over £100M



5.4.3 Retail: Starts

Source: Glenigan
 Three month average

- Under £100M
- Over £100M
- Top Under £100M
- Top Over £100M



Retail - Types of Projects Started

Supermarket starts accounted for the largest share of retail starts during the three months to February (53%), despite the value of starts being 2% down on the previous year. Most other sub-sectors saw double-digit decline, including the value of shopping centres and individual shop starts, both declining heavily by 78% and 37% respectively. The two sub-sectors accounted for 7% and 24% of retail starts respectively.

Despite the trend, the value of retail warehousing starts achieved growth during the three months to February. With a 373% spike, starts valued £21 million and accounted for 5% of the sector.

5.4.4 Retail: League Tables (January 2019 To January 2020)

Source: Glenigan

Contractors	Projects	£million
Multiplex Europe	1	1,000
Bowmer & Kirkland	11	287
Willmott Dixon	2	89
VINCI	1	60
Caddick	5	47
Faircloth	23	45
Clegg	1	45
RG	9	44
CTM	15	42
CDS	14	42

Clients	Projects	£million
Delancey	1	1,000
Lidl	76	185
The Crown	3	161
Aldi	58	134
Euro Garages	36	78
Buckminster	1	70
Rioja	1	70
Wittington	8	65
Cheshire West & Chester Council	1	60
Henry Boot	3	51

Project Spotlight



Image source: Scottish Construction Now

Glasgow Harbour Lifestyle Development

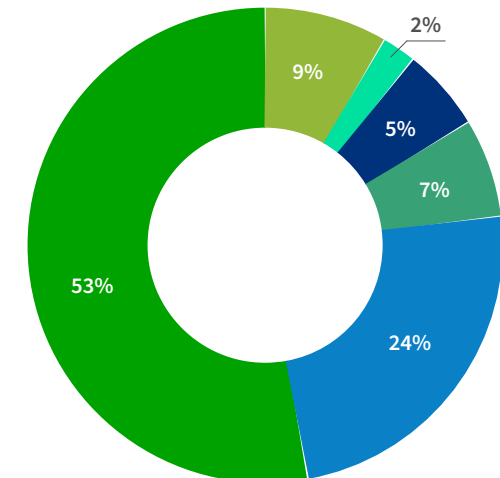
Plans have been granted for construction of a new £100 million retail and leisure development, which will include retail space, restaurants and a waterfront promenade. A main contractor is yet to be appointed.

Project ID: 18233067

5.4.5 Types Of Retail Projects Started 3 Months To February 2020

Source: Glenigan

- Supermarkets
- Shops
- Shopping Centres
- Retail Warehousing
- Petrol Filling Stations
- Other Retail



Retail - Regional

Increasing 54% on the previous year, the North West accounted for the highest share of retail starts, with a quarter of sector starts occurring in the region. Projects include a new £19 million Lidl supermarket in Skelmersdale, Lancashire (Project ID: 18315472). The East & West Midlands both saw starts increase. Both individually accounting for 12% of starts, work commencing on site increased by 164% and 129% on a year ago respectively during the three months to February.

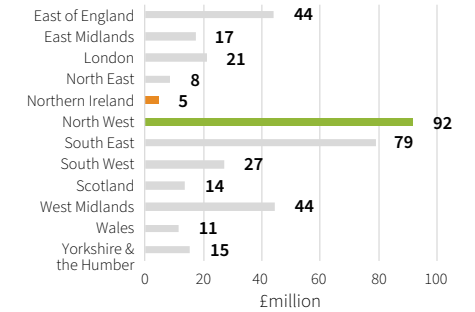
Accounting for more than a quarter of approvals, Scotland saw a tremendous increase in the value of detailed planning approvals. This was largely influenced by the approval of the £100m Glasgow Harbour Lifestyle Development (Project ID: 18233067). Accounting for 16% of sector detailed planning approvals, the North West saw a 17% increase on the previous year, with approvals totalling £114 million. This was boosted by plans being approved for the £54 million No.3 Circle Square scheme in Manchester (Project ID: 19154471). The South East also accounted for 16% of sector starts, where starts almost doubled against the previous year during the three months to February.

-36%

The fall in underlying starts during the three months to February

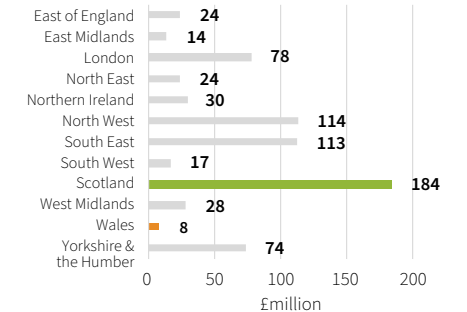
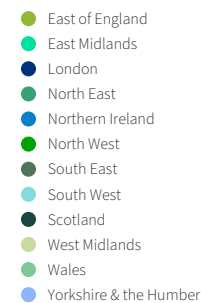
5.4.6 Share Value Of Retail Starts In The Last 3 Months

Source: Glenigan



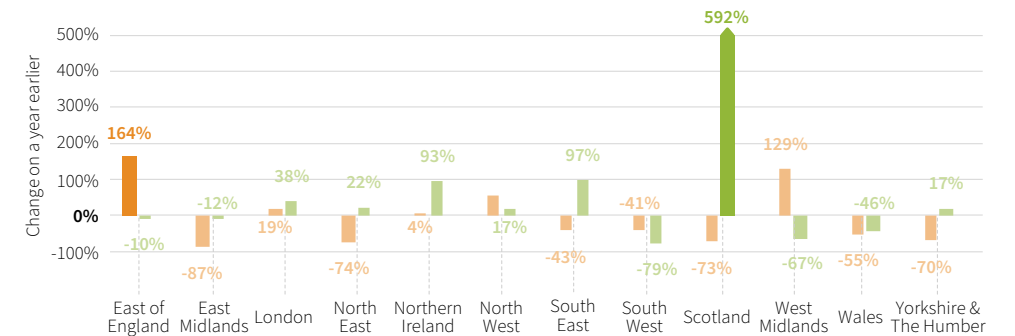
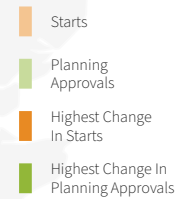
5.4.7 Share Value Of Retail Planning Approvals In The Last 3 Months

Source: Glenigan



5.4.8 Changes In Retail Starts And Planning Approvals On A Year Earlier

Source: Glenigan



Hotel & Leisure - Overview

Contract awards, detailed planning approvals and starts all weaken, in what was a poor three months for the sector.

With the total number of projects started totalling £875 million, hotel & leisure starts during the three months to February saw a 9% decline on a year ago. The decrease was primarily driven by a decline in the value of underlying (less than £100 million) starts, where starts dropped 13% against a year ago and by 7% on the preceding three months on a seasonally adjusted basis. In contrast, major project starts (£100 million plus), increased, seeing a 16% rise against a year ago during the three months to February.

With the value of main contracts awarded totalling £995 million, contract awards saw a 6% decline on a year ago, mainly held up by an awarding of a single major contract. Underlying contracts saw a more dramatic 30% drop against the previous year, and a 32% drop against the previous three months.

The value of detailed planning approvals declined against the previous year. Planning approvals saw a 9% decrease on a year ago, mainly driven by a fall in major project approvals, falling by 50% on a year ago. Interestingly, underlying project approvals did see an increase against the previous year (35%) but also see an 18% decline on the preceding three months (seasonally adjusted).

£995m

The combined value of main contracts awarded

COVID-19

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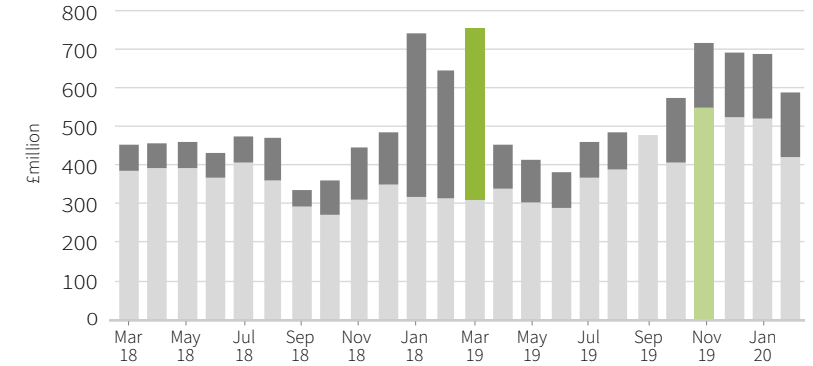
Community & Amenity

Civil Engineering

5.5.1 Hotel & Leisure: Detailed Planning Approvals

Source: Glenigan
 Three month average

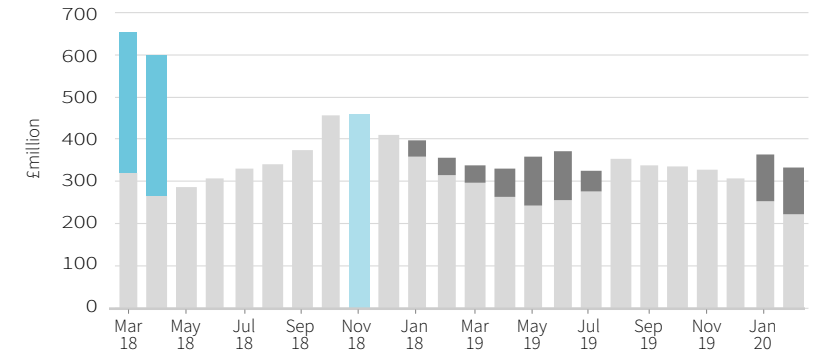
Under £100M
 Over £100M
 Top Under £100M
 Top Over £100M



5.5.2 Hotel & Leisure: Main Contract Awards

Source: Glenigan
 Three month average

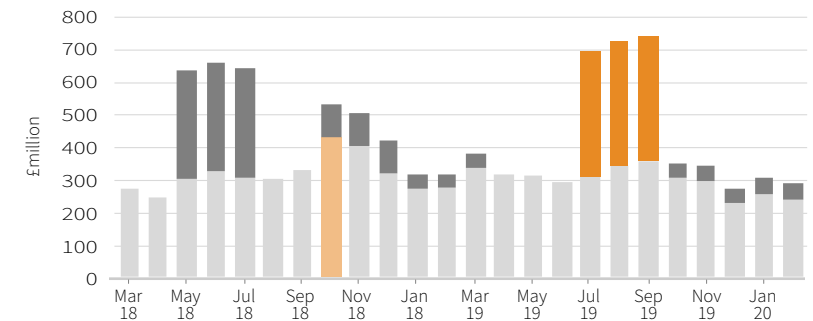
Under £100M
 Over £100M
 Top Under £100M
 Top Over £100M



5.5.3 Hotel & Leisure: Starts

Source: Glenigan
 Three month average

Under £100M
 Over £100M
 Top Under £100M
 Top Over £100M



Hotel & Leisure - Types of Projects Started

Totalling £519 million, hotel projects saw strong growth during the three months to February, up 58% against the previous year, accounting for 59% of the sector. Indoor leisure facilities projects grew 23% against a year ago, with starts valuing £165 million, accounting for a fifth of starts.

On the other hand, cinema & theatre starts drastically declined, seeing a 72% drop on the previous year during the three months to February. Sports facilities projects also saw a steep decline, with starts falling 66% against the previous year.

5.5.4 Hotel & Leisure: League Tables (January 2019 To January 2020)

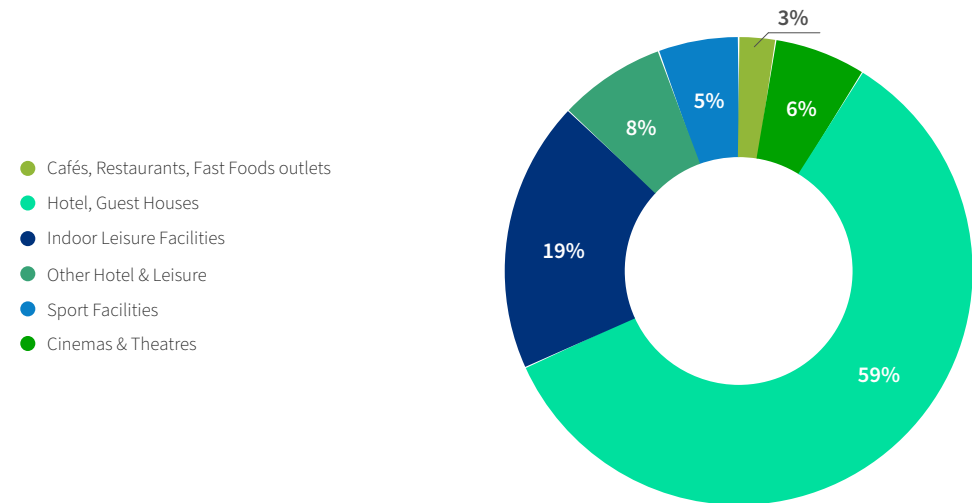
Source: Glenigan

Contractors	Projects	£million
Willmott Dixon	23	244
Laing O'Rourke	3	241
ISG	10	161
John Sisk & Son	1	151
Ardmore	2	150
McAlear & Rushe	4	104
Buckingham	5	97
Edgewater	4	88
Bowmer & Kirkland	5	72
Kier	10	70

Clients	Projects	£million
Jackson's Row	1	200
PPHE Hotel	1	180
Aspirations	1	180
Aviva	2	154
West Register	1	151
Crouch End	1	150
Coplan	1	150
London Borough of Haringey	1	150
All England Lawn Tennis Club	3	88
London Borough of Merton	1	82

5.5.5 Types Of Hotel & Leisure Projects Started 3 Months To February 2020

Source: Glenigan



Project Spotlight

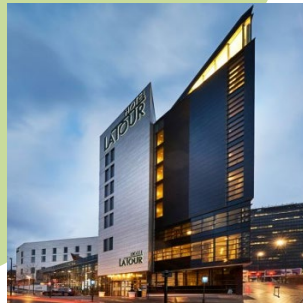


Image source: PHP Architects

Hotel La Tour

Works have commenced on site on the 261-bedroom, 14-storey Hotel La Tour, Milton Keynes. The scheme includes landscaping, cable laying and enabling works. The development has been designed to achieve BREEAM Very Good rating.

Project ID: 17252609

Hotel & Leisure - Regional

London starts accounted for 27% of the sector, to total £239 million. This was a 20% improvement on the previous year. Elsewhere, the East Midlands saw strong growth, with starts rising 89% against a year ago. Starts included a £42 million new leisure centre in Derby (Project ID: 17364994). In contrast, many other regions saw a double-digit decline against a year ago.

Bucking the national trend was the West Midlands. Accounting for 14% of approvals for the sector, approvals in the region spiked 257% compared with the previous year. In addition, the East of England, North East and North West all enjoyed high levels of growth, with approvals up 79%, 215% and 142% against the previous year.

Accounting for 48% of approvals for the sector, London was by far the most active region, despite a 24% decline during the three months to February against a year ago. Projects include the Brickmakers Yard Hotel scheme in Westminster, valued at £65 million (Project ID: 11080181). Nationally, approvals dropped 9% against a year ago.

-9%

Decline in the total value of detailed planning approvals during the three months to February

COVID-19

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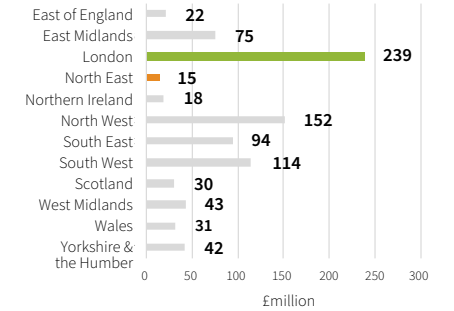
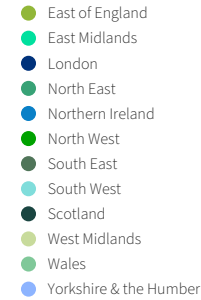
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Community & Amenity

Civil Engineering

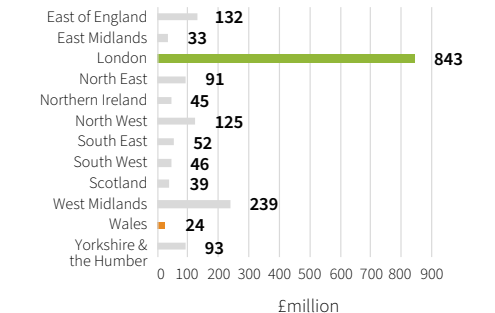
5.5.6 Share Value Of Hotel & Leisure Starts In The Last 3 Months

Source: Glenigan



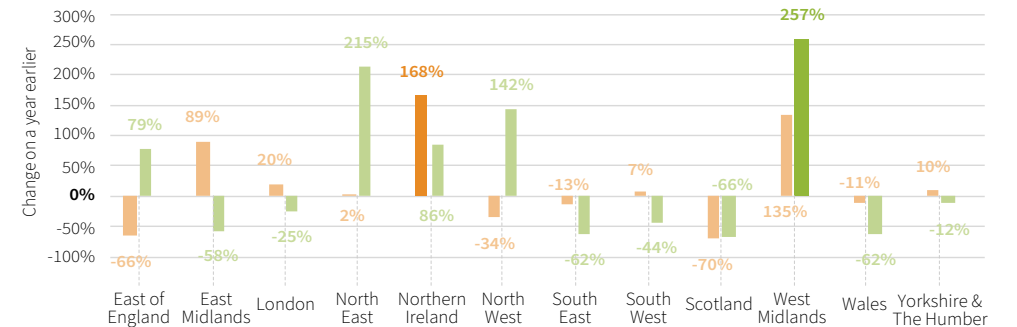
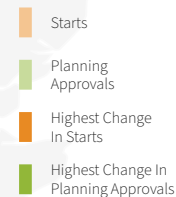
5.5.7 Share Value Of Hotel & Leisure Planning Approvals In The Last 3 Months

Source: Glenigan



5.5.8 Changes In Hotel & Leisure Starts And Planning Approvals On A Year Earlier

Source: Glenigan



Health - Overview

Project starts decline, but contract awards brighten, pointing to an improvement in the development pipeline in the short term.

At £836 million, the total value of health projects starting on site during the three months to February was 60% lower than a year ago. This was influenced by an 81% decline in major projects (projects with a value of £100 million or more) commencing on site compared with the previous year. Additionally, underlying starts (£100 million or less) were also down 14% against a year ago, and 16% against the preceding three months on a seasonally adjusted basis.

On the other hand, the value of main contract awards improved significantly. At £722 million, the value of contracts awarded was up 79% on the previous year and by 38% on the preceding three months. An awarding of a major contract boosted the growth. Underlying contract awards also improved against the previous year, rising by 13%, showing consistent growth.

During the three months to February, the value of detailed planning approvals saw a modest improvement against the previous year, rising by 4%. This was despite no major projects reaching the detailed planning approval stage within the sector. However, the value of detailed planning approvals did, against the preceding three months, see a slight drop of 12% (seasonally adjusted).

79%

Increase in the value of main contracts awarded against a year ago

COVID-19

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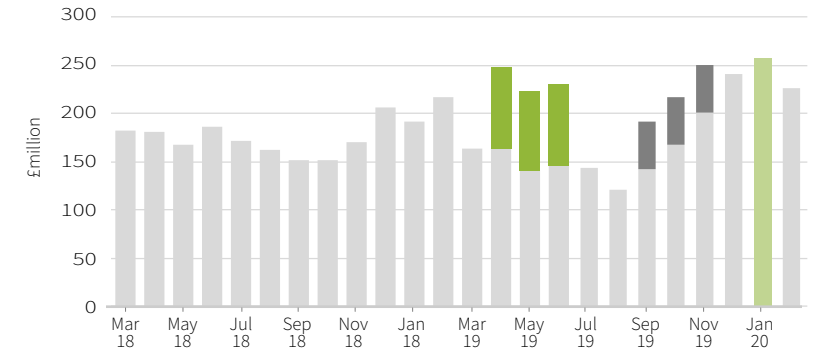
Community & Amenity

Civil Engineering

5.6.1 Health: Detailed Planning Approvals

Source: Glenigan
Three month average

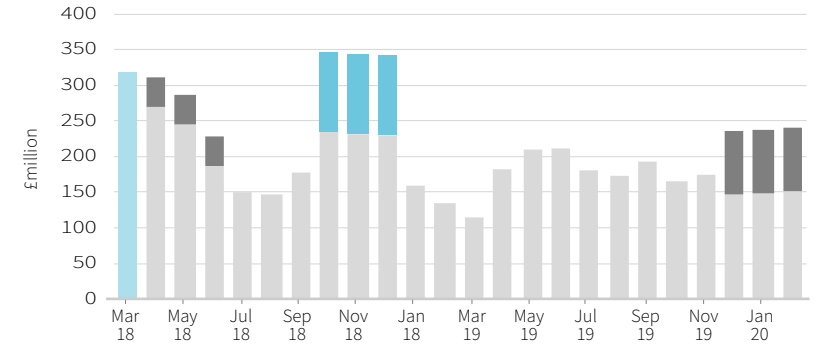
Under £100M
Over £100M
Top Under £100M
Top Over £100M



5.6.2 Health: Main Contract Awards

Source: Glenigan
Three month average

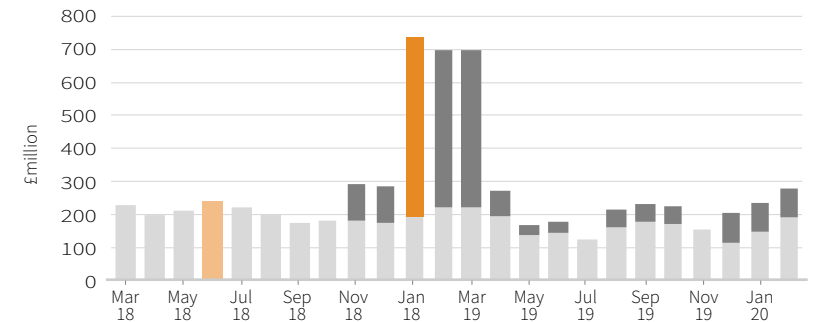
Under £100M
Over £100M
Top Under £100M
Top Over £100M



5.6.3 Health: Starts

Source: Glenigan
Three month average

Under £100M
Over £100M
Top Under £100M
Top Over £100M



Health - Types of Projects Started

With starts totalling £335 million and accounting for 40% of the sector, hospital starts declined tremendously, by 81% against the previous year.

Alternatively, 'other' health projects saw the strongest growth during the three months to February. Accounting for a quarter of sector starts, 'other' health projects rose by 161% against a year ago. With shares of 23% and 12% for the sector, nursing home and dental & health surgery starts rose 15% and 22% against the previous year respectively.

5.6.4 Health: League Tables (January 2019 To January 2020)

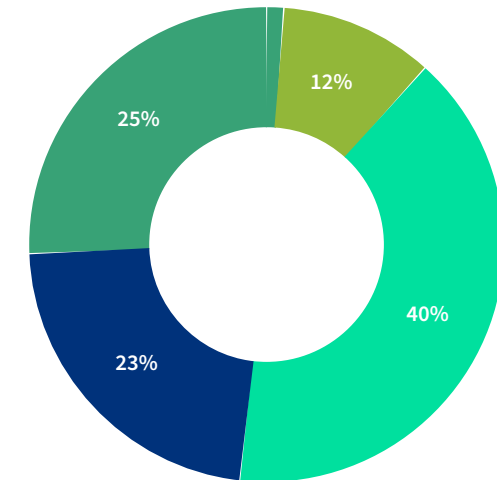
Source: Glenigan

Contractors	Projects	£million
Balfour Beatty	5	320
Kier	40	155
Mace	2	114
Interserve	10	78
Renew	1	78
SDC	3	55
Mcgoff	7	55
Galliford Try	5	51
Integrated Health Projects	4	49
Royal BAM	3	47

Clients	Projects	£million
Department of Health	246	1,004
Council for the Central Laboratory of the Research Councils	7	144
Oxford Nanopore Technologies Ltd	1	110
Medical Research Council	2	79
Barchester Healthcare	11	67
Signature Senior Lifestyle	3	60
University of Cambridge	2	54
Lynxvale	1	40
Royal London Asset Management	1	35
Salmon Harvester	1	35

5.6.5 Types Of Health Projects Started 3 Months To February 2020

Source: Glenigan



Project Spotlight



Image source: Arup

Astrazeneca UK's New Research & Development Enabling Building

Reserved matters have been granted for the construction of a 13,000 sqm research and development enabling building. The scheme also includes car parking, landscaping and infrastructure works.

Project ID: 19279889

COVID-19

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Health - Regional

During the three months to February, the West Midlands saw the highest increase in starts. Totalling £287 million, the region accounted for 34% of starts. London, accounting for 17% of starts and totalling £145 million, saw a 21% climb against the previous year. This was boosted by work commencing on site for the £78 million London Institute of Medical Sciences (Project ID: 17106187). The East of England, Wales and Yorkshire & the Humber all saw growth in starts on a year ago despite the national trend.

At £160 million, approvals in the South East accounted for almost a quarter of detailed planning approvals for the sector, the greatest share. Plans in the region include the Culham Science Centre in Abingdon, Oxfordshire (Project ID: 19247495). With 160% growth compared with the previous year, the East of England saw approvals total £140 million, accounting for 15% of approvals. This was boosted by the approval of AstraZeneca's new research and development centre in Cambridge (Project ID: 19279889). Approvals also grew strongly in the East Midlands, London, North West and West Midlands.

£677m

The combined value of detailed planning approvals during the three months to February

COVID-19

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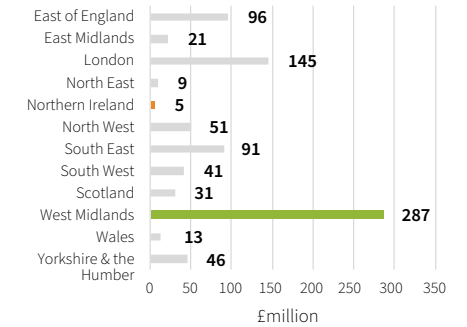
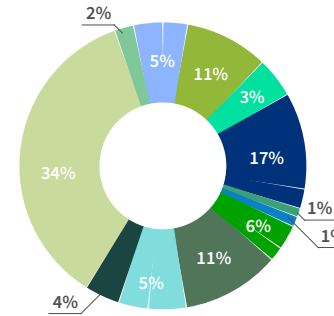
Education

Community & Amenity

Civil Engineering

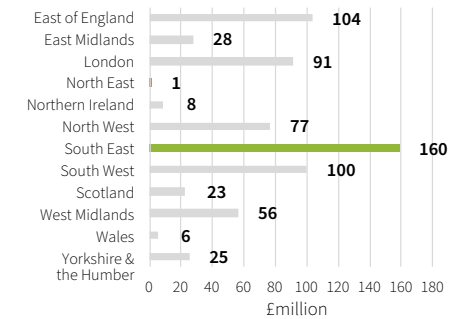
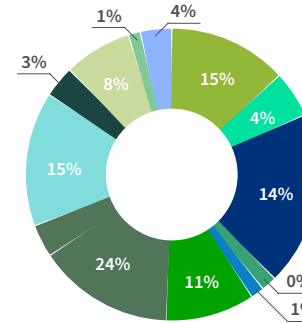
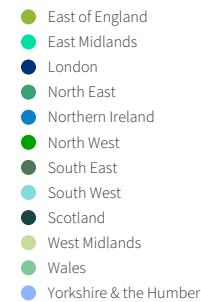
5.6.6 Share Value Of Health Starts In The Last 3 Months

Source: Glenigan



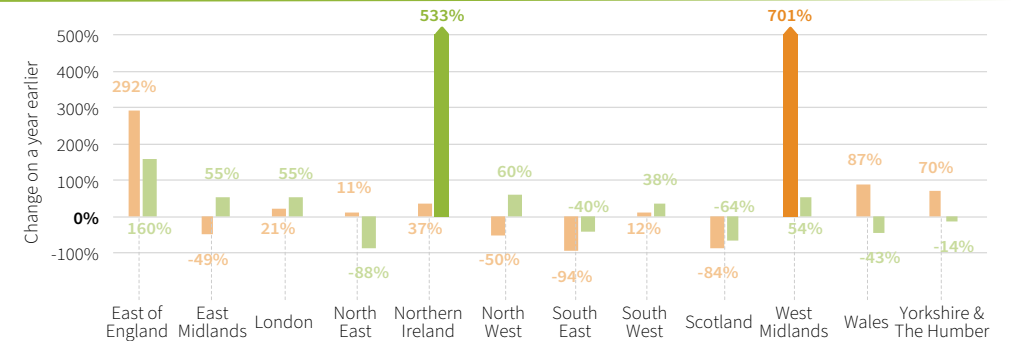
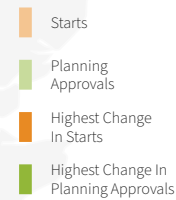
5.6.7 Share Value Of Health Planning Approvals In The Last 3 Months

Source: Glenigan



5.6.8 Changes In Health Starts And Planning Approvals On A Year Earlier

Source: Glenigan



Education - Overview

Starts and planning approvals pick up, however contract awards still weak on a year ago.

During the three months to February, starts improved tremendously. Totalling £1,438 million, this was a rise of 31% on a year ago. Despite no major projects (£100 million or more) starting during the period, the value of underlying (projects under £100 million) starts significantly drove growth during the three months to February, being up 39% against the preceding three months on a seasonally adjusted basis.

On the other hand, contract awards during the three months to February were still down, pointing to a possible slowdown in starts in the short term. Main contract awards were down 25% against the previous year and 5% on a year ago. No major contracts were awarded during the period, heavily influencing the decline.

On the face of it, the value of detailed planning approvals during the three months to February declined against the previous year, falling by 16%. However, this was due in part to the failure of any major projects to reach detailed planning approval stage. When looking at underlying planning approvals the picture is more positive. Underlying approvals were up 17% when compared with a year ago, and up 7% against the preceding three months (seasonally adjusted).

31%

Increase in the combined value of projects starting on site

COVID-19

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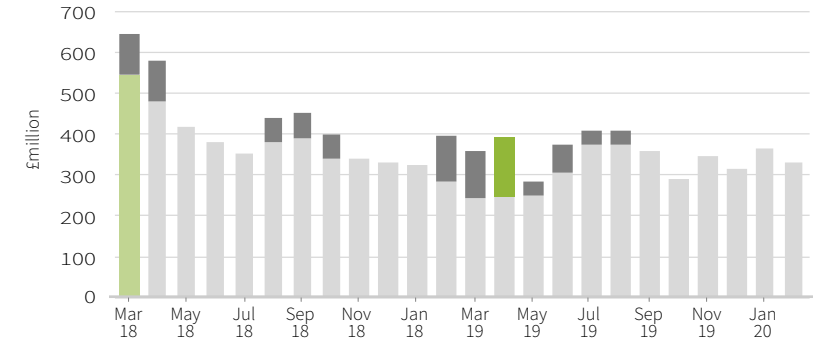
Community & Amenity

Civil Engineering

5.7.1 Education: Detailed Planning Approvals

Source: Glenigan
 Three month average

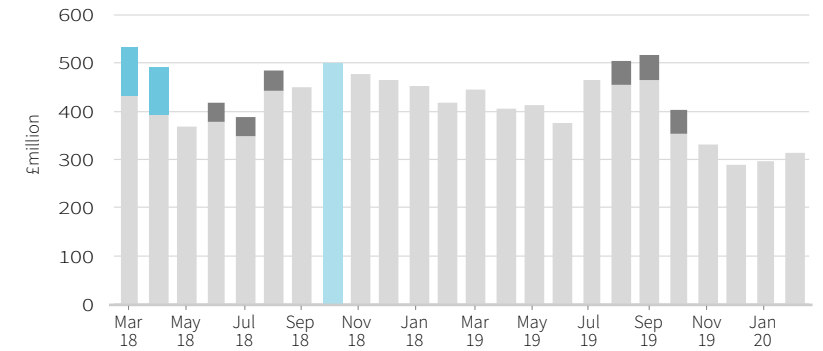
Under £100M
 Over £100M
 Top Under £100M
 Top Over £100M



5.7.2 Education: Main Contract Awards

Source: Glenigan
 Three month average

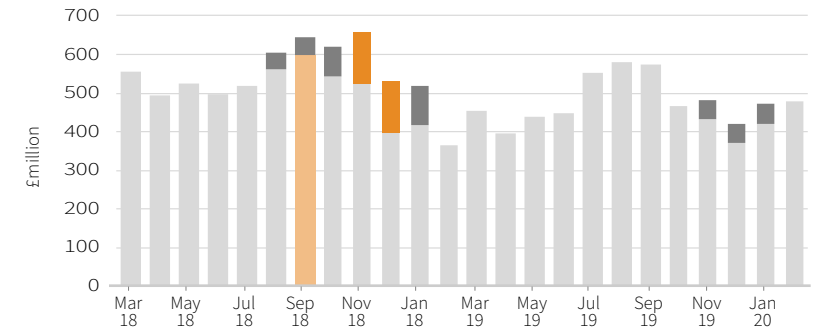
Under £100M
 Over £100M
 Top Under £100M
 Top Over £100M



5.7.3 Education: Starts

Source: Glenigan
 Three month average

Under £100M
 Over £100M
 Top Under £100M
 Top Over £100M



Education - Types of Projects Started

Unsurprisingly, schools accounted for the majority of sector starts, obtaining a 70% share. School starts achieved good growth during the three months to February, with starts up 23% to £1,000 million. Colleges and universities also saw significant growth, with starts up 74% and 65% to total £158 million and £244 million respectively against a year ago.

'Other' education projects were the only sub-sector to decline, with starts down 20% against a year ago to total £37 million.

5.7.4 Education: League tables (January 2019 to January 2020)

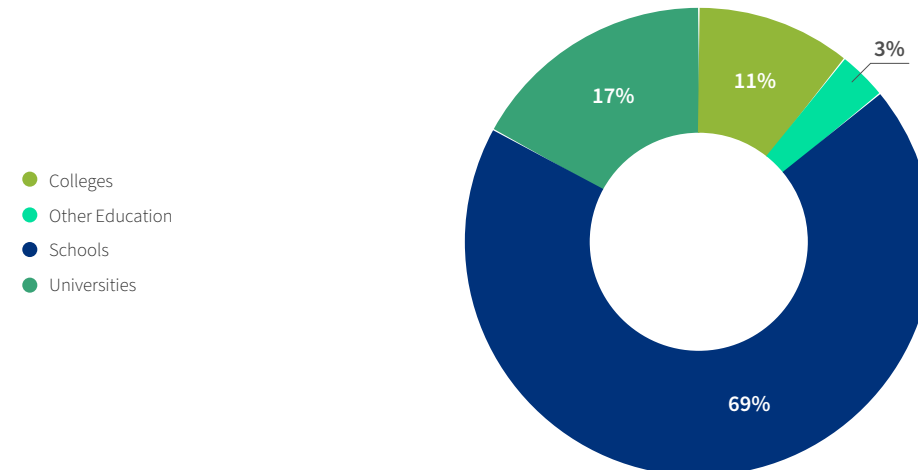
Source: Glenigan

Contractors	Projects	£million
Morgan Sindall	86	451
Willmott Dixon	41	321
Kier Group	56	253
Galliford Try	17	168
ENGIE	6	163
Royal BAM	9	158
Wates	7	123
Bouygues	2	105
Bowmer & Kirkland	8	104
Interserve Holdings	17	99

Clients	Projects	£million
Department for Education	90	717
Leicester University	2	163
University College London	20	128
University of Edinburgh	7	109
University of Oxford	8	99
Bowmer & Kirkland	5	88
City of Edinburgh Council	29	83
Kent County Council	15	78
University of Sheffield	1	72
University of Bath	3	72

5.7.5 Types Of Education Projects Started 3 Months To February 2020

Source: Glenigan



Project Spotlight



Image source: Architype

London Dock Secondary School

Reserved matters have been granted for a new school and sixth form in Tower Hamlets, London. Plans include play space facilities, parking and associated highway works. A main contractor is yet to be appointed.

Project ID: 19159107

Education - Regional

At £292 million, the West Midlands was the most dominant region during the three months to February, accounting for 20% of sector starts. This was more than a four-fold increase on the year before. Starts were boosted by work commencing on site for a new £74 million school in Hereford (Project ID: 02362710).

The capital was also a dominant region within the education sector for starts, accounting for 19%. At £270 million, starts were up 39% against the year before. Projects include a £30 million extension to a school in Camden (Project ID: 20085206).

Elsewhere, the North East, Northern Ireland and South West all enjoyed large spikes in starts during the period.

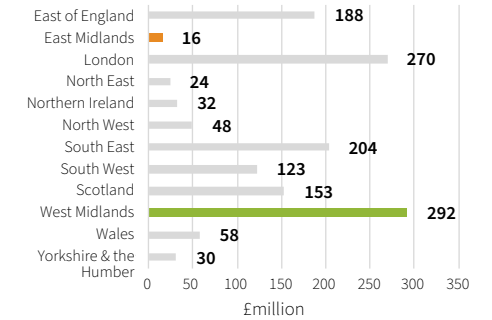
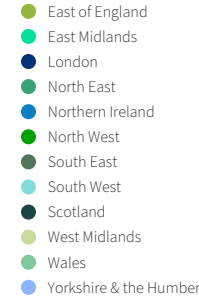
With detailed planning consents at £262 million, the South East accounted for over a quarter of approvals, the greatest share of any region during the three months to February. Compared with the previous year, the value of approvals was up 45% in the region. Approvals were boosted by a £34 million extension to St Marks Primary School in Southampton (Project ID: 19422874). Elsewhere, many regions saw triple-figure growth, with the East Midlands, North East, South West, West Midlands, and Wales all experiencing significant growth compared with a year ago.

-16%

Fall in the value of detailed planning approvals during the three months to February

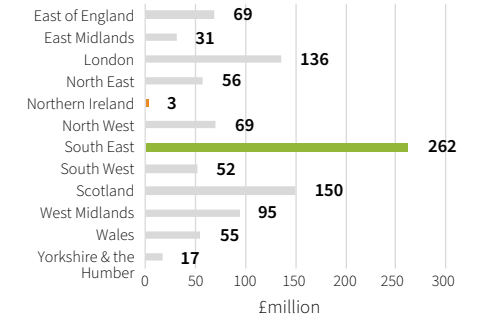
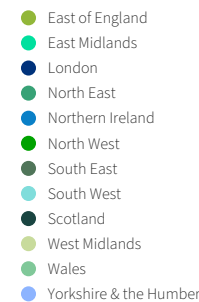
5.7.6 Share Value Of Education Starts In The Last 3 Months

Source: Glenigan



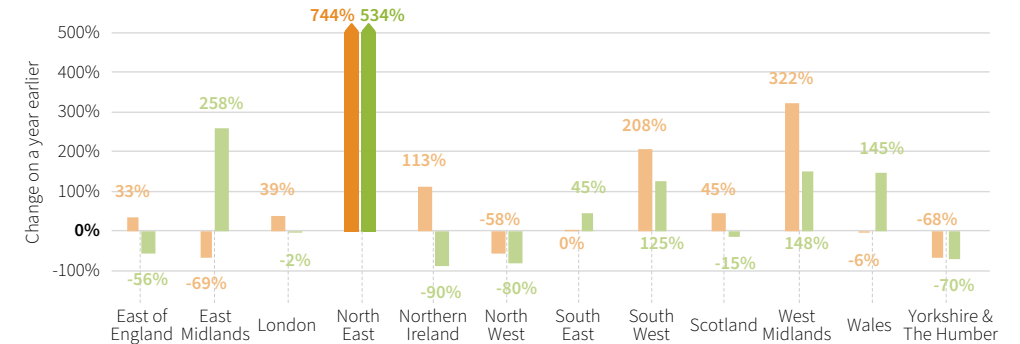
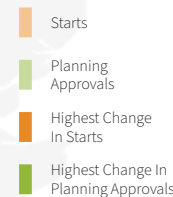
5.7.7 Share Value Of Education Planning Approvals In The Last 3 Months

Source: Glenigan



5.7.8 Changes In Education Starts And Planning Approvals On A Year Earlier

Source: Glenigan



Community & Amenity - Overview

Starts improve on a year ago, but contract awards and underlying detailed planning approvals were significantly down, painting a somewhat negative picture for the sector's development pipeline.

At £603 million, the value of community & amenity starts during the three months to February were dramatically up on a year ago. This was ultimately down to the start of a single major project valued at £400 million. The value of underlying project starts (excluding projects over £100m) also increased, seeing a 48% growth against the year before, as well as seeing a 16% increase against the preceding three months on a seasonally adjusted basis.

The value of contracts awarded continued to drop again during the three months to February. Contracts totalled £125 million and were 45% down on a year ago. As with previous months, this was due to the absence of any major projects (valued at £100 million or more) reaching contract award stage. Underlying contracts also fell against the previous three months, declining by 35%.

Detailed planning approvals increased as a whole during the three months to February. This was largely influenced by the approval of a single major project worth £330 million. On the other hand, underlying detailed planning approvals declined. At £114 million, the value of underlying project approvals dropped 22% against the previous year, and by an even greater 54% against the preceding three months on a seasonally adjusted basis.

£603m

The value of work commencing on site during the three months to February

COVID-19

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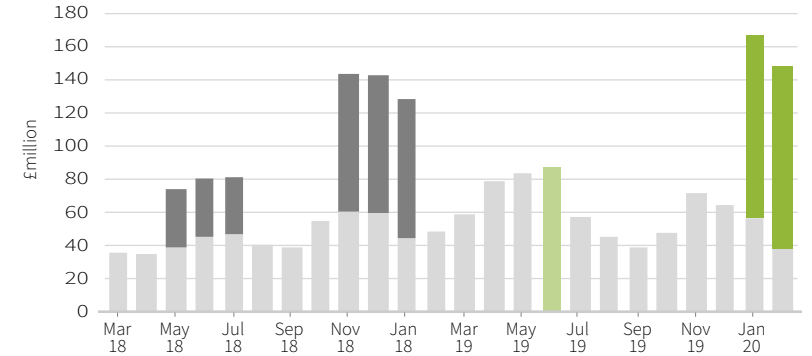
Community & Amenity

Civil Engineering

5.8.1 Community & Amenity: Detailed Planning Approvals

Source: Glenigan
 Three month average

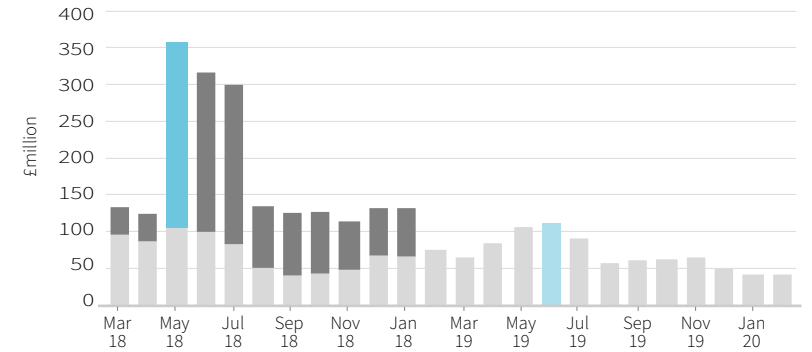
Under £100M
 Over £100M
 Top Under £100M
 Top Over £100M



5.8.2 Community & Amenity: Main Contract Awards

Source: Glenigan
 Three month average

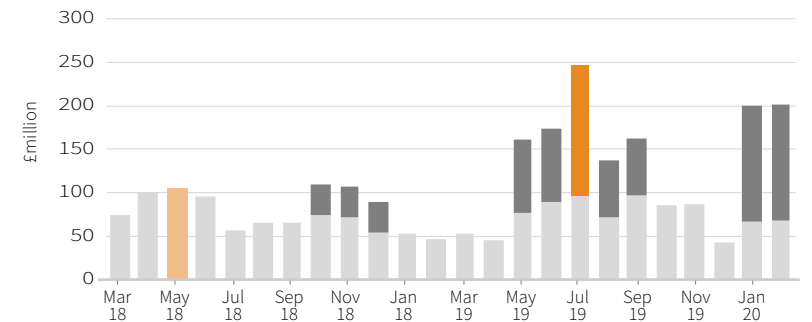
Under £100M
 Over £100M
 Top Under £100M
 Top Over £100M



5.8.3 Community & Amenity: Starts

Source: Glenigan
 Three month average

Under £100M
 Over £100M
 Top Under £100M
 Top Over £100M



Community & Amenity - Types of Projects Started

Totalling £450 million, government buildings were by far the biggest sub-sector, accounting for three quarters of sector starts during the three months to February. Another area of significant growth was blue light projects. At £98 million, blue light projects accounted for 16% of the sector.

Despite this, local facilities and places of worship projects struggled during the three months to February, with 49% and 44% drops respectively, to total £34 million and £18 million.

5.8.4 Community & Amenity: League Tables (January 2019 To January 2020)

Source: Glenigan

Contractors	Projects	£million
Willmott Dixon	12	71
Kier	21	61
Morgan Sindall	11	42
Royal BAM	2	31
Galliford Try	2	28
VINCI	3	26
Wates	3	25
Farrans	1	16
Topcoat	1	15
Knights Brown	4	13

Clients	Projects	£million
Ministry of Defence	28	158
Home Office	24	64
MHCLG	14	46
Wolverhampton City Council	1	38
United Distillers PLC	1	27
HM Revenue & Customs	3	27
Ministry of Justice	7	26
Hub West Scotland	1	22
Renfrewshire Council	1	22
BAE Systems	1	20

Project Spotlight



Image source: AHR

Avonmouth Fire Station Redevelopment

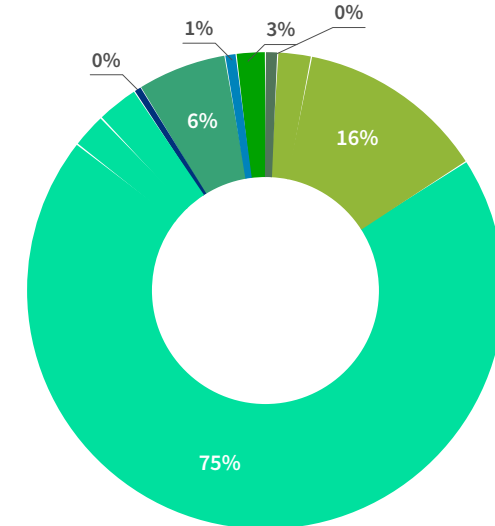
Work has commenced on site for the construction of a new fire station in Bristol. Works include demolition of the existing fire station to facilitate a new operational 5 bay station. The development has been designed to achieve BREEM Excellent rating.

Project ID: 18444444

5.8.5 Types Of Community & Amenity Projects Started 3 Months To February 2020

Source: Glenigan

- Blue Light
- Government Buildings
- Law courts
- Local Facilities
- Military
- Places of Worship
- Prisons



Community & Amenity - Regional

Due to a single major project commencing on site, London was by far the dominant region, accounting for 72% of sector starts. Totalling £437 million, starts during the three months to February included a £10 million refurbishment to Edmonton Police Station (Project ID: 18224243). The West Midlands also saw strong growth against the previous year, with projects totalling £43 million, up 134% on a year ago. Starts in the region accounted for 7% of sector starts. Wales also experienced strong growth during the three months to February.

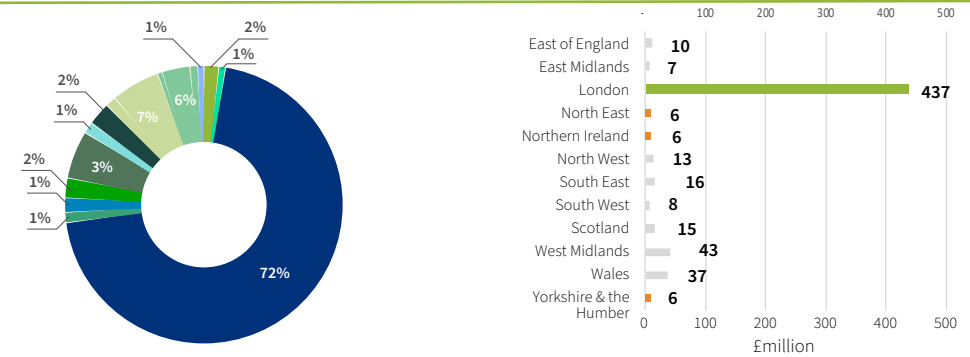
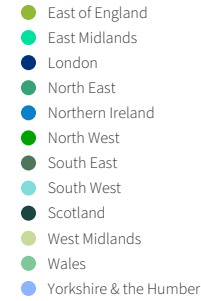
The North West saw the strongest growth of any region during the three months to February, accounting for 79% of all approvals. This figure was heavily influenced by the approval of the refurbishment of Manchester Town Hall, valued at £330 million (Project ID: 16254526). Elsewhere, only two regions saw growth on the previous year. Yorkshire & the Humber and the East Midlands increased 277% and 145% against a year ago, to total £10 million and £21 million respectively.

£444m

The total value of detailed planning approvals during the three months to February

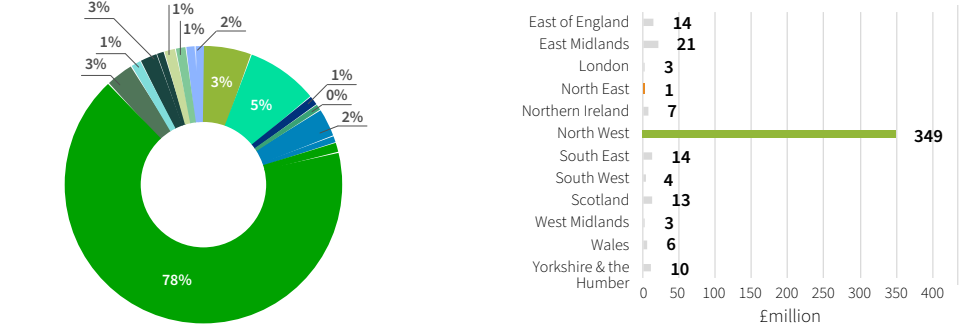
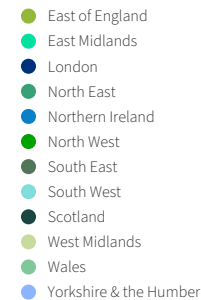
5.8.6 Share Value Of Community & Amenity Starts In The Last 3 Months

Source: Glenigan



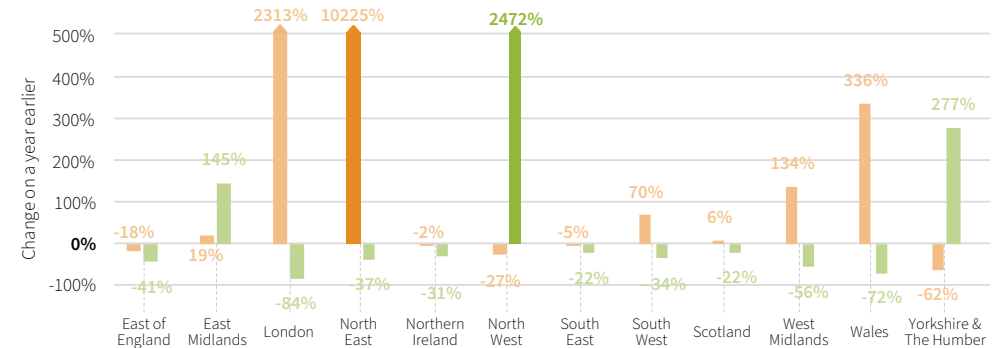
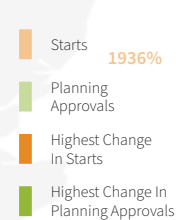
5.8.7 Share Value Of Community & Amenity Planning Approvals In The Last 3 Months

Source: Glenigan



5.8.8 Changes In Community & Amenity Starts And Planning Approvals On A Year Earlier

Source: Glenigan



Civil Engineering - Overview

Detailed planning approvals and main contract awards rise, but starts still struggle amidst recent political uncertainty.

At £2,196 million, the value of civil engineering projects starting on site during the three months to February was 52% down on a year ago. The sharp fall was largely influenced by a dramatic fall in major projects (worth more than £100 million) commencing on site, which at £942 million was 66% down on a year ago. The value of underlying (under £100 million) projects also declined, slipping 31% against a year earlier, and by 16% on the preceding three months on a seasonally adjusted basis.

The three months to February saw main contract awards total £5,514 million, a rise of 31% compared with a year earlier. This was largely driven by an increase in major project contract awards, suggesting an improvement in major project starts over the coming year. At £3,861 million, major project contracts climbed 78% during the three months to February. The same cannot be said with underlying contracts, which saw an 18% decline compared with a year ago.

At £1,387 million, the overall value of detailed planning approvals saw a 7% improvement on a year ago. Again, this was largely driven by major project approvals, increasing by 29% compared with the previous year to total £771 million. Interestingly, at £616 million, underlying approvals saw a 12% decline versus a year ago, but did see a 21% climb against the previous three months on a seasonally adjusted basis.

-52%

Fall in the combined value of work starting on site

COVID-19

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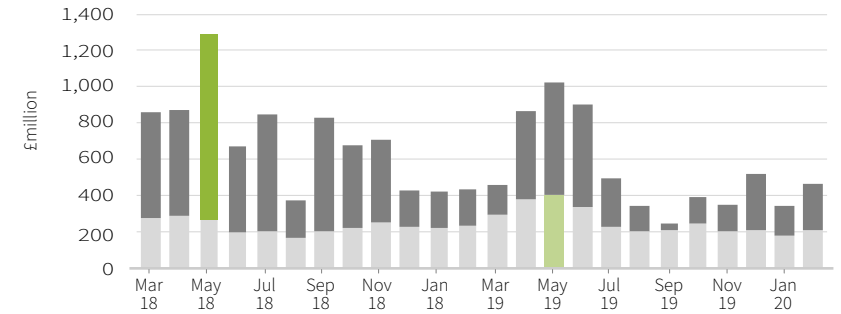
Community & Amenity

Civil Engineering

5.9.1 Civil Engineering: Detailed Planning Approvals

Source: Glenigan
 Three month average

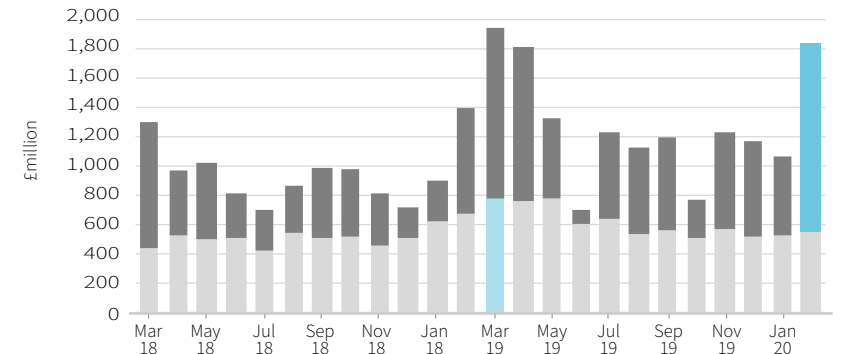
Under £100M
 Over £100M
 Top Under £100M
 Top Over £100M



5.9.2 Civil Engineering: Main Contract Awards

Source: Glenigan
 Three month average

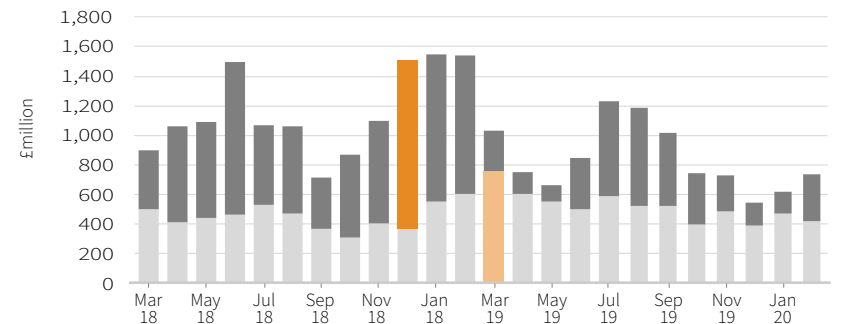
Under £100M
 Over £100M
 Top Under £100M
 Top Over £100M



5.9.3 Civil Engineering: Starts

Source: Glenigan
 Three month average

Under £100M
 Over £100M
 Top Under £100M
 Top Over £100M



Civil Engineering - Types of Projects Started

The dramatic fall in starts for civil engineering was heavily influenced by rapid declines in both energy and road projects. Energy projects saw the sharpest fall, dropping by 75% during the three months to February, totalling £547 million and accounting for a quarter of starts. Road projects also saw a large decline of 71%. With projects valuing £344 million, road projects held a 16% share in sector starts. Although obtaining a smaller share of 4%, rail projects saw the greatest decline, with projects 77% down on a year ago.

Contrastingly, airport projects saw very strong growth, with projects totalling £237 million during the three months to February. This was also seen with Harbour projects, up 168% against a year ago to total £342 million. Harbour projects accounted for 16% of the sector.

5.9.4 Civil Engineering: League Tables (January 2019 To January 2020)

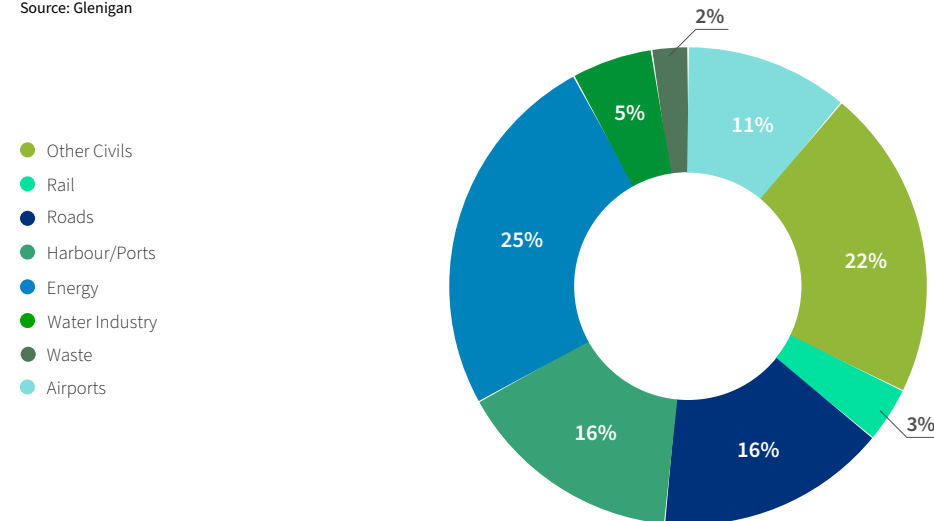
Source: Glenigan

Contractors	Projects	£million
Kier	30	2,924
Balfour Beatty	35	2,106
Royal BAM	36	691
Siemens	9	551
Graham	23	519
VolkerWessels	55	516
Fluor	2	477
Nkt cables	2	448
Murphy	16	430
CRH	71	418

Clients	Projects	£million
Birmingham City Council	9	2,777
Network Rail	94	2,420
National Grid	29	1,867
Greater London Authority	11	1,107
Energinet.dk	1	1,100
Environment Agency	43	364
Westminster City Council	3	352
Department for Transport	29	352
INEOS Upstream	1	350
Leeds City Council	5	311

5.9.5 Types Of Civil Engineering Projects Started 3 Months To February 2020

Source: Glenigan



Project Spotlight



Image source: WSP

Old Oak Common High Speed Hub

Detailed plans have been submitted for the construction of a high speed hub at Old Oak Common. Works will include high speed platforms, track works, and transport connections. Contracts have been awarded.

Project ID: 17142792

Civil Engineering - Regional

During the three months to February, the South East was the dominant region for civil engineering starts. At £831 million, the region accounted for 38% of sector starts, rising by 173% against the previous year. The Pier 6 extension at Gatwick Airport heavily influenced the increase in starts, being valued at £180 million (Project ID: 13059651). Also bucking the national trend were the East of England and East Midlands, both seeing triple figure growth against a year ago. The North West, accounting for 15% of starts, saw it become the second most active region during the three months to February. Despite a 23% decline against last year, starts include the East-West Link Road scheme in Preston (Project ID: 16237921).

The South West, at £318 million, was the most active region in terms of detailed planning approvals, accounting for 23% of sector approvals during the three months to February. This was largely influenced by the detailed approval of improvements to the A30 from Chiverton to Carland (Project ID: 08134065). The North West was another region that saw spectacular growth during the period, with starts totalling £266 million and accounting for 19% of the sector. Plans include a new energy recovery facility in Preston (Project ID: 19002211). Elsewhere, the South East, and East Midlands saw strong growth against the previous year.

31%

Increase in the overall value of main contracts awarded during the three months to February

COVID-19

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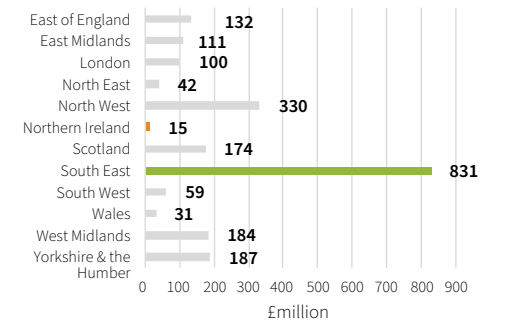
Education

Community & Amenity

Civil Engineering

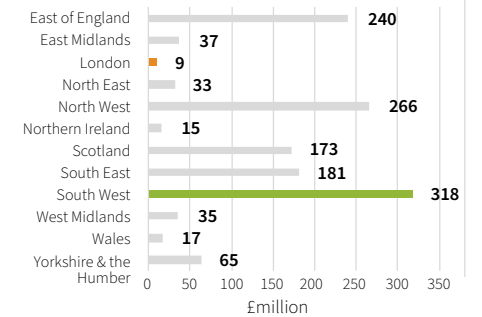
5.9.6 Share Value Of Civil Engineering Starts In The Last 3 Months

Source: Glenigan



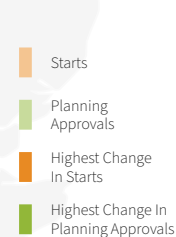
5.9.7 Share Value Of Civil Engineering Planning Approvals In The Last 3 Months

Source: Glenigan



5.9.8 Changes In Civil Engineering Starts And Planning Approvals On A Year Earlier

Source: Glenigan



COVID-19

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