

THE GLENIGAN CONSTRUCTION REVIEW

EXTENDED EDITION

Reflecting activity to the end of January 2023

- > 47% decline in project-starts during the three months to January
- > 16% drop in main contract awards against the previous year
- > 17% decline in detailed planning approvals against the preceding three months

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February 2023

West Denton Leisure Centre
Source: FaulknerBrowns Architects

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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 12 regions of the UK.

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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 **Drilon Baca**
Junior Economist

Drilon provides insight and analysis for Glenigan's suite of monthly industry reports, and works with customers to provide tailored data and insight to help support their decision making strategies.



Executive Summary

Weak construction-starts performance continued through January. Main contract awards and detailed planning approvals also weakened.

Averaging £5,286 million per month, work commencing on-site during the three months to January fell by almost half (-47%) against the preceding three months to stand one third lower than a year ago. Major (£100 million or more in value) project-starts averaging £1,459 million per month, fell 64% against the preceding three months and 39% compared with the previous year. Underlying (less than £100 million) work starting on-site averaged £3,287 million per month, a 20% fall against the preceding three months on a seasonally adjusted (SA) basis to stand 31% down on the previous year.

Main contract awards averaged £7,524 million per month; a 21% decline compared with the preceding period to stand 16% lower than the same time a year ago. Underlying main contract awards, averaging £5,381 million, decreased 22% against the preceding three months (SA) and by 24% against the previous year. Major project contract awards averaged £2,142 million per month; a 31% decline compared with the preceding three months but a 17% rise against the previous year.

Detailed planning approvals, averaging £8,395 million per month, decreased 17% against the preceding three months to stand flat against a year ago. While major detailed planning approvals fell 38% against the preceding three months, the value increased by just over a third (+34%) against the previous year to average £2,476 million per month. Underlying detailed planning approvals averaged £5,919 million per month, a 6% (SA) decline compared with the preceding three months to stand 10% lower than a year ago.

CONSTRUCTION ACTIVITY

Construction output remained unchanged in December (SA) compared with the previous month, according to the latest official data from the Office for National Statistics. However, output did increase 0.3% (SA) during the three months to December to stand 5.1% up on a year ago.

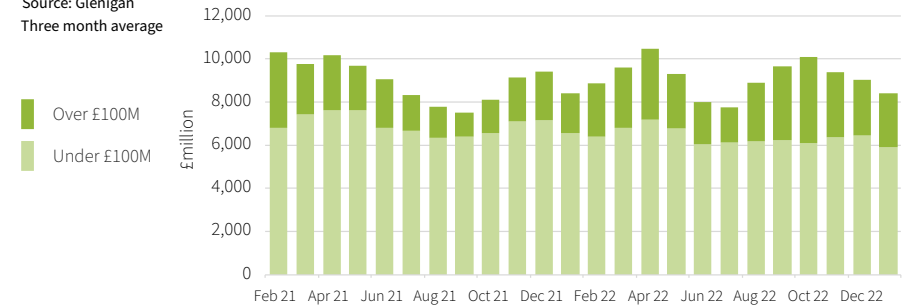
While welcome, the data covers projects that are currently under construction, many of which will have started earlier this year or in previous years. This is especially the case with new construction and major projects such as HS2.

New work continued to perform relatively well, with output increasing 0.4% (SA) during the three months to December to stand 4.6% up on a year ago. Industrial new work decreased -2.5% (SA) against the preceding three months but increased significantly (+26%) against the previous year. Despite decreasing (-3.2%) against the preceding three months, private housing output advanced (+8.8%) against the previous year. Public other new work and infrastructure new work both increased 6.5% during the three months to December but remained 2.4% and 2.7% lower than a year ago, respectively.

Repair & Maintenance (R&M) output increased slightly (+0.1%) (SA) during the three months to December to stand 5.9% higher than the previous year. Due to naturally shorter project lifespans, R&M output is quicker to respond to shifts in consumer confidence and expenditure decisions. Public housing R&M experienced a mixed performance, rising 3.2% (SA) against the preceding three-month period but stood -0.4% down on a year ago. Private housing output weakened against the preceding three months (-3.5%) but remained 2.1% up on a year ago. Non-housing R&M output increased 2.4% against the preceding three months to stand 10.6% higher than the previous year.

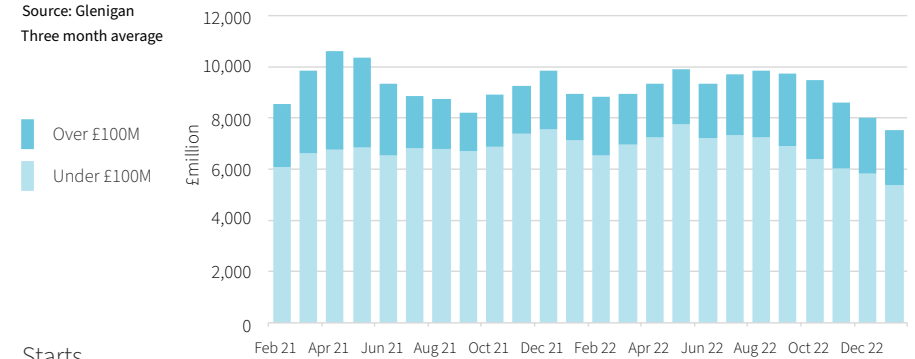
Detailed Planning Approvals

Source: Glenigan
Three month average



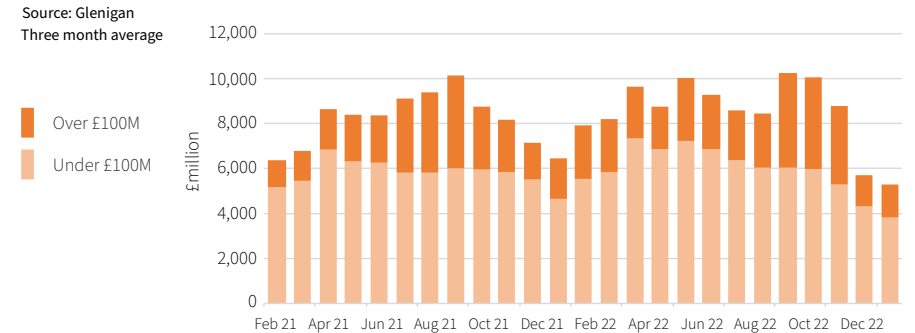
Main Contract Awards

Source: Glenigan
Three month average



Starts

Source: Glenigan
Three month average



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Contractors League Tables

Top 50 Contractors - February 2022 to January 2023

Contractors	#	£m	
1 Kier	176	3218	0
2 Balfour Beatty	34	2499	6
3 Wates	89	1758	11
4 Mace	16	1751	1
5 Morgan Sindall	287	1587	3
6 Willmott Dixon	122	1522	3
7 Winvic	26	1389	3
8 ISG	44	1318	3
9 LendLease	5	1209	2
10 Skanska UK	9	997	0
11 VolkerWessels	37	851	2
12 Galliford Try	74	781	0
13 Costain	6	781	NEW
14 Graham Construction	18	736	2
15 Fortem Solutions	2	727	NEW
16 McLaren	20	686	3
17 Royal BAM	34	661	2
18 Bouygues	33	611	12
19 Robertson	29	594	1
20 Buckingham Group	22	592	3
21 Breyer Group	7	515	NEW
22 John Sisk & Son	6	489	1
23 Bowmer & Kirkland	26	474	7
24 JRL Group	7	462	4
25 McLaughlin & Harvey	17	461	3

Contractors	#	£m	
26 Tilbury Douglas	71	453	1
27 K2 Consultancy	1	450	1
28 Higgins	11	443	1
29 IHP Integrated Health	13	443	5
30 We Build Group	1	433	2
31 BeMo Tunnelling	1	433	0
32 FCC Servicios Ind. Y Energeticos SA	1	433	1
33 Laing O'Rourke	6	405	22
34 Hill Partnerships	19	404	1
35 Glencar Construction	16	383	1
36 Milestone Infrastructure	9	363	1
37 Vistry	17	361	10
38 Henry Construction	10	349	12
39 Farrans Construction	7	293	0
40 HG Construction	7	285	3
41 Renaker Build	3	262	5
42 Sir Robert McAlpine	9	255	3
43 McGee Group	5	243	NEW
44 Andrew Scott	9	242	6
45 Readie Construction	12	237	1
46 GMI Construction	9	223	2
47 Esh Group	17	212	6
48 United Living	14	205	6
49 Mytilineos	3	201	3
50 Acorn Consortium	1	187	1

Last 12 month totals:
1,418 projects, £34,869m

Last month totals:
120 projects, £4,709m

Top 50 Contractors - January 2023

Contractors	#	£m	
1 Balfour Beatty	3	1302	15
2 Mace	5	826	1
3 Breyer Group	1	250	NEW
4 Kier	17	228	4
5 ISG	2	220	5
6 Willmott Dixon	13	173	NEW
7 Farrans Construction	2	136	28
8 Mott Macdonald Group	1	133	NEW
9 Morgan Sindall	18	121	5
10 Sir Robert McAlpine	1	120	NEW
11 Costain	2	119	NEW
12 Bowmer & Kirkland	4	79	NEW
13 HG Construction	1	75	NEW
14 RG Group	1	75	NEW
15 Readie Construction	1	60	NEW
16 Speller Metcalfe	2	56	NEW
17 JJ Rhatigan & Company	1	55	NEW
18 SDC Holdings	2	36	NEW
19 Beck Interiors	1	35	NEW
20 Wates	1	35	13
21 Robertson	1	35	NEW
22 McLaren	1	34	17
23 GMI Construction	1	33	NEW
24 Winvic	2	31	NEW
25 Stainforth Construction	1	30	NEW

Contractors	#	£m	
26 Seddon Group	1	28	NEW
27 Walsh Structural and Civil Eng.	1	25	NEW
28 Glencar Construction	1	24	9
29 VolkerWessels	2	23	NEW
30 Bussey & Armstrong	2	22	NEW
31 Beard	2	21	1
32 Parkway	2	21	NEW
33 Cruden	1	20	NEW
34 Barnfield Construction	1	20	NEW
35 Faircloth	2	19	NEW
36 Henry Construction	1	18	15
37 Elliot Group IE	1	17	NEW
38 Kori Construction	1	16	NEW
39 A & H Construction & Dev.	2	15	NEW
40 Brackley Investments	1	14	NEW
41 CIRC Management & Dev.	1	13	NEW
42 Broadway Living RP	1	12	NEW
43 Hill Partnerships	1	12	28
44 Russell WBHO	1	12	NEW
45 Heron Bros	1	12	NEW
46 Helix Construct	1	11	NEW
47 TG Escapes	1	11	NEW
48 Tilbury Douglas	5	11	35
49 CCG	1	10	NEW
50 Marshall Construction	1	9	NEW

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Clients League Tables

Top 50 Clients - February 2022 to January 2023

Clients	#	£m		Clients	#	£m	
1 Department for Transport	40	4059	0	26 Evera Homes	8	238	NEW
2 Department of Health	206	1544	0	27 SSE	7	237	1
3 Ministry of Justice	36	1476	0	28 London Borough of Hackney	14	231	5
4 Town & Country Housing Group	1	700	NEW	29 Northamptonshire County Council	3	228	1
5 Welsh Government	16	694	1	30 Lincolnshire County Council	10	227	1
6 Ferrovial	6	656	NEW	31 Zurich Group	2	226	23
7 Department for Education	52	555	1	32 Edge	1	225	NEW
8 Home Group	7	527	NEW	33 Scottish Government	6	224	2
9 Network Rail	47	472	4	34 Chinese Estates Holdings	1	215	2
10 City of Edinburgh Council	19	460	8	35 River Court Properties	1	215	2
11 SeAH Steel	2	453	4	36 Greater London Authority	14	210	4
12 Manchester Airports Group	2	444	NEW	37 The City of Cardiff Council	10	203	14
13 Yondr Group	2	430	3	38 Drax Power	2	201	1
14 Panattoni & LU UK V Sarl	5	405	1	39 MEC London Prop. 3 (Gen. Partner)	1	200	1
15 Segro	10	385	0	40 Co-re	1	200	1
16 Environment Agency	26	383	6	41 Manchester City Council	14	200	7
17 Ministry of Defence	46	374	1	42 London Borough of Tower Hamlets	7	193	2
18 Anglian Water Group	3	361	NEW	43 University of Exeter	2	186	NEW
19 Devonport Management	2	359	2	44 Mace	5	183	3
20 Central Bedfordshire Council	10	336	6	45 Oaklee Housing Association	5	182	0
21 Buckinghamshire County Council	1	320	0	46 London Borough of Hillingdon	8	180	3
22 Cheshire West & Chester Council	5	317	11	47 Statoil	2	176	3
23 St Modwen Properties	8	283	2	48 Birmingham City Council	11	173	29
24 Fujifilm Diosynth Biotech.	4	257	NEW	49 Harrow View Developments	2	172	NEW
25 London Borough of Haringey	11	247	1	50 Optivo	10	170	NEW

Top 50 Clients - January 2023

Clients	#	£m		Clients	#	£m	
1 Cheshire West & Chester Council	1	300	0	26 Mangata Networks	1	21	13
2 Central Bedfordshire Council	2	255	0	27 South Ayrshire Council	1	21	13
3 Regis Fleet Street	1	120	0	28 Trebor Developments LLP	1	19	3
4 Baola Properties	1	100	NEW	29 North Lanarkshire Council	1	18	3
5 Department of Health	10	95	2	30 Guala Closures UK	1	18	3
6 FI Real Estate Management	1	90	2	31 Fernham Homes	1	18	3
7 Galliford Try	2	63	NEW	32 TEAM2100	1	18	NEW
8 PDCG (Group Services)	1	62	1	33 Environment Agency	1	18	NEW
9 Devon County Council	1	45	3	34 Teesside University	1	17	NEW
10 Leicester City Council	1	43	NEW	35 Greatwell Homes	1	15	0
11 Vistry	1	38	NEW	36 Endurance Land	1	15	1
12 Tata Motors	1	35	4	37 Nan Fung UK	1	15	1
13 DHL Real Estate	1	35	4	38 Whyte & Mackay	1	15	0
14 Optivo	1	35	NEW	39 Lysander & Hanbury Properties	1	14	0
15 London Borough of Redbridge	1	35	3	40 Chalkdene Developments	1	14	NEW
16 The British Library	1	33	6	41 Walker Logistics	1	14	1
17 Dep. of Culture, Media & Sport	1	33	4	42 St Francis Group	1	14	0
18 East Lothian Council	2	30	6	43 Industrial Securities (Basingstoke)	1	14	2
19 Delabole Parish Council	1	27	6	44 Thurrock Borough Council	1	13	21
20 Manhattan Loft Corporation	1	25	7	45 THAT Group	1	13	2
21 Tiger Developments	1	25	5	46 Associated British Ports Holdings	2	13	2
22 University of Cambridge	2	24	7	47 Ministry of Justice	4	13	NEW
23 Department for Education	1	24	13	48 Liverpool Housing Trust	1	12	1
24 Scottish Enterprise	1	21	NEW	49 The White Hills Park Federation Trust	1	12	0
25 LUC	1	21	NEW	50 The Governors	1	12	2

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Glenigan Index

The Glenigan Index is a leading indicator of construction market conditions. The report covers projects with a construction value of less than £100 million that have started on-site in the previous three-month period. Comparisons with the preceding three-month period are seasonally adjusted.

Construction started the year slowly. Continued weakening in project-starts during the three months to January is disappointing. While January's cold snap may have contributed to the fall in starts, the 31% decline against a year ago reflects investor caution in the face of a weak UK economic outlook. Despite this, civil engineering is a relative bright spot, with the value of project-starts up on the previous year. The value of residential starts fell 26% during the three months to January to stand 38% lower than a year ago. Private housing fell 28% against the preceding three-month period and declined by 34% compared with the previous year. Social housing work starting on-site also performed poorly, falling 21% against the preceding three months and 49% down on the previous year.

SECTOR ANALYSIS

Almost all non-residential sectors have experienced a weak performance over the last three months. Industrial project-starts suffered a 34% fall during the three months to January to stand 45% lower than a year ago. Retail also fared poorly, with the value of project-starts falling 29% against the preceding three months and 33% against the previous year. Education project-starts declined 19% against the preceding three months and 31% against the previous year.

Offices followed a similar trend, with the value of underlying project-starts falling 26% against the preceding three months to stand 7% down on a year ago. Community & amenity also experienced a decrease against the preceding three months (-27%) and the previous year (-26%). Hotel & leisure and health project-starts both advanced 16% against the preceding three months respectively but failed to increase against the previous year.

Civil engineering work starting on-site slipped back 3% against the preceding three months to stand 5% up on a year ago. Utilities starts fell 8% against the preceding three months but stood 26% up on a year ago. Infrastructure starts remained flat against the preceding three months but fell 4% on the previous year.

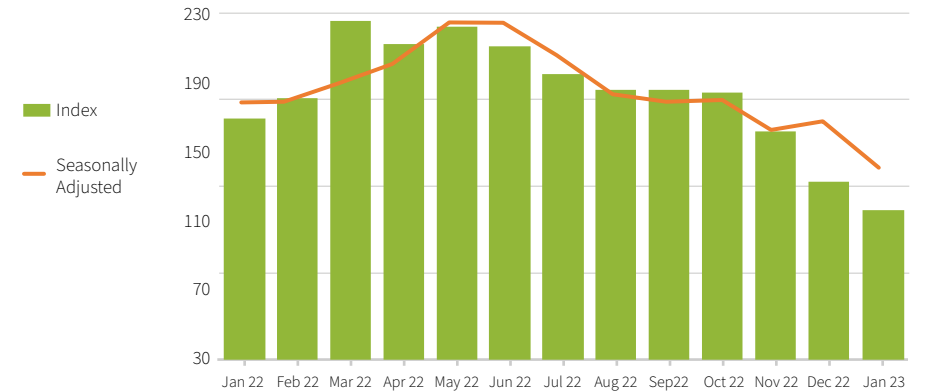
REGIONAL ANALYSIS

Like sectors, there was an overall poor performance among UK regions. The North East performed relatively well compared to others, with project-starts increasing 20% during the three months to January but remained -16% down on a year ago. The South East followed a similar trend, with the value of project-starts increasing 19% against the preceding three months, but like the North East the value remained -9% behind the previous year.

Project-starts in London (-23%) and the South West (-24%) performed particularly poorly against the preceding three months to remain 36% and 39% lower than a year ago, respectively. Some areas of the UK fared worse, including Scotland where the value of project-starts fell 45% against the preceding three months to stand 42% down on a year ago. The East Midlands, West Midlands and the North West also suffered falls in project-starts against both the preceding three months and previous year.

Glenigan Index

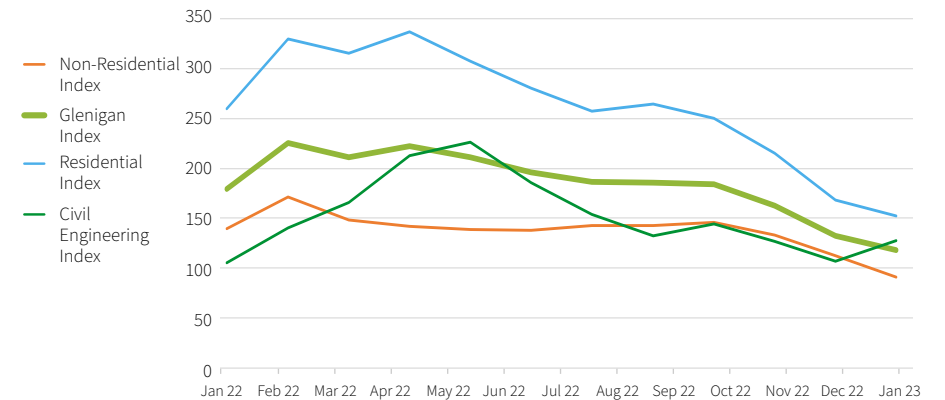
Source: Glenigan



Note: For the Index, 2006 = 100

Indices Growth

Source: Glenigan



Economic Outlook

UK economy flat

- > Manufacturing output stalls
- > Strikes and weak consumer spending depress service sector output
- > Encouraging recovery in investment

UK economic growth stalled during the final quarter of last year as a 0.5% decline in December offset growth earlier in the quarter. Overall the UK economy grew by 4.1% last year, following growth of 7.4% in 2021, according to ONS data.

Manufacturing output was flat in December and during the fourth quarter. 10 out of 13 manufacturing subsectors declined during the quarter with the chemical and metals industries especially weak. In contrast the pharmaceutical and transport equipment industries were bright spots.

The latest data from the CIPS survey points to a contraction in manufacturing output during January. The CIPS Manufacturing Index stood at 47.0, up from the 31-month low of 45.3 in December, but still below the 50.0 'no change' level. The decline in the index was due to falls in output and new orders. Firms also reported a drop in employment levels for a fourth successive month.

Services output fell by 0.8% in December and was flat over the fourth quarter. December's decline was led by sharp decline in the health and education sectors, in part due to industrial action. However, consumer-facing services also fell 1.2% in December, overshadowing growth during the previous month and were 8.9% below pre-pandemic levels.

The weakness of consumer-facing services reflects the pressure on household incomes. Overall consumer spending rose by just 0.1% during the fourth quarter and was still 2.3% lower than three years ago. Overseas trade is also a drag on UK economic growth. Exports fell 1.0% during the quarter and were 1.3% down on 2019 levels while imports grew by 1.5% and were 4.1% higher than three years ago.

In contrast higher government spending and a recovery in fixed investment have helped support UK growth.

INVESTMENT GROWTH

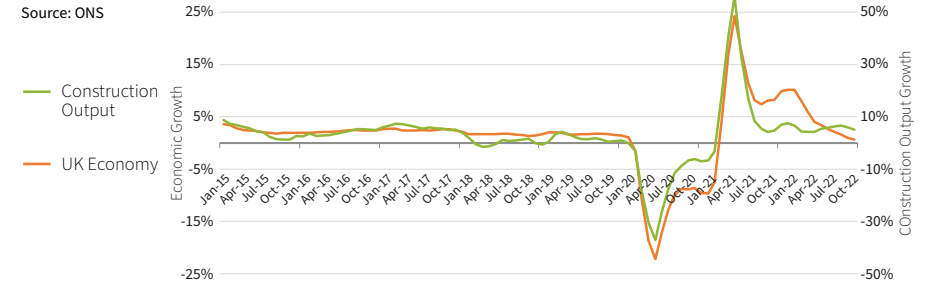
The rise in fixed investment is especially welcome as it promises to enhance UK productivity and long-term economic growth. Overall investment across the UK economy grew by 1.5% during the last quarter of 2022 and was 7.8% higher than a year earlier.

Public sector investment has grown progressively over the last two years. General government investment grew by 1.8% during the final quarter of 2022, which was 2.8% up on a year earlier and 14.0% above pre-pandemic levels. Major infrastructure projects such as HS2 have contributed to the rise.

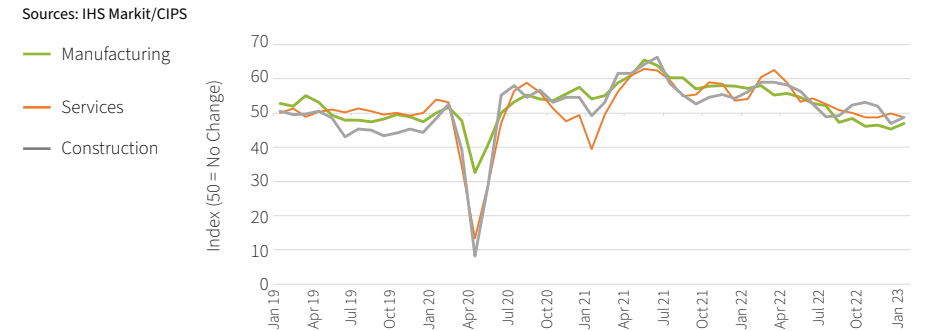
Business investment has also been recovering, rising 4.8% during the final quarter and 13.2% against a year earlier, matching pre-pandemic levels (2019 Q4).

Investment in transport and IT equipment have been the fastest growing areas, with investment during the fourth quarter 31.4% and 22.7% higher than a year earlier. Construction related investment slipped back during the final quarter but remained ahead of a year earlier. Investment in dwellings was 3.4% up on the final quarter of 2021 and investment in other buildings & structures was 7.6% higher.

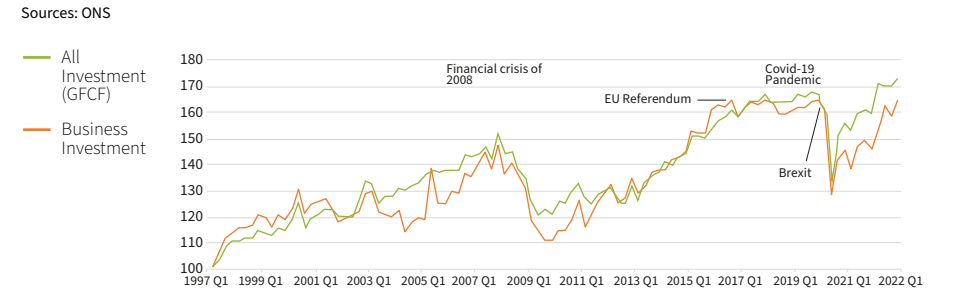
Construction & The Economy



CIPS Activity Surveys



Investment



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Housing – Overview

Project-starts, detailed planning approvals and main contract awards all fell against the previous three months and the preceding year.

Totalling £8,267 million, residential work commencing on-site during the three months to January decreased by a quarter against the preceding three months to stand 29% lower than a year ago. Major project-starts (£100 million or more in value) at £2,834 million, increased by 37% against the preceding three months, but were 5% down on the previous year. Underlying work starting on-site (less than £100 million) totalled £5,433 million, a decrease of 26% against the preceding three months on a seasonally adjusted (SA) basis and down 38% against the previous year.

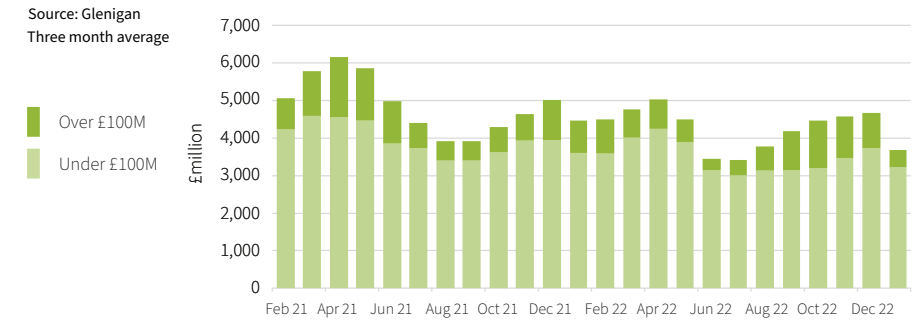
Residential main contract awards slipped back 29% against the preceding three-month period and 17% compared with the previous year to total £12,203 million. Underlying contract awards, at £10,876 million, decreased 19% (SA) against the preceding quarter and 17% compared with a year ago. Major contract awards decreased 72% against the preceding quarter and 20% against the previous year to total £1,327 million.

-29%

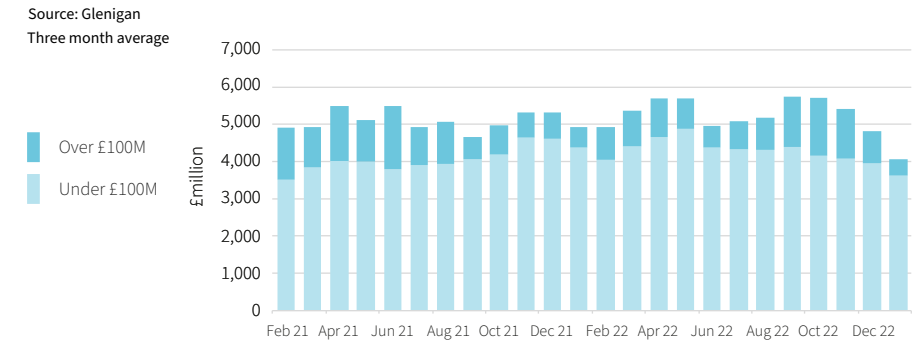
Decline in the value of residential work starting on-site against the previous year

Like project-starts and main contract awards, detailed planning approvals experienced a decline: 17% on the previous 3 months and last year, to total £11,064 million. Underlying project approvals at £9,707 million, decreased 5% (SA) against the preceding three months and by 10% compared to the previous year. Major project approvals fell 65% against the preceding three months and almost halved from the previous year to total £1,356 million.

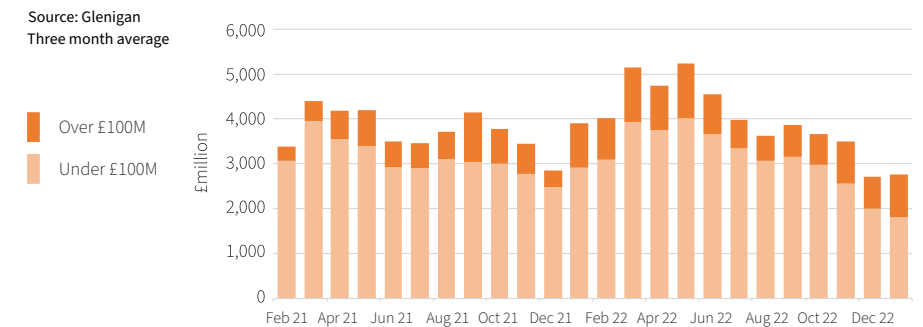
Housing: Detailed Planning Approvals



Housing: Main Contract Awards



Housing: Starts



Housing – Types of Projects Started

Private housing accounted for about half of the total value of work starting on-site during the three months to January, with the value totalling £4,090 million. Private apartment starts fell 19% against the previous year. Private apartment work starting on-site fell 35% against last year to total £2,796 million. The segment accounted for 34% of project-starts during the period.

Social sector apartments (-75%) and student accommodation (-68%) project starts also weakened significantly against the previous year to total £198 million and £239 million, respectively. In contrast, social sector housing experienced growth (+27%) against the previous year to total £757 million, accounting for 9% of the sector.

Build your pipeline
in the Housing sector

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or visit www.glenigan.com/pipeline

Housing: League Tables (December 2021 to January 2023)

Source: Glenigan

Contractors			Clients		
	Projects	£m		Projects	£m
Barratt Developments	147	3,649	Barratt Developments	153	3,336
Taylor Wimpey	126	3,421	Taylor Wimpey	126	3,072
Persimmon	151	3,262	Persimmon	154	2,952
Vistry	104	3,235	Bellway	125	2,728
Bellway	125	2,902	Vistry	98	2,223
Redrow	72	1,874	Redrow	75	1,781
Bloor Homes	63	1,769	Bloor Homes	63	1,712
JRL	7	1,247	Apollo Management	40	795
Apollo Management Int.	42	984	Town & Country Housing	1	700
Morgan Sindall	54	827	Berkeley DeVeer	34	680

Project Spotlight



Image Source: ID Partnership

Holborn Riverside Phase 2 & 3

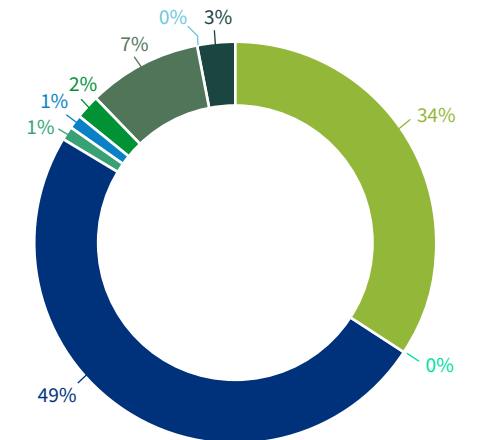
Detailed plans have been approved for a £150 million 95-unit development in South Shields. ENGIE have been appointed as main contractors on the development. Works are due to complete in May 2025.

Project ID: 20206242

Types of Housing Projects Started Three Months to January 2023

Source: Glenigan

- Private Apartments
- Elderly Persons Homes
- Private Housing
- Private Sheltered Housing
- Social Sector Sheltered Housing
- Social Sector Apartments
- Social Sector Housing
- Homes, Hostels etc.
- Student Accommodation



Housing – Regional

London accounted for the greatest proportion (37%) of work starting on-site during the three months to January, totalling £3,061 million despite experiencing a 4% decrease compared to the previous year's levels. The Capital experienced the smallest decline compared to the other regions, making it the third best-performing area growth-wise. A further downturn was prevented by the commencement of a mega project worth £1 billion, comprising of 950 residential and commercial units in Greenwich (Project ID: 17179568), as well as a £500-million development of 985 residential units in Islington (Project ID: 18307662).

The South East also experienced a relatively small decline (-6%) against the previous year, totalling £1,252 million with a 15% share of the housing sector. Accounting for 4% and 3% of the sector respectively, the West Midlands (-73%) and Scotland (-74%) experienced much sharper contraction against the previous year.

In contrast, the North East experienced a very strong period for residential project-starts with the value increasing 42% against the previous year to total £415 million. It accounted for 5% of the sector and was boosted by the £250 million Housing Improvements project in Newcastle (Project ID: 21573478). Northern Ireland also performed relatively well, with project-starts rising by 23% against the previous year to total £151 million, a 2% share of the sector. The two were the only regions that showed growth during this period.

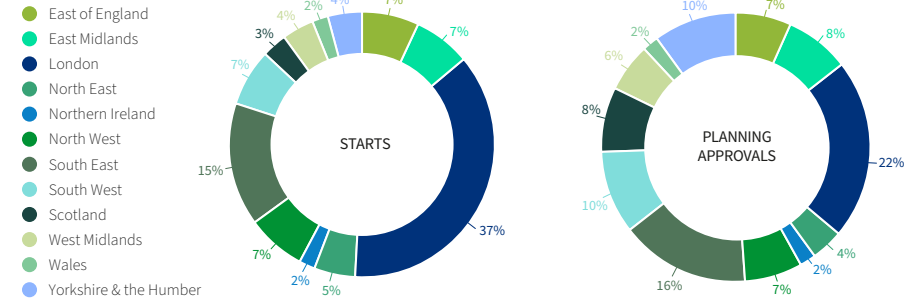
London was also the most-active area of the UK for detailed planning approvals, accounting for 22% of the sector. Like project-starts, London experienced a decline in approvals (-21%) compared with a year ago to total £2,448 million. Project approvals included the £240 million construction of 935 residential units and commercial space in Dagenham (Project ID: 22234625). The South East, on the other hand, had a period of growth, with the value increasing 16% against the previous year to total £1,733 million. The region accounted for 16% of the sector.

Yorkshire & the Humber showed impressive results with work starting on-site adding up to £1,084 million: 70% growth compared with a year ago to account for 10% of the sector. This makes it the third most active region, sharing the spot with the South West, where the value of planning approvals totalled £1,051 million, unchanged on the previous year. The North East was another region that experienced high growth in the three months ending January, with detailed planning approvals doubling in value and adding up to £404 million, a 4% share of the sector.

Despite a few areas experiencing growth, this wasn't the case in most regions, which reflects the overall trend. The West Midlands accounted for 6% of the total value and experienced a 50% decline compared with a year ago to total £614 million. The North West experienced a 40% decrease in planning approvals compared to last year's levels, to account for 7% of the total value, which amounted to £752 million.

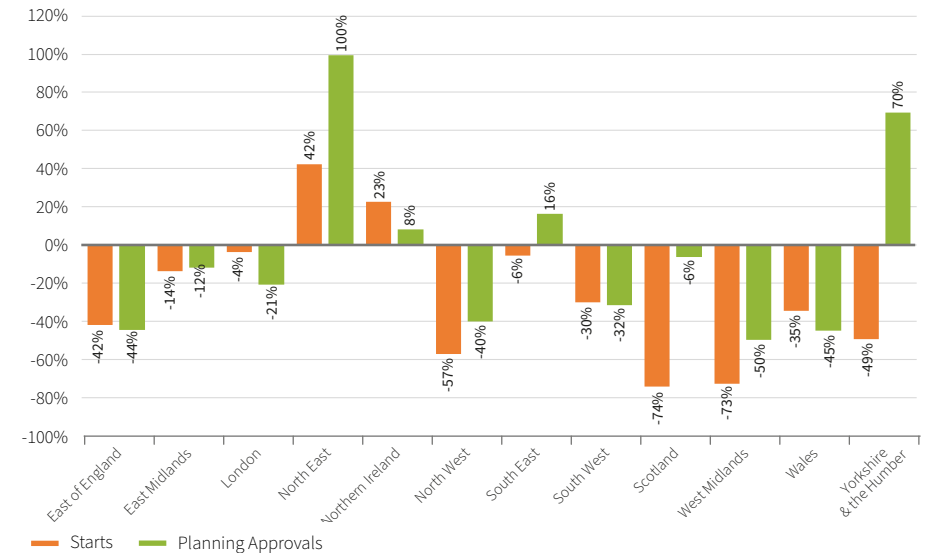
Share Value of Housing Starts and Planning Approvals in the Last 3 Months

Source: Glenigan



Changes in Housing Starts and Planning Approvals on a Year Earlier

Source: Glenigan



-17%

Decrease in the value of
detailed planning approvals
against the previous year

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Industrial - Overview

Project starts and main contract awards both experienced declines against the previous year. More positively, detailed planning approvals performed slightly better.

Totalling £1,052 million during the three months to January, underlying industrial work starting on-site (less than £100 million in value) decreased 34% against the preceding three months on a seasonally adjusted (SA) basis to stand 45% down on a year ago. Major projects (£100 million or more) totalled £450 million during the period, a 159% increase on the preceding three months, but unchanged on the previous year. Overall, industrial project-starts fell 35% against the preceding three months to stand 36% down on a year ago, totalling £1,502 million.

Totalling £2,195 million, main contract awards increased 19% against the preceding three months but stood 2% down against last year. Underlying industrial main contract awards at £1,456 million, decreased 34% (SA) against the preceding three months and by 19% against a year ago. Major project contract awards totalled £740 million during the period, a 64% increase on the previous year and an increase on the preceding three months when no major projects reached the contract awarded stage.

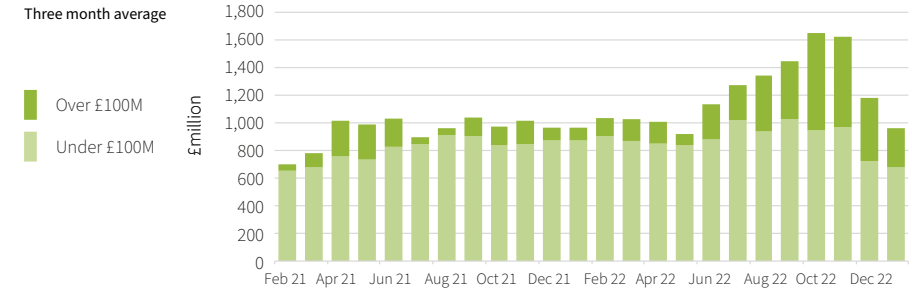
Industrial detailed planning approvals continued a downward trend throughout the period and performed 42% worse than the preceding three months, totalling £2,885 million. The value stayed the same as last year. Major projects totalled £840 million, a 60% decline on the preceding three months, but more than three times higher than the previous year. Underlying project approvals decreased by 23% (SA) against the preceding three months and 22% compared with a year ago, totalling £2,045 million.

-36%

Decrease in the value of work starting on-site against the previous year

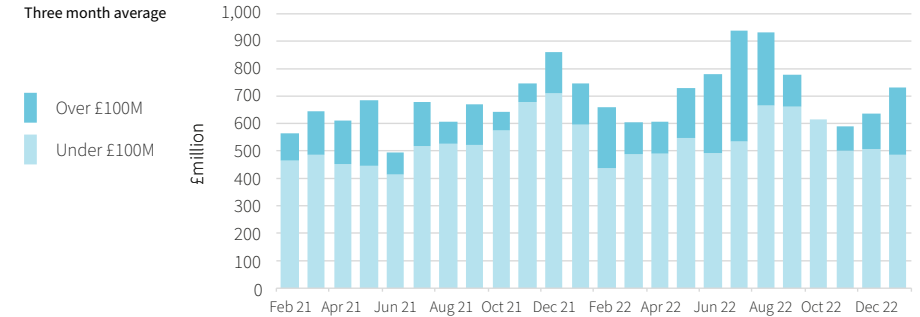
Industrial: Detailed Planning Approvals

Source: Glenigan
Three month average



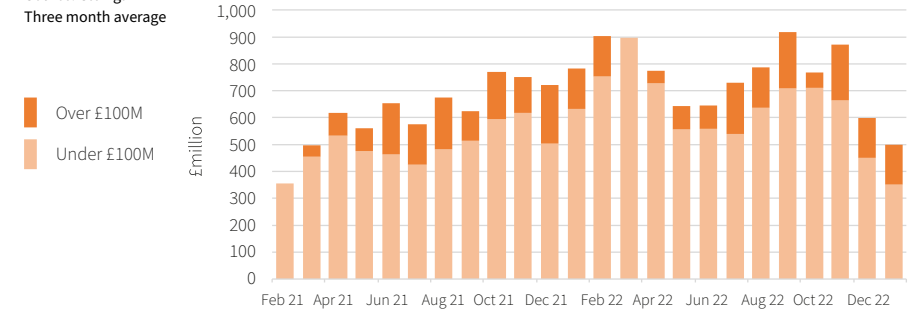
Industrial: Main Contract Awards

Source: Glenigan
Three month average



Industrial: Starts

Source: Glenigan
Three month average



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Industrial – Types of Projects Started

Manufacturing work starting on-site added up to £1,144 million, a 23% fall compared with the previous year. Despite the decline, manufacturing still accounted for 76% of industrial project-starts during the three months to January.

Warehousing & logistics project-starts decreased 64% against the previous year to total £282 million, accounting for 19% of the sector. Other industrial projects fell 13% against the previous year, which brought it down to a total of £76 million and a 5% share of the whole sector.

Industrial: League Tables (November 2021 to January 2023)

Source: Glenigan

Contractors			Clients		
	Projects	£m		Projects	£m
Winvic	21	1,326	SeAH Steel	2	453
K2 Consultancy	1	450	Panattoni & LU UK V	5	405
Buckingham Group	13	405	Segro	7	353
McLaren	11	391	Devonport Mgt.	1	350
ISG	5	347	St Modwen Properties	12	314
VolkerWessels	4	298	Fujifilm Diosynth Biotech.	2	201
Glencar Construction	12	293	Prologis UK	6	168
Readie Construction	12	256	Errigal Contracts	1	150
Bowmer & Kirkland	3	159	GLP	6	145
A & H Construction & Dev.	10	153	DB Symmetry	4	130

Project Spotlight



Image Source: RPS

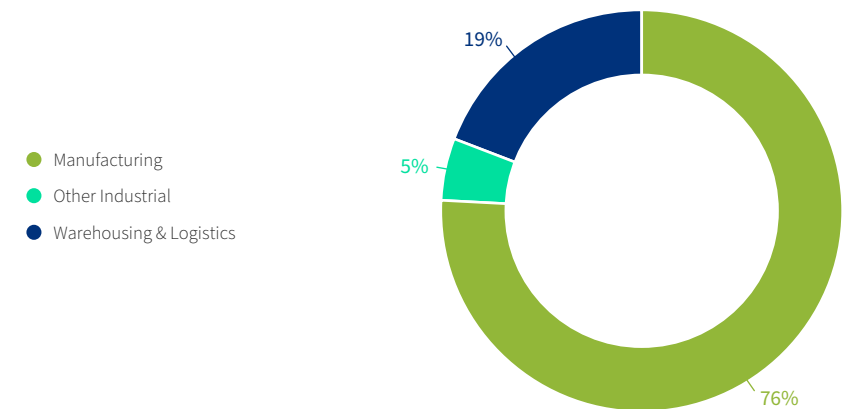
Building 401, Avro Way

Works have started on the £8 million development of three warehouse units at Manchester Airport. McLaren have been appointed as the main contractor on the scheme, with works expected to be completed in January 2024.

Project ID: 21480581

Types of Industrial Projects Started Three Months to January 2023

Source: Glenigan



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Industrial – Regional

The North East accounted for 35% of industrial work starting on-site during the three months to January, with the value adding up to £525 million. Work starting on-site included the £450 million development of a vehicle battery gigaplant for Nissan in Sunderland (Project ID: 20163404). The region had one of the smallest decreases (-7%), along with Northern Ireland, which accounted for 2% of the sector and totalled £25 million. In contrast, project-starts in Yorkshire & the Humber jumped 151% against the previous year to total £178 million, a 12% share of the sector. The biggest contributor to this growth was the commencement of a development of four warehouse units in West Yorkshire valued at £73 million (Project ID: 21455314). Similarly, with a share of 12% totalling £176 million, project-starts in the North West also grew 17%.

The East of England (-81%) experienced the sharpest decline of any region, with project-starts totalling £61 million to account for a 4% share of sector starts. The South East also experienced a slump (-69%) compared with the previous year to total £99 million, accounting for 7% of the sector. Despite decreasing 44% against the preceding year, the East Midlands had one of the highest shares (11%), totalling £163 million. Project-starts in the East Midlands included a £71.2 million industrial building development in Northamptonshire (Project ID: 22280192).

Most regions in the UK experienced a slow-down in industrial detailed planning approvals, but some areas showed impressive growth, including the North East where the value increased by more than 13 times when compared with a year ago to total £589 million. The region accounted for the greatest share (20%) of approvals and was boosted by the approval of a £200 million lithium manufacturing plant in Middlesbrough (Project ID: 22138567) and a £200 million vaccine manufacturing facility in Billingham (Project ID: 22310324). Northern Ireland was the second most active area and accounted for 13% of the sector, with approvals being eight times higher than last year, totalling £388 million. The approval of a £339 million light engineering workshop in Dungannon (Project ID: 21102763) contributed significantly to the rise.

Yorkshire & the Humber experienced a 39% decline compared with a year ago to total £328 million, accounting for 11% of the sector. Planning approvals in Wales were two times higher compared with the previous year at £82 million, accounting for 3% of approvals. In contrast, approvals in the Midlands dropped sharply, with the West decreasing 75% and the East being 65% lower than last year, totalling £77 million and £148 million respectively. Other regions that experienced a decline were the South East, East of England, Scotland and the North West.

-42%

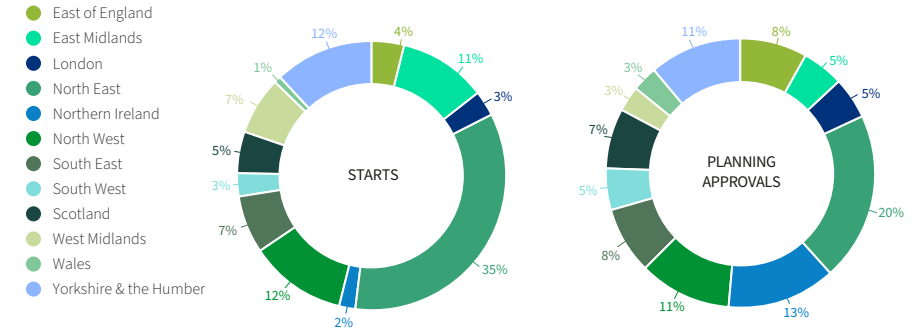
Decrease in the value of projects reaching the detailed planning approval stage against the preceding three months

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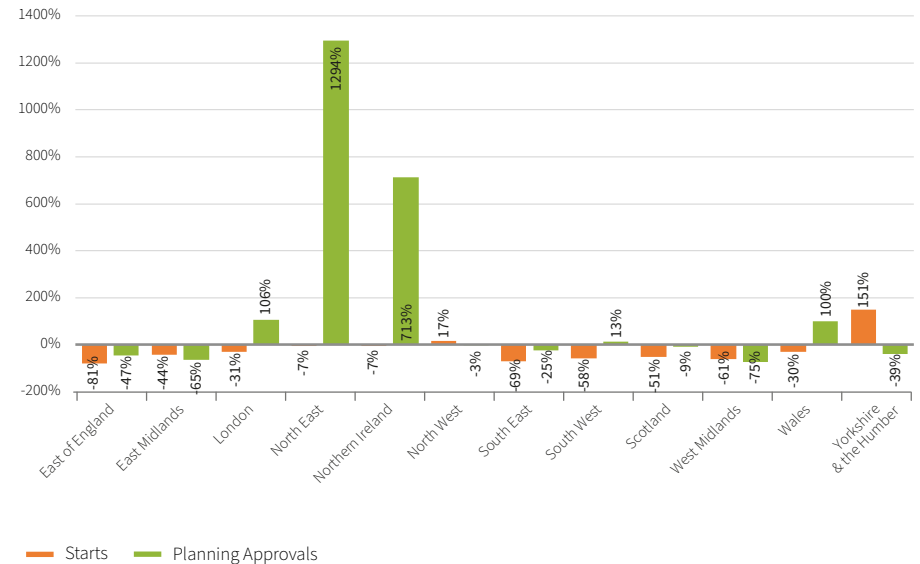
Share Value of Industrial Starts and Planning Approvals in the Last 3 Months

Source: Glenigan



Changes in Industrial Starts and Planning Approvals on a Year Earlier

Source: Glenigan



Offices - Overview

While project starts and main contract awards fell, detailed planning approvals increased on the previous year and preceding three months, to provide a boost to the development pipeline.

Office work starting on-site totalled £1,210 million during the three months to January, a 33% decrease compared with the preceding three months and a 26% drop on the previous year. Major projects (£100 million or more) totalled £120 million during the period, which was 60% lower than the previous three months and 75% less than the previous year. Underlying project-starts (less than £100 million in value) decreased 26% against the preceding three months on a seasonally adjusted (SA) basis to stand 7% down on a year ago, bringing them to a total of £1,090 million.

-75%

Decrease in the value of major office projects starting on-site against the previous year

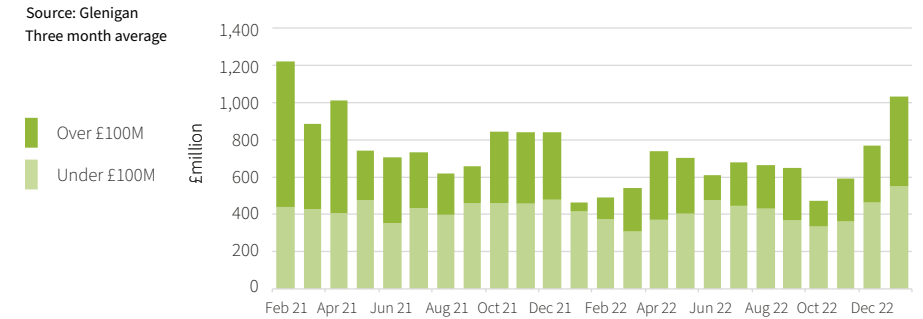
Totalling £1,549 million, office main contract awards decreased 30% against the previous quarter to stand 22% down on the previous year. At £690 million, major project contract awards experienced a mixed period with the value decreasing by 39% during the quarter but still 11% higher than a year ago. Underlying contract awards declined 14% against the preceding quarter (SA) and by 38% against the previous year to total £859 million.

Office detailed planning approvals, totalling £3,101 million, more than doubled in comparison with both the preceding three months and the same period a year ago. Underlying approvals at £1,651 million, experienced a 59% increase on the preceding three months (SA) and 33% growth on a year ago. Major project approvals experienced an even greater increase, growing more than three times against the preceding three months and tenfold compared with a year ago, bringing them up to a total of £1,450 million.

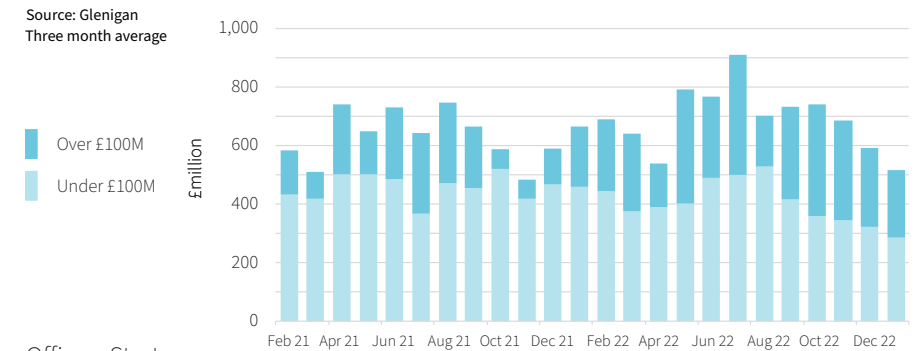
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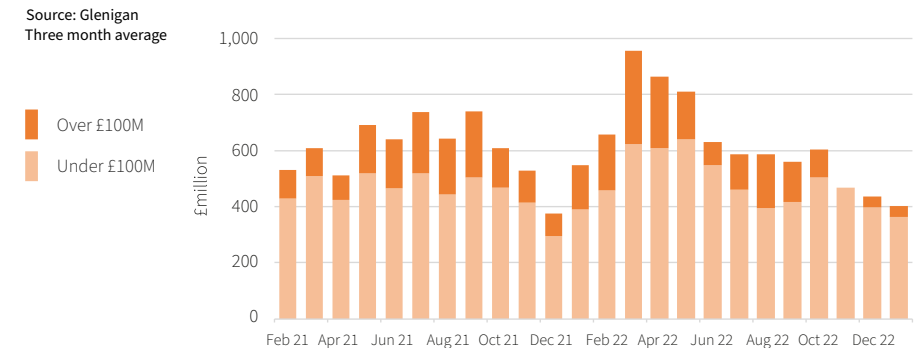
Offices: Detailed Planning Approvals



Offices: Main Contract Awards



Offices: Starts



Size of Office Projects

Two large value bands experienced a strong period for project-starts during the three months to January. The '£50 million to £100 million' value band was the best performing in terms of growth, with project-starts rising 68% against the previous year to total £323 million. The '£20 million to £50 million' value band also experienced strong growth, with the value of project-starts climbing 23% against the previous year to total £422 million.

In contrast, the 'Over £100 million' value band totalled £120 million during the period, experiencing a 75% decline against the preceding year's levels.

The '£10 million to £20 million' value band decreased against last year's levels (-60%), with project-starts totalling £79 million during the quarter, while the '£5 million to £10 million' value band fell 20% with a total of £146 million.

Project-starts in the 'Up to £5 million' value band almost halved compared to the previous year to total £118 million.

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Offices: League Tables (December 2021 to January 2023)

Source: Glenigan

Contractors			Clients		
	Projects	£m		Projects	£m
Mace	14	1,269	Yondr	2	430
Lendlease	5	1,016	Zurich	1	225
ISG	16	699	Edge	1	225
Morgan Sindall	171	649	River Court Properties	1	215
Skanska UK	3	377	Chinese Estates Holdings	1	215
Kier	9	263	MEC London Property 3 (Gen. Part.)	1	200
Willmott Dixon	18	258	Co-re	1	200
Wates	46	237	Fabrix Capital	1	180
McGee	2	162	Northwood Investors	1	150
Newarthill	4	139	Precis	1	150

Project Spotlight



Image Source: Cooper Cromar

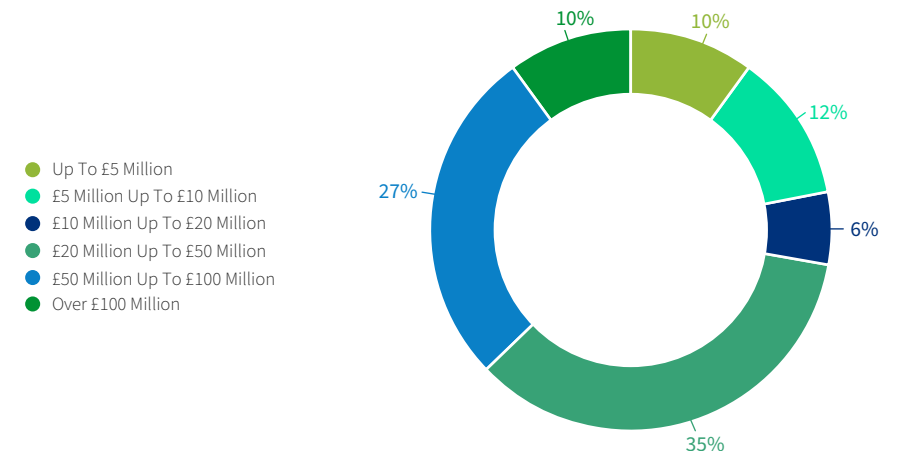
Dundee Waterfront

Detailed plans have been approved for the new £40 million Dundee Waterfront project. Works are due to complete in Q4 2024. A main contractor is yet to be appointed on the development.

Project ID: 16053786

Value of Offices Projects Started Three Months to January 2023

Source: Glenigan



Offices – Regional

London was the most active area of the UK for office project-starts, accounting for 65% of the total value during the three months to January. This was in part thanks to the value increasing by 5% compared with the previous year's levels. Office work starting in London totalled £791 million. The North West was the second most active region for the sector, with a share of 11% and a total of £136 million, despite a 17% decline against the previous year. Further slowdown was prevented by a £87 million office & commercial units' development in Manchester (Project ID: 19154471).

The South West (-88%), totalling £20 million, and the North East (-82%), totalling £8 million, experienced particularly poor periods for office starts against the previous year, accounting for 2% and 1% of the sector respectively. In contrast, Northern Ireland, where the value of starts totalled £16 million, increased 811% year-on-year, although it still only accounted for 1% of sector starts. The East Midlands (+573%) and Scotland (+136%) also experienced sharp growth compared to the preceding year, totalling £33 million and £68 million, respectively.

In line with the overall trend, most regions experienced a growth in office detailed planning approvals. London had the biggest share (38%) of planning approvals in the sector, with a total of £1,190 million. It more than tripled compared to last year's figures and was boosted by the approval of a £180 million office development in Southwark (Project ID: 20000516). In second place was the South East which increased 312% against a year ago and accounted for 33% of the sector to total £1,022 million. Projects approved included the £800 million Pinewood Studios Screen Hub development in Iver (Project ID: 20368819).

Despite only accounting for 4% of office approvals, growth-wise Yorkshire & the Humber was the most successful region, with the value increasing more than five times compared to the previous year. Office planning approvals there totalled £112 million. The East of England, accounting for 10% of the sector with a value of £318 million, was also a high-growth region, with planning approvals increasing 384% compared with the year before. In contrast, the South West and the North East performed much worse, with a decrease of 87% and 94% respectively.

123%

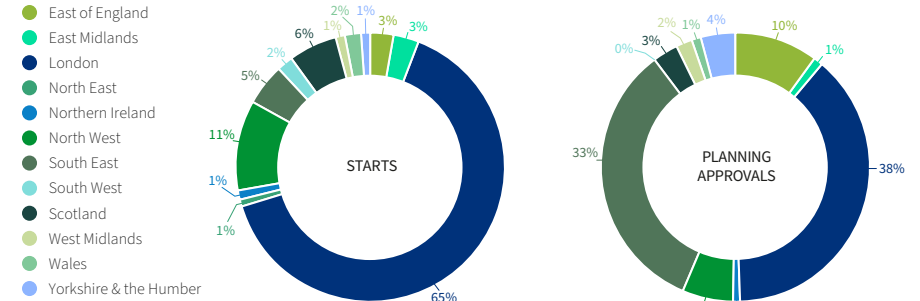
Increase in the value of detailed planning approvals against the previous year

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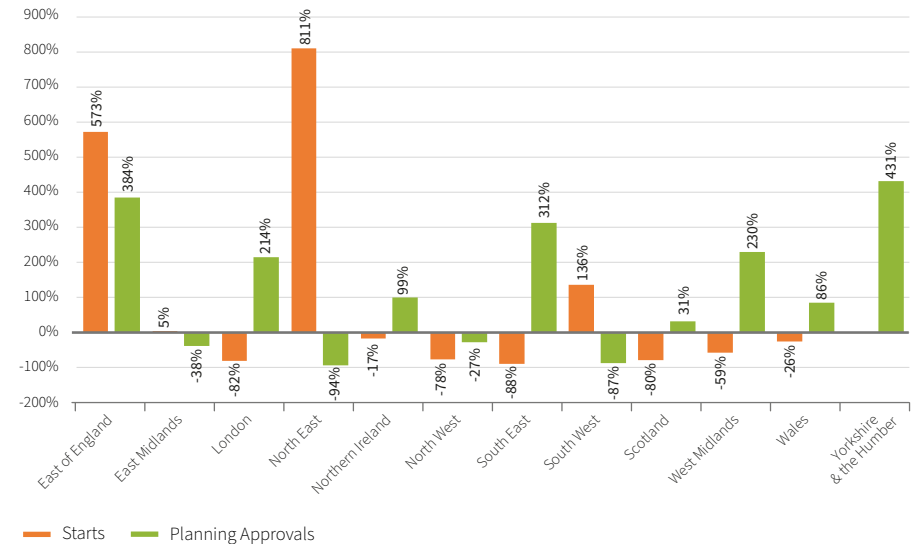
Share Value of Offices Starts and Planning Approvals in the Last 3 Months

Source: Glenigan



Changes in Offices Starts and Planning Approvals on a Year Earlier

Source: Glenigan



Retail – Overview

Project starts and main contract awards both experienced declines on the previous year. On a more positive note, detailed planning approvals increased against both the previous year and preceding three months to provide a boost to the development pipeline.

Totalling £235 million, retail work starting on-site during the three months to January fell 55% against the preceding three months to stand 33% lower than a year ago. No major projects (£100 million or more) commenced on-site, in contrast to the preceding three months. Underlying project-starts (less than £100 million) experienced a 29% fall against the preceding three months on a seasonally adjusted (SA) basis and 33% against the previous year.

-55%

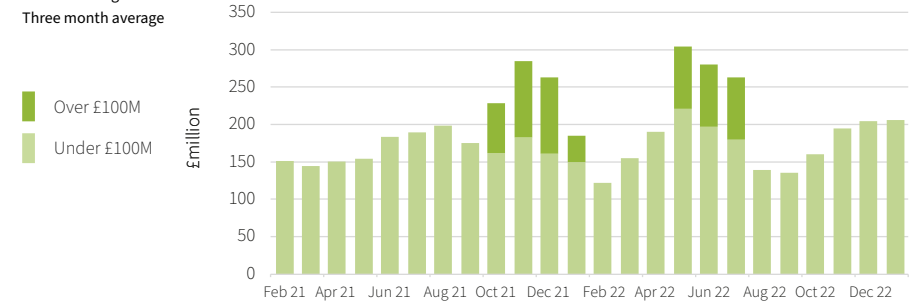
Decline in the value of retail work starting on-site against the preceding three months

Retail main contract awards totalled £372 million, an increase of 46% against the preceding three months but a fall of 26% against the same period a year ago. The value of major projects totalled £130 million during the period, an increase on the preceding three months and previous year where no projects reached the contract awarded stage. Underlying contract awards decreased by 27% (SA) against the preceding three-month period to stand 52% lower than the previous year.

Detailed planning approvals, totalling £618 million, increased 29% against the preceding three months to stand 11% up on the previous year. The growth was exclusively due to the increase in underlying approvals which grew 40% (SA) compared with the preceding three months to stand 38% higher than the previous year. Unlike the previous year, there were no major planning approvals, which repeats the trend of the previous three months.

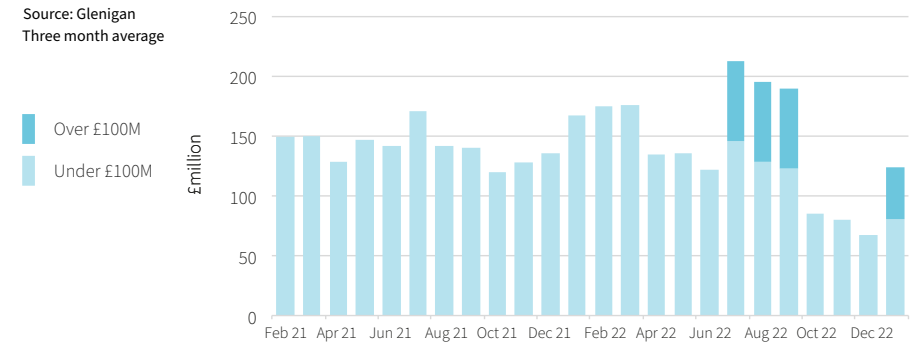
Retail: Detailed Planning Approvals

Source: Glenigan
Three month average



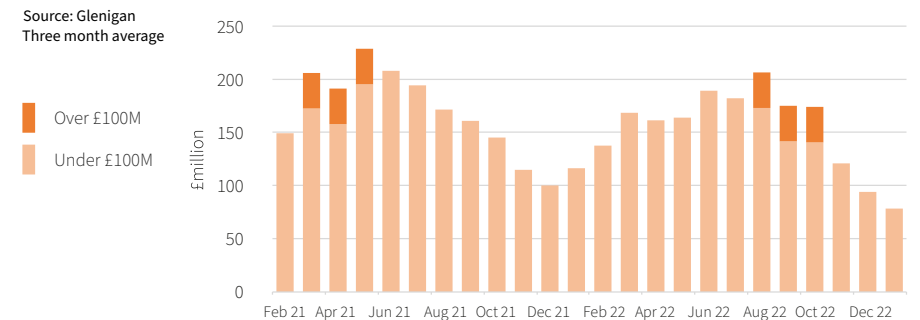
Retail: Main Contract Awards

Source: Glenigan
Three month average



Retail: Starts

Source: Glenigan
Three month average



Retail – Types of Projects Started

Supermarkets, totalling £144 million, accounted for 61% of all retail project-starts during the three months to January. The value of starts decreased 15% on the previous year.

Shop projects commencing on-site added up to £48.2 million, a 51% decline against the previous year to account for 21% of the sector.

Accounting for 10% of the sector, petrol filling stations was the only segment to experience growth (+15%) against the previous year to total £23.4 million.

Retail Warehousing project-starts fell by 70% against the previous year to total £2.8 million, accounting for 1% of the sector.

Unlike the year before, no shopping centre developments started on-site.

Retail: League Tables (December 2021 to January 2023)

Source: Glenigan

Contractors	Projects	£m	Clients	Projects	£m
Lendlease	1	200	BNP Paribas Sec. Serv. Trust (Jersey)	1	130
Mace	2	136	Lidl UK	47	108
Kier	5	65	Aldi	54	100
McLaren	2	52	334 Ramsbury Oxford	1	67
HG Construction	1	47	Capital Real Estate	1	67
Speller Metcalfe	1	40	Blackburn & Co	1	67
DSP Construction Mngmt.	11	35	Redcastle	1	50
Glencar Construction	1	30	Tamworth Borough Council	1	40
ISG	6	26	Asda Group	2	31
Ambit Moat	1	22	Tesco	63	28

Project Spotlight



Image Source: The Harris Partnership

Tanbridge Retail Park

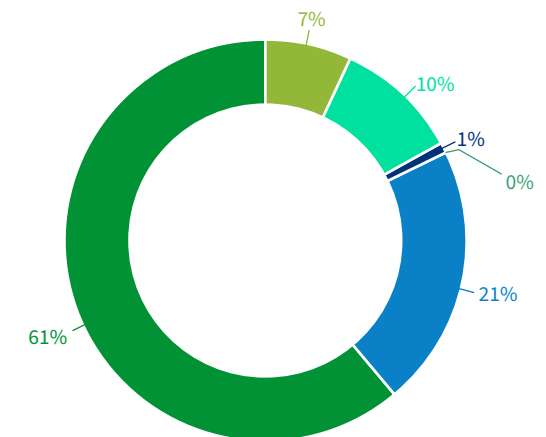
Detailed plans have been approved for the development of a new supermarket in Horsham, West Sussex. Camford Construction Management have been appointed as main contractors on the scheme, with works expected to be completed in October 2023.

Project ID: 21172259

Types of Retail Projects Started Three Months to January 2023

Source: Glenigan

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



Retail – Regional

Retail work starting on-site in Scotland increased 185% against the previous year to total £40 million, accounting for a 17% share of the sector during the three months to January. Growth accelerated due to the commencement of a petrol filling station project in Gladsmuir with a value of £5.8 million (Project ID: 17031048). The North East was another area to experience growth (+29%) against the previous year. Project-starts in the area totalled £18 million to account for an 8% share of sector starts. Wales (+9%) and the West Midlands (+5%), also experienced growth, with the value of project-starts totalling £12 million and £27 million respectively.

However, most regions experienced weak periods for retail project-starts, especially London which experienced the steepest decline (-89%) against the previous year to total £9 million, accounting for a 4% share of the total value. The South West accounted for 16% of starts but experienced a decrease of 12% against the previous year to total £38 million. The slowdown was softened by a mixed-use development project in Bristol with a value of £14 million (Project ID: 19127953). The East of England experienced the second sharpest decline of any area, with project-starts falling by 61% compared to the previous year's levels to total £17 million.

29%

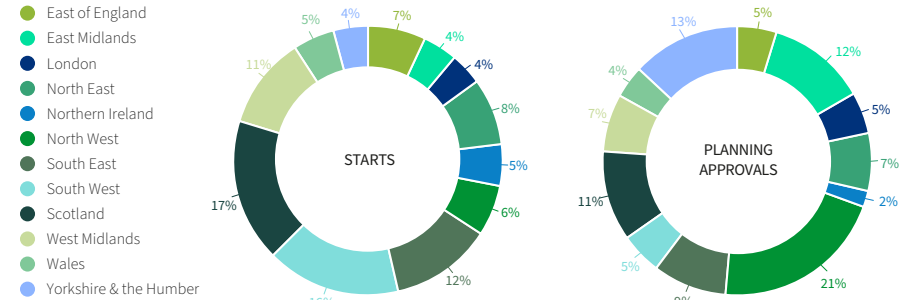
Growth in the value of detailed planning approvals against the preceding three months

The three months to January was a strong period for retail planning approvals in most of the UK. The North West had the highest proportion of retail approvals, with a 21% share, and almost quadrupled against last year's levels, to total £130 million. This growth was almost solely due to a £60.4 million garden centre development in Lancashire (Project ID: 22370273). Project approvals in Yorkshire & the Humber experienced an increase of 72% against last year's levels, totalling £80 million, accounting for 13% of the sector. In the East Midlands the value more than doubled against the previous year to total £77 million and was the third most active region, with a 12% share.

The West Midlands experienced the second highest boost in planning approvals, accounting for 7% of the sector. It almost tripled on the preceding year, bringing the value up to £40 million. London, on the other hand, did not fare so well. Accounting for 5% of the sector, project approvals decreased 85% against the previous year's levels, totalling £31 million. Approvals in Northern Ireland also fell (-53%) and totalled £13 million, accounting for 2% of the sector. The South West was the only other area that experienced a decrease during the period. Here approvals fell 3% against the previous year to total £30 million, accounting for 5% of all sector approvals.

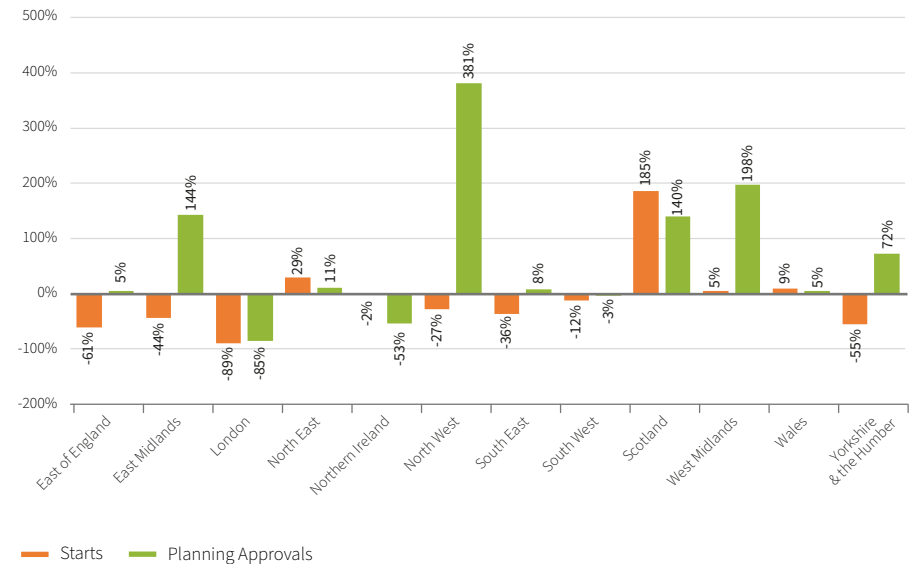
Share Value of Retail Starts and Planning Approvals in the Last 3 Months

Source: Glenigan



Changes in Retail Starts and Planning Approvals on a Year Earlier

Source: Glenigan



Hotel & Leisure – Overview

Project-starts, main contract awards, and detailed planning approvals all declined on the previous year and preceding quarter.

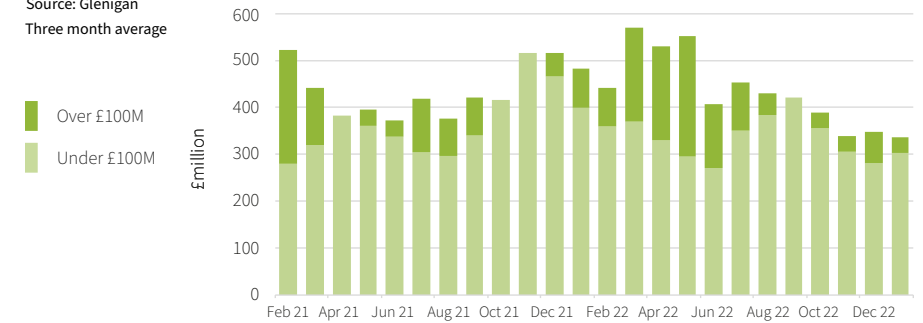
Totalling £580 million, hotel & leisure projects starting on-site during the three months to January decreased 46% against the preceding three months and were 37% behind the previous year's levels. No major projects (£100 million or more in value) commenced on-site during the period, in contrast to both the preceding three months and a year ago. Underlying project-starts (less than £100 million) increased 16% against the preceding three months on a seasonally adjusted (SA) basis but decreased by a quarter compared to a year ago.

At £307 million, hotel & leisure main contract awards decreased 33% against the preceding three months and 51% compared to the previous year. No major projects reached the contract awarded stage, unchanged against the preceding three months and previous year. Underlying contract awards decreased 30% (SA) against the preceding three-month period and 51% compared with a year ago.

At £1,009 million, hotel & leisure detailed planning approvals decreased 14% during the three-month period to stand 30% down on the previous year. Underlying approvals decreased 22% (SA) against the preceding three months and by almost a quarter against the previous year, totalling £909 million. Major projects totalled £100 million during the period, a 60% decline on the previous year, but remaining unchanged compared to the previous three months.

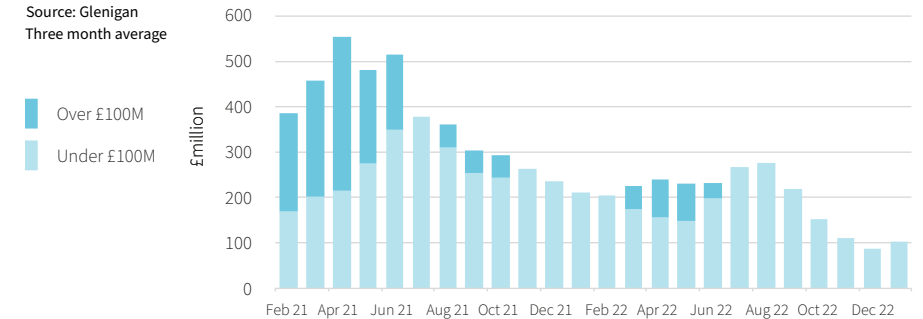
Hotel & Leisure: Detailed Planning Approvals

Source: Glenigan
Three month average



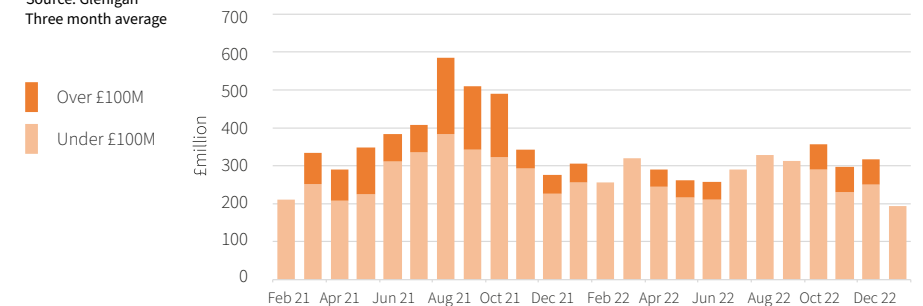
Hotel & Leisure: Main Contract Awards

Source: Glenigan
Three month average



Hotel & Leisure: Starts

Source: Glenigan
Three month average



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-46%

Decline in the value of hotel & leisure work starting on-site against the preceding three months

Hotel & Leisure – Types of Projects Started

Cinemas & theatres accounted for the greatest proportion (45%) of sector work starting on-site during the three months to January, with the value adding up to £259 million. The segment increased by more than 30 times compared with last year’s levels. These numbers were mostly driven by a music & performing arts project in Scotland (Project ID: 16431401) and a cinema & restaurants development in Preston (Project ID: 16149199).

Hotel project-starts experienced a worse performance, slipping 19% against the previous year to total £166 million. Having experienced the smallest percentage decrease, the segment was the second most active, accounting for 29% of the sector.

Indoor leisure facility project-starts fared even more poorly, with a decrease of 31% against the previous year to total £95 million, accounting for 16% of the sector.

Sport facilities (-82%) and cafés, restaurants and fast-food outlets (-85%) also contracted, adding up to £30 million and £9 million, respectively.

Hotel & Leisure: League Tables (December 2021 to January 2023)

Source: Glenigan

Contractors			Clients		
	Projects	£m		Projects	£m
Robertson	6	209	Cardiff County Council	3	151
Royal BAM	4	114	East Renfrewshire Council	2	57
Elements Europe	1	100	Nuneaton & Bedworth Bor.	2	54
Willmott Dixon	24	88	ASM Global	1	50
Kier	7	77	Canary Wharf	1	41
Galliford Try	3	70	Legal & General	2	38
McGee	1	65	London Borough of Hillingdon	2	37
Morgan Sindall	7	58	Stockton-On-Tees Bor. Council	1	36
Gilbert Ash	2	51	St James Securities Retail	1	36
Esh	3	47	AFC Bournemouth	1	35

Project Spotlight



Image Source: New Civil Engineer

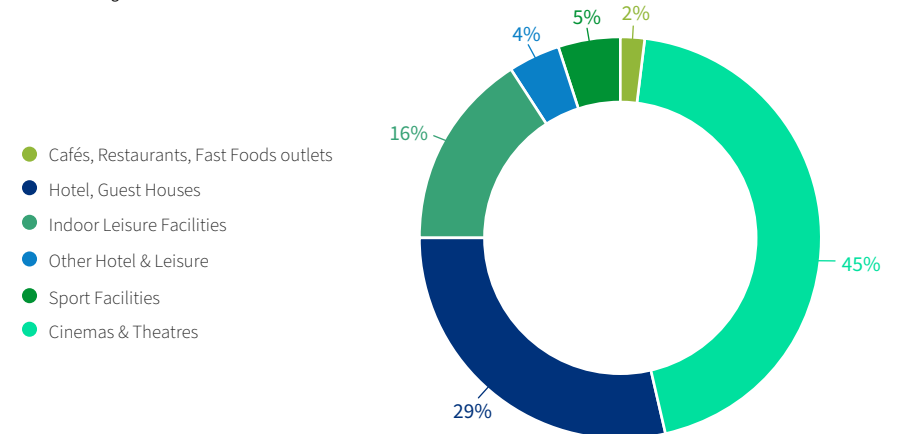
Aston Villa Stadium Expansion

Detailed plans have been approved for the £100 million extension of the Villa Park stadium in Birmingham. A main contractor is yet to be appointed on the scheme, with works due to be completed in November 2025.

Project ID: 22084304

Types of Hotel & Leisure Projects Started Three Months to January 2023

Source: Glenigan



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Hotel & Leisure – Regional

London accounted for the greatest proportion of hotel & leisure work starting on-site (19%), despite the value falling by 60% against the previous year. Project-starts in the Capital added up to £112 million during the three months to January. Not far behind, Scotland accounted for the second greatest share of starts (18%), with the value of work adding up to £107 million. Bucking the trend, Scotland experienced a strong period with a growth of 54% against the previous year, which was accelerated by the commencement of the £75 million music & performing arts project in Edinburgh (Project ID: 16431401). Totalling £90 million, the South East also grew 54% during the period, accounting for 16% of the total value.

Northern Ireland (+18%) and Yorkshire & the Humber (+24%) also experienced growth, with project-starts totalling £26 million and £56 million, respectively. Other parts of the UK performed poorly, decreasing against the preceding year. The East of England performed worst with a 81% decline in projects commencing on-site, bringing the value down to £11 million.

Project approvals in London climbed 16% against the previous year to total £245 million, accounting for the highest share of any region (24%). This included the approval of a £55 million leisure centre in Greenwich (Project ID: 20505260). The South East, where approvals totalled £229 million, was 74% up on a year ago and accounted for 23% of the sector. The West Midlands at £125 million had the third highest share (12%) despite falling 25% against last year. The region was boosted by the approval of the expansion of the Villa Park stadium in Birmingham (Project ID: 22084304). Project approvals in the South West experienced the steepest increase of 131%, totalling £90 million, which accounted for 9% of the sector.

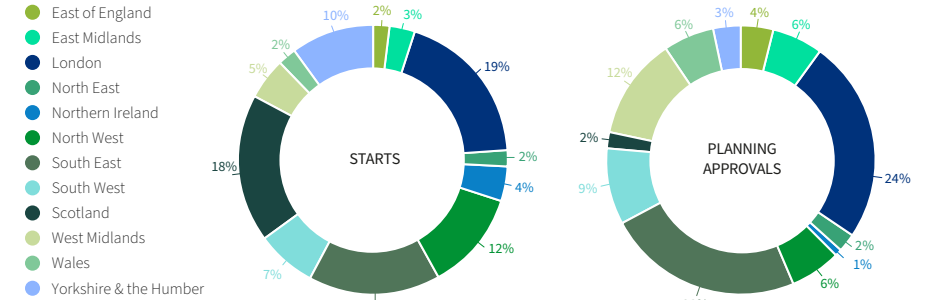
The East Midlands was the only other growth area, with approvals advancing 110% on the previous year's levels. The value of approved projects was £65 million, accounting for 6% of approvals. Scotland experienced an especially sharp decline of 94%, with a total of £20 million and a 2% share of the sector. Yorkshire & the Humber did not perform well, with approvals totalling £35 million, down 72% on last year. The East of England experienced a similar decline with the value of detailed planning approvals totalling £42 million, a 62% decrease compared to last year.

-30%

Decrease in the value of hotel & leisure detailed planning approvals against the previous year

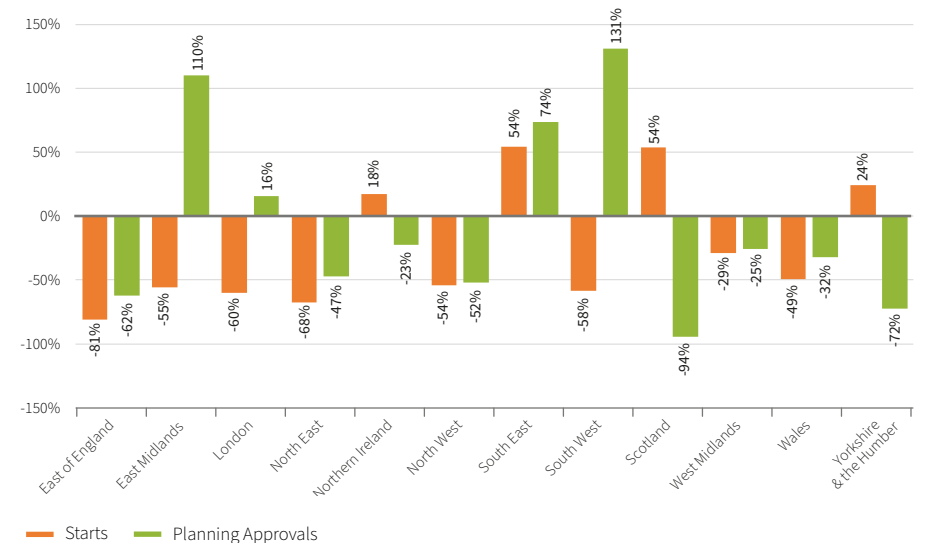
Share Value of Hotel & Leisure Starts and Planning Approvals in the Last 3 Months

Source: Glenigan



Changes in Hotel & Leisure Starts and Planning Approvals on a Year Earlier

Source: Glenigan



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Health – Overview

Project-starts, main contract awards and detailed planning approvals all experienced sharp declines on the previous year.

Adding up to £672 million, underlying health work starting on-site (less than £100 million in value) during the three months to January, increased 16% against the preceding three months on a seasonally adjusted (SA) basis, but fell by a quarter against the previous year. Unlike the preceding three months, major projects (£100 million or more) starting on-site totalled £105 million, which was 25% down on the previous year. Overall, health project-starts increased 1% against the previous three-month period but decreased 25% against last year.

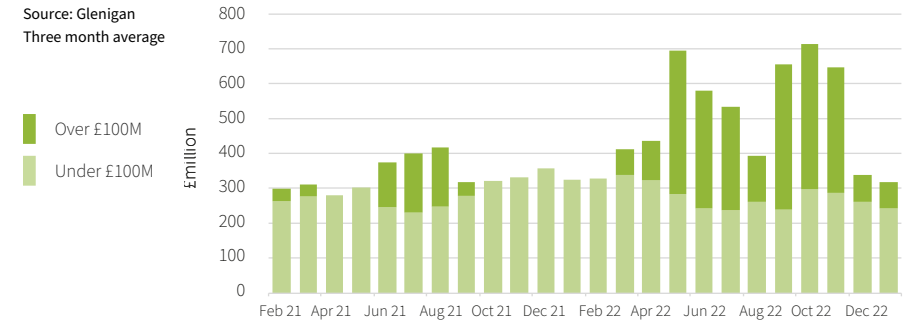
Totalling £496 million, main contract awards were down 62% against the preceding three months and 46% against a year ago. There was an absence of major projects reaching the contract awarded stage, differing from the preceding three months but unchanged against the previous year. Underlying contract awards fell 29% (SA) against the preceding three months and 46% against the previous year to total £496 million.

Detailed planning approvals, totalling £954 million, decreased 55% against the preceding three months, and fell 2% on the previous year. Major project approvals, totalling £228 million, experienced a stronger period than a year ago when there were no health projects approved, but the value decreased 82% compared with the preceding three months. Underlying approvals at £726 million experienced a 25% decline compared with the preceding three months and the previous year.

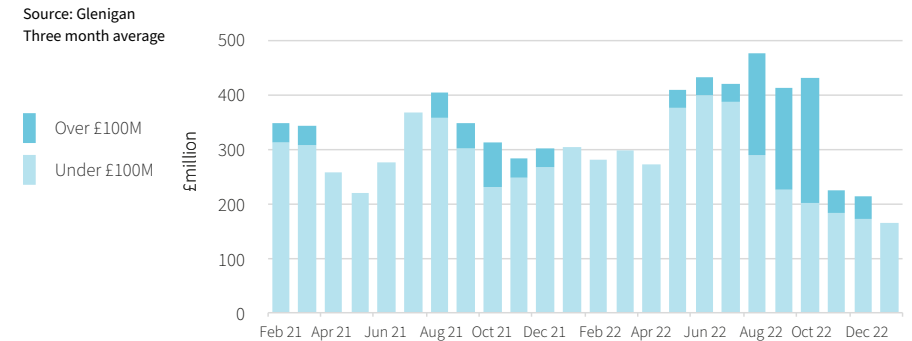
-25%

Decrease in the value of health work starting on-site against the previous year

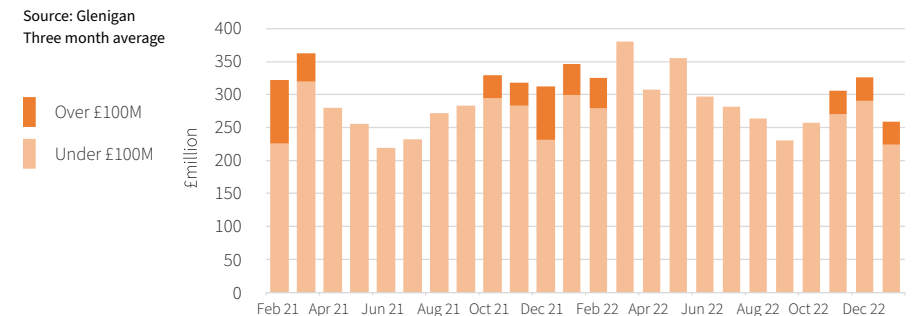
Health: Detailed Planning Approvals



Health: Main Contract Awards



Health: Starts



Health – Types of Projects Started

Unsurprisingly, hospitals accounted for the greatest proportion (59%) of health work starting on-site during the three months to January, despite the value falling 21% against the previous year's levels to total £462 million.

Nursing Home project-starts performed poorly during the period, falling 34% against the previous year to total £131 million, which accounted for 17% of starts.

Dental, health and veterinary centre project-starts, accounting for 4% of the sector, performed even worse, having declined 68% compared with the previous year to total £31 million.

There were no Day Centre project-starts during this period, in contrast with last year.

Health: League Tables (December 2021 to January 2023)

Source: Glenigan

Contractors			Clients		
	Projects	£m		Projects	£m
IHP Integrated Health	13	443	Department of Health	180	1,448
Willmott Dixon	18	305	Welsh Government	4	615
Kier	25	266	UCB	1	60
Tilbury Douglas	13	188	Vectura	1	58
Andrew Scott	1	187	Barchester Healthcare	9	57
Acorn Consortium	1	187	UK Atomic Energy Authority	2	54
Sacyr	1	187	Fujifilm Diosynth Biotech.	1	54
Graham Construction	4	149	LNT	8	53
Robertson	8	104	Prime (UK)	2	52
Mace	2	100	Durham County Council	1	50

Project Spotlight



Image Source: IBI Group

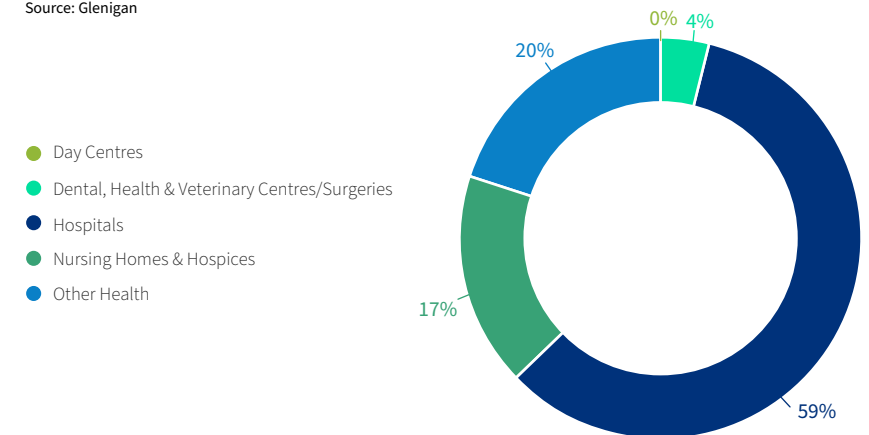
Abraham Cowley Unit (ACU) Redevelopment

Works have started on the redevelopment of the existing Abraham Cowley Unit to provide modern mental healthcare services. Galliford Try have been appointed as the main contractor on the £35 million scheme, with works expected to be completed in April 2024.

Project ID: 21508673

Types of Health Projects Started Three Months to January 2023

Source: Glenigan



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Health – Regional

Most regions in the UK experienced a decrease in health work starting on-site, but some bucked the trend, including the North West where the value increased 169% against the previous year to total £276 million. The region was the most active for sector starts, accounting for 36% of the total value, and was boosted by a £105 million adult mental health inpatient unit in Manchester (Project ID: 19271497). Health starts in the South East increased by 79% compared with the previous year's levels to total £178 million, accounting for a 23% share of the total value.

In contrast, project-starts in the South West performed poorly, with the value falling 88% against the previous year to total £37 million, accounting for a 5% share of sector starts. The East of England at £64 million experienced the second sharpest decline of any region with project-starts having decreased by 67% against the previous year to account for 8% of the total value.

The North East experienced a strong period for detailed planning approvals, with the value jumping 170% against the previous year to total £256 million, accounting for 27% of the total value. Growth was significantly boosted by a £128 million hospital building development in Newcastle (Project ID: 22085583). The East of England was another strong performer, with project approvals growing 70% and experiencing the second sharpest increase of any region compared with last year's levels to total £223 million, accounting for 23% of the sector.

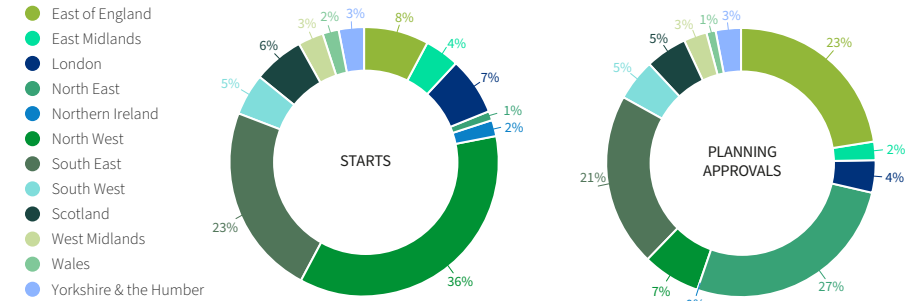
Project approvals in Scotland also performed well, increasing 25% against the previous year to total £44 million, accounting for a 5% share. The South East had the third largest regional share (21%) despite a 4% decline in the value of approvals against the previous year to total £197 million. A greater decline was prevented by approval of a £57 million extra care retirement community development in Kent (Project ID: 16329497). Many areas of the UK experienced poor periods for health approvals, including Northern Ireland where the value fell 96% against the previous year to total £2 million. The East Midlands also experienced a relatively sharp decline (-74%) on last year's levels, totalling £17 million.

-55%

Decline in the value of major projects reaching the detailed planning approval stage against the preceding three months

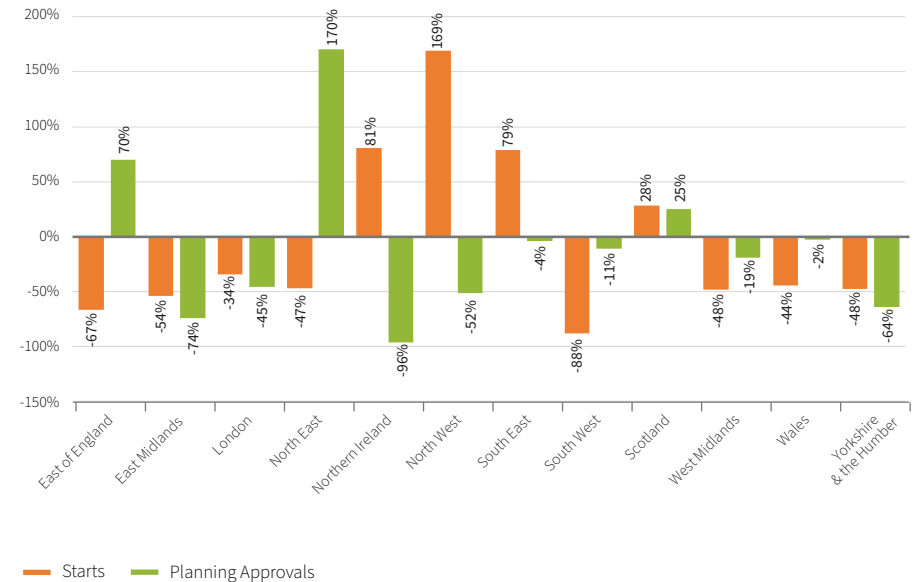
Share Value of Health Starts and Planning Approvals in the Last 3 Months

Source: Glenigan



Changes in Health Starts and Planning Approvals on a Year Earlier

Source: Glenigan



Education – Overview

Project starts, main contract awards and detailed planning approvals all fell on the previous year, with main contract awards growing slightly compared to the previous three months.

Totalling £691 million, education work starting on-site experienced a 44% decrease on the preceding three months and 41% against the previous year. There were no major projects (£100 million or more) starting during the period, unlike during both the previous three months and a year ago. Underlying education work starting on-site (less than £100 million in value) experienced a 19% decline against the preceding three months on a seasonally adjusted (SA) basis, to stand 31% down on a year ago.

Education main contract awards increased 1% against the preceding three months to total £917 million. Despite this, the value remained 29% lower than the previous year. Underlying contract awards performed poorly, slipping 1% (SA) against the preceding three months to stand 15% down on the previous year. There was an absence of major projects reaching the contract awarded stage, differing from the previous year but remaining unchanged against the preceding three months.

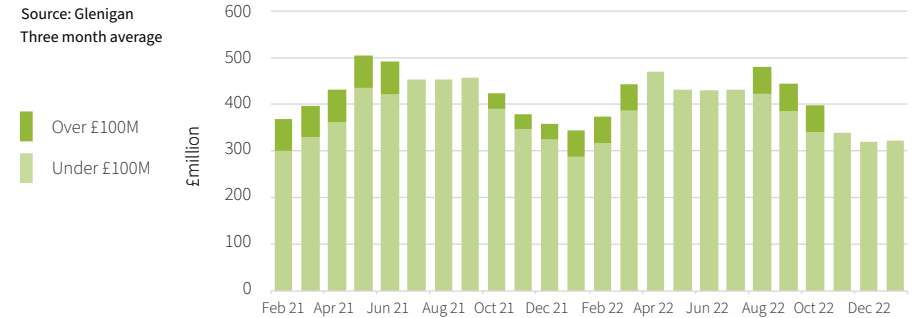
Totalling £968 million, detailed planning approvals decreased 19% against the preceding three months and were 6% lower than last year. No major projects were granted approval during the period, in contrast with both the preceding three months and previous year. Underlying project approvals decreased 7% (SA) against the previous three months but were 12% higher than the same period a year ago.

-44%

Decrease in the value of education work starting on-site against the preceding three months

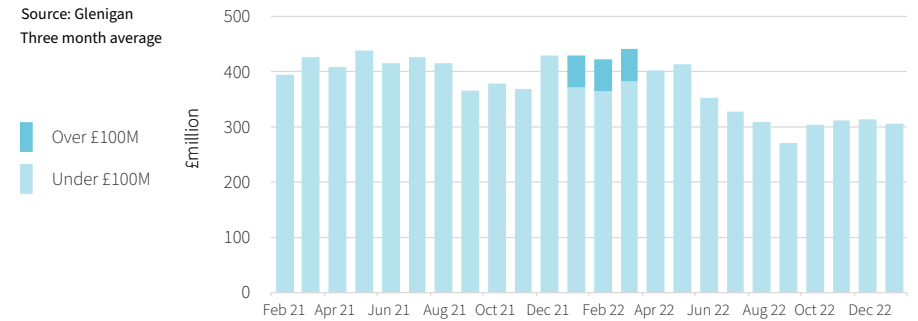
Education: Detailed Planning Approvals

Source: Glenigan
Three month average



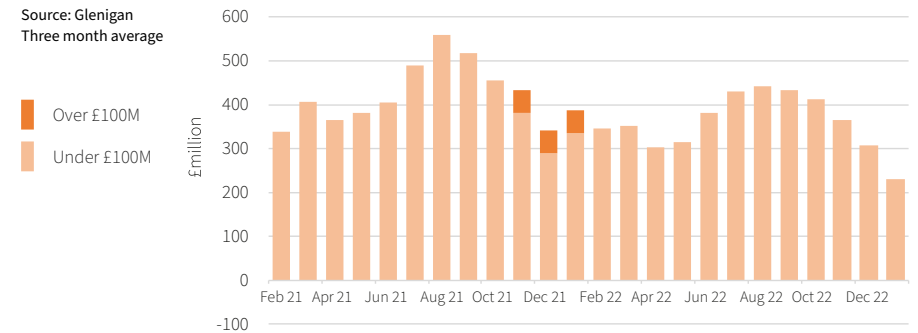
Education: Main Contract Awards

Source: Glenigan
Three month average



Education: Starts

Source: Glenigan
Three month average



Education – Types of Projects Started

School project-starts totalled £541 million during the three months to January and accounted for the largest value of education construction starts (78%) but were still 12% lower than the previous year.

Colleges were the second most active segment for project-starts, accounting for 11% of the total value, despite a 29% decline against last year, to total £74 million.

University project-starts performed especially poorly, with the value decreasing by 90% against the previous year to total £37 million, accounting for a 5% share of education work starting on-site.

Education: League Tables (December 2021 to January 2023)

Source: Glenigan

Contractors			Clients		
	Projects	£m		Projects	£m
Kier	42	452	Department for Education	62	571
Morgan Sindall	47	399	Sheffield Hallam University	4	85
Royal BAM	12	254	Dundee City Council	2	65
Willmott Dixon	31	195	Flintshire County Council	1	65
Robertson	7	194	West Sussex County Council	8	62
Wates	8	193	Leicester City Council	6	55
Bowmer & Kirkland	16	168	City of Edinburgh Council	6	54
Galliford Try	11	124	Cambridgeshire County Council	8	52
Tilbury Douglas	15	110	Wolverhampton City Council	1	50
Algeco UK	4	97	University of Derby	3	48

Project Spotlight



Image source: Arc Partnership

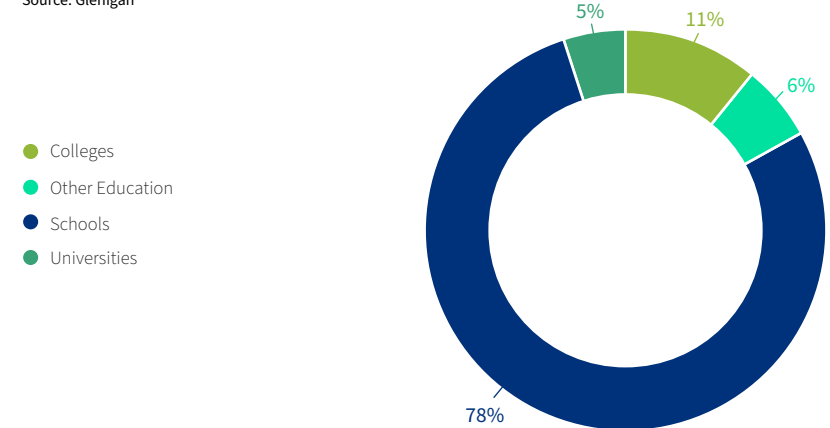
Bramcote College

Detailed plans have been approved for the new £24 million Bramcote College in Nottingham. Morgan Sindall have been appointed as main contractors on the £24 million scheme, with works due to complete in Q4 2024.

Project ID: 17234604

Types of Education Projects Started Three Months to January 2023

Source: Glenigan



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Education – Regional

Wales was the best performing region for project-starts, accounting for 15% of the sector. Starts in Wales totalled £100 million: a 113% increase against the previous year. Strong growth in the region was mostly due to the £65 million development of a school campus in Mold (Project ID: 21102756).

The South East also accounted for 15% of starts in the sector, despite a 63% decline against the previous year, to total £105 million.

The West Midlands experienced growth against the preceding year (+75%). Project-starts in the region totalled £43 million to account for 6% of the total value.

The value of project-starts in Scotland rose 48% against the previous year to total £97 million, accounting for 14% of the total value. This growth was accelerated by the commencement of a new £65.7 million community high school in Edinburgh (Project ID: 19316055).

The East Midlands also experienced growth compared to the previous year's levels (+14%), with project-starts totalling £62 million to account for almost one-tenth of sector starts.

In contrast, London experienced the largest decline (87%) against the previous year, accounting for only 3% of the sector, delivering a total value of just £23 million.

The South East experienced a strong period for detailed planning approvals in the education sector, with the value increasing 19% against the previous year to total £164 million. The South East had the greatest proportion (17%) of approvals during the period. Totalling £114 million, education approvals in the East of England were the second highest, having advanced 36% against the previous year to account for 12% of the sector. The consent of the £26 million redevelopment of Barnfield College in Luton (Project ID: 22087607) boosted growth in the region.

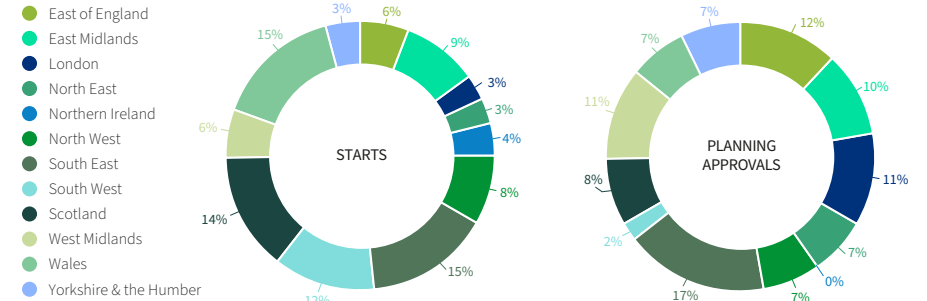
The East Midlands and the North West, accounting for 10% and 7% of project approvals respectively, both experienced even stronger growth with the value more than twice as high as the previous year's total at £99 million and £72 million, respectively. In contrast, approvals in Northern Ireland were 96% down on last year's levels, totalling £2 million. Wales also experienced a weak period, with planning approvals having fallen 71% against the previous year to total £70 million, accounting for 7% of the sector.

-6%

Decrease in the value of detailed planning approvals against the previous year

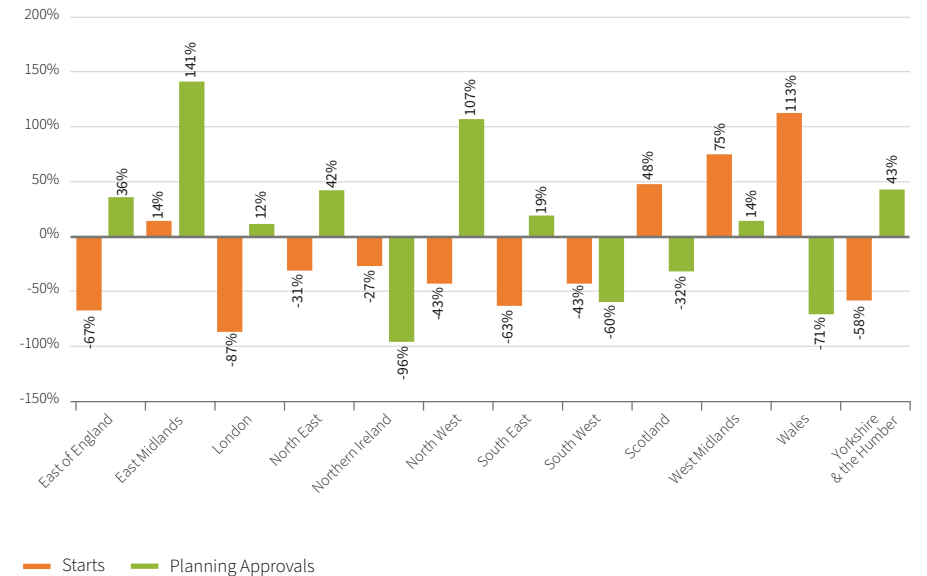
Share Value of Education Starts and Planning Approvals in the Last 3 Months

Source: Glenigan



Changes in Education Starts and Planning Approvals on a Year Earlier

Source: Glenigan



Community & Amenity – Overview

Despite a steep fall against the preceding three months, the value of project-starts remained sharply up on a year ago. Main contract awards and detailed planning approvals fell sharply against both periods.

Community & amenity work starting on-site totalled £510 million during the three months to January, a 67% decrease compared with the preceding three months, but 64% up on the previous year. Major project-starts (£100 million or more), totalling £279 million, were up on the previous year when no major projects started on-site, but decreased by three quarters against the preceding three months. Underlying project-starts (less than £100 million in value) weakened, falling 27% against the preceding three months on a seasonally adjusted (SA) basis, and by 26% against last year's levels, with a total value of £231 million.

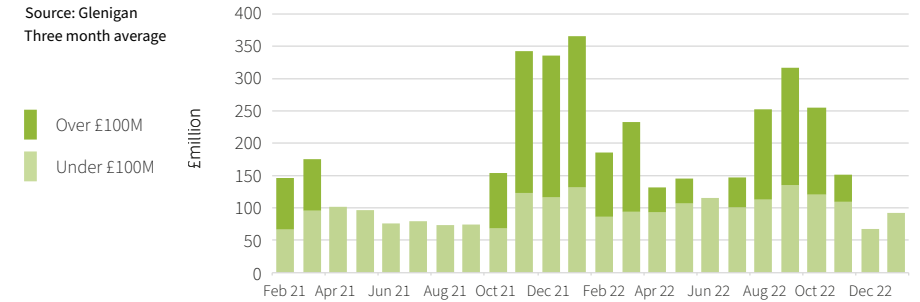
Underlying community & amenity main contract awards, adding up to £174 million, declined 17% (SA) against the preceding quarter to stand 44% lower than a year ago. No major projects reached the contract awarded stage, unchanged on the preceding three months and the previous year. Consequently, the total value of community & amenity contract awards during the period was 75% lower than the preceding three months.

Detailed planning approvals decreased 64% against the previous three months and by three quarters against the previous year to total £276 million. In contrast with last year and the previous three months, there were no major planning approvals. Underlying project approvals fell 25% on the preceding three months (SA) and by almost a third against a year ago.

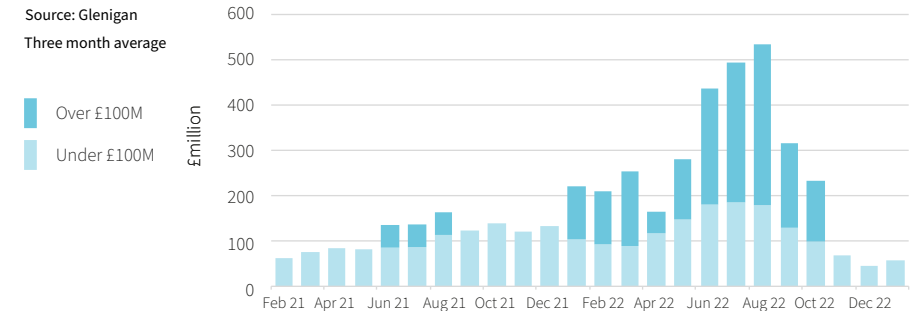
64%

Increase in the value of Community & Amenity work starting on-site against the previous year

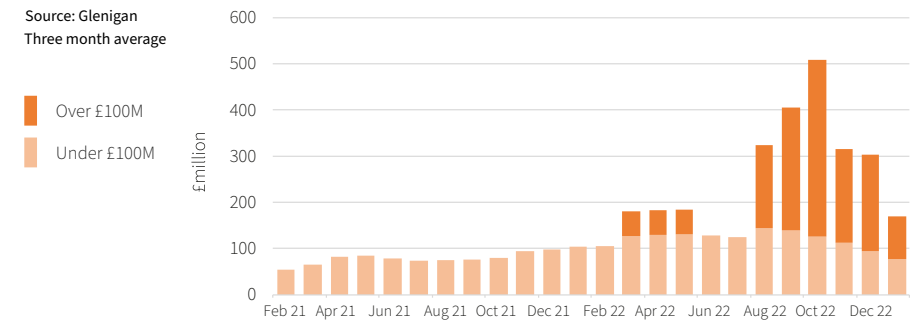
Community & Amenity: Detailed Planning Approvals



Community & Amenity: Main Contract Awards



Community & Amenity: Starts



Community & Amenity – Types of Projects Started

Prison projects worth £310 million started on-site during the three months to January, a 322% increase against the previous year, to account for 61% of sector starts.

Local facilities were the second-highest sector (14%) despite a 19% decline, to total £74 million. Military project-starts also performed well, rising by 21% against the previous year to total £65 million, accounting for 13% of the sector.

Law Courts, totalling £18 million, had the sharpest increase in project-starts due to the near absence of starts a year ago, despite only accounting for 3% of the sector. In contrast, blue light project-starts, at £34 million, experienced a 20% decline on the previous year's levels to account for 7% of the total value. There were no government building project-starts, unlike last year.

Project Spotlight



Image Source: Sunderland City Council

Hebburn Tri Station

Works have started on the development of Hebburn Tri Station in Tyne & Wear. Esh Group have been appointed as the main contractor on the £10 million scheme, with works expected to be completed in March 2024.

Project ID: 22033687

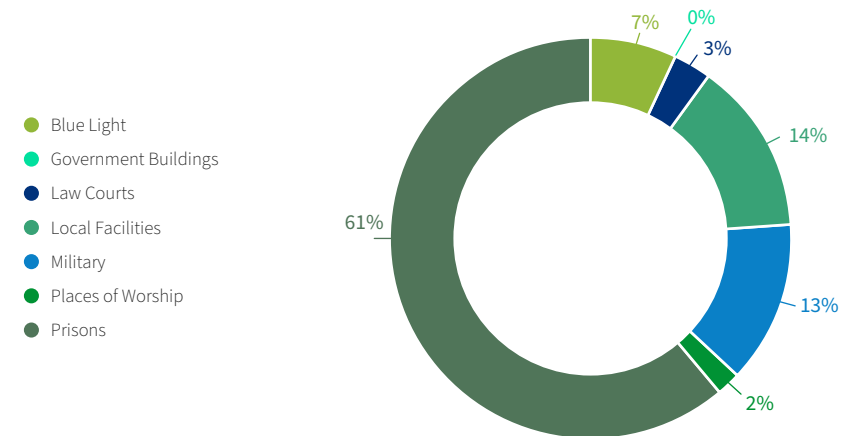
Community & Amenity: League Tables (December 2021 to January 2023)

Source: Glenigan

Contractors			Clients		
Contractors	Projects	£m	Clients	Projects	£m
Kier	34	781	Ministry of Justice	36	1,492
Wates	9	670	Ministry of Defence	30	321
Skanska UK	1	259	Scottish Government	1	140
Balfour Beatty	2	153	Mace Group	1	130
Willmott Dixon	7	84	Home Office	19	97
ISG	3	66	Con. & Procure. Delivery (CPD)	4	37
VINCI	8	62	Darlington Borough Council	1	35
McLaughlin & Harvey	2	61	Sunderland City Council	1	27
Algeco UK	3	52	Dep. for Levelling Up, Housing & Communities (DLUHC)	10	25
Morgan Sindall	13	51	Police Service of N. Ireland	1	21

Types of Community & Amenity Projects Started Three Months to January 2023

Source: Glenigan



Community & Amenity – Regional

The East of England dominated community & amenity starts, accounting for over half (62%) of work starting on-site at £314 million. The region's dominance was largely due to a £279 million project for three prison house blocks in Newmarket (Project ID: 22009764). The East Midlands accounted for the second-greatest proportion (8%) of sector starts and experienced an 892% jump against the previous year to total £43 million. This growth was almost exclusively due to the £35 million market hall redevelopment project in Derby (Project ID: 22054328).

The South West was another region to experience a triple-digit increase on the preceding year's levels, with project starts totalling £14 million to account for 3% share of sector starts. Elsewhere, Yorkshire & the Humber experienced the sharpest decrease (-88%) against the previous year to total £6 million, accounting for a 1% share of starts. Scotland at £36 million was a relatively active area, accounting for 7% of the sector, despite the value of project starts falling 38% against 2022 levels.

At £57 million, detailed planning approvals in the South East increased 12% and accounted for the greatest share (21%) of approvals in the sector. Planning approvals included the refurbishment of education, healthcare, and residential blocks in Kent (Project ID: 20401380). Totalling £7 million, project starts in the East of England almost tripled against the previous year. Project-starts in the region accounted for a relatively small 2% share of the total value.

London had a very strong period, with impressive growth of 159%, bringing the total up to £34 million and accounting for 12% of the sector. However, most regions experienced a decline, with the East Midlands (-90%) and Yorkshire (-98%) being the worst performers, totalling £34 million and £12 million, respectively. Despite being the third most active region along with the Capital approvals in the East Midlands decreased 90% against the same period a year ago to total £34 million.

-75%

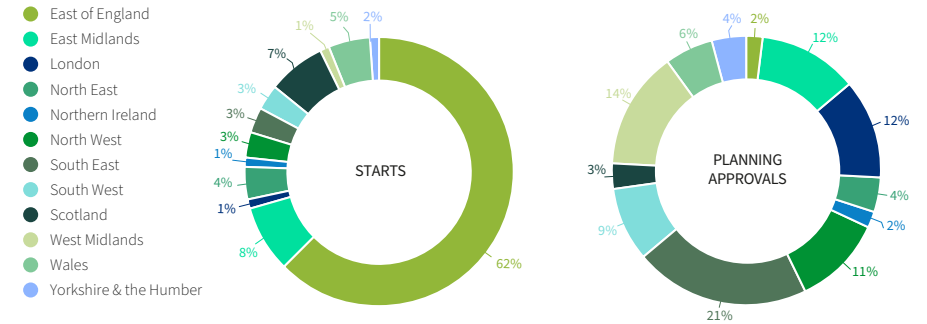
Decrease in the value of detailed planning approvals against the previous year

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See how with a free demo – call 0800 060 8698 or visit www.glenigan.com/pipeline

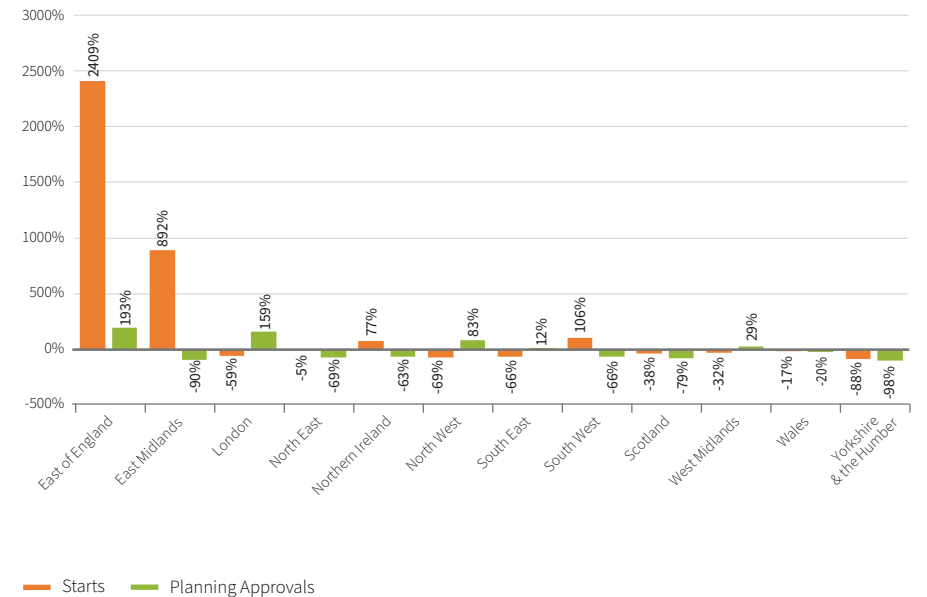
Share Value of Community & Amenity Starts and Planning Approvals in the Last 3 Months

Source: Glenigan



Changes in Community & Amenity Starts and Planning Approvals on a Year Earlier

Source: Glenigan



Civil Engineering – Overview

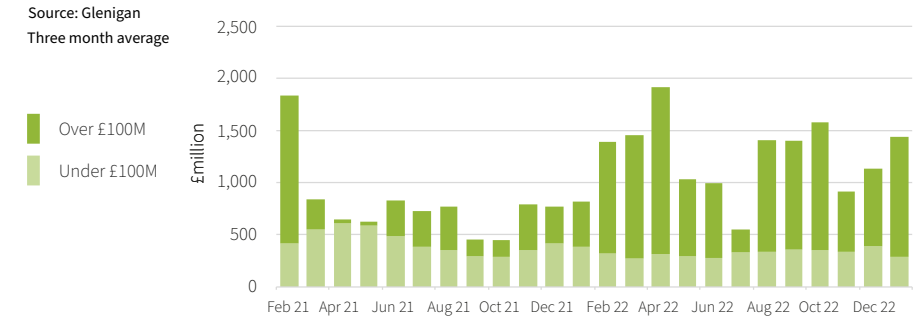
Main contract awards and detailed planning approvals increased against the previous year, with the value of main contract awards increasing on the previous three months. Project-starts decreased significantly against both time periods.

Totalling £2,085 million, civil engineering work starting on-site during the three months to January decreased 79% against the preceding three months and 51% against the previous year. Major projects (£100 million or more) were the main driver behind the decline, totalling £588 million: 93% down on the preceding three months, and 79% lower than a year ago. Underlying project-starts (less than £100 million in value) fared better, having decreased 3% against the preceding three months on a seasonally adjusted (SA) basis and increased by 5% compared with last year to total £1,497 million.

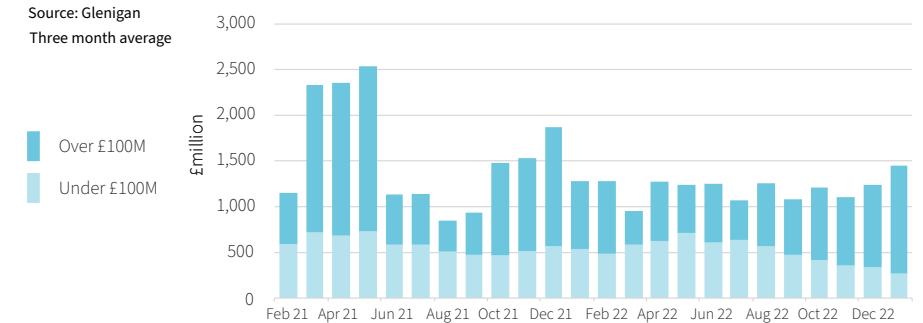
Civil engineering main contract awards increased 20% during the three months to January to stand 14% up on the value of the previous year. Overall growth was exclusively due to major project contract awards which at £3,540 million, experienced a 49% increase on the preceding three months and a 59% increase on the previous year. Underlying contract awards, at £898 million didn't fare so well having declined 36% against the preceding three months (SA) and by 50% against the previous year.

Totalling £4,311 million, civil engineering detailed planning approvals decreased 9% against the preceding three months but were 76% higher than a year ago. This was exclusively driven by major project approvals, which at £3,454 million experienced a 6% decrease against the preceding three months, but almost tripled on the previous year. In contrast, underlying approvals at £857 million decreased by 22% (SA) against the preceding three months and were 26% lower than a year ago.

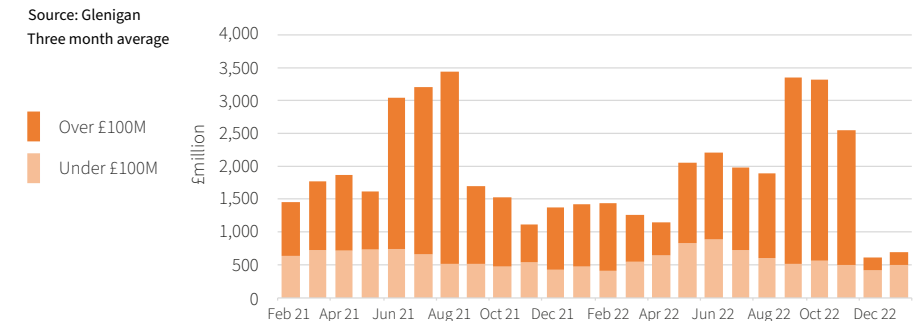
Civil Engineering: Detailed Planning Approvals



Civil Engineering: Main Contract Awards



Civil Engineering: Starts



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-79%

Decrease in the value of civil engineering work starting on site against the preceding three months

Civil Engineering – Types of Projects Started

At £873 million, road projects accounted for the greatest share (42%) of civil engineering project-starts during the three months to January and were 44% higher than a year ago.

Energy projects also performed relatively well, with project-starts experiencing a slight increase (8%) against the previous year to total £395 million. The segment accounted for a 19% share of starts. Harbour/ports projects decreased 32% with starts totalling £201 million, accounting for a tenth of the sector.

Rail accounted for a 5% share of the sector and experienced the steepest decline (-95%) of all segments compared with a year ago, totalling £105 million. Water Industry project-starts suffered a 48% decline against a year ago to total £20 million, accounting for a 1% share of the total value.

Civil Engineering: League Tables (December 2021 to January 2023)

Source: Glenigan

Contractors			Clients		
Contractors	Projects	£m	Clients	Projects	£m
Balfour Beatty	24	2,223	Department for Transport	37	4,077
Kier	38	1,058	Ferrovial	4	652
Costain	6	781	Network Rail	45	478
VolkerWessels	34	579	Manchester Airports	1	440
Scottish Power	2	501	Environment Agency	25	382
Mace Group	1	440	Anglian Water Group	5	362
We Build	1	433	Buckinghamshire County Council	1	320
Alpine BeMo Tunnelling	1	433	Cheshire West & Chester Council	2	301
FCC Servicios Ind. Y Energeticos SA	1	433	Vattenfall UK	2	260
Laing O'Rourke	4	397	Central Bedfordshire Council	4	257

Project Spotlight

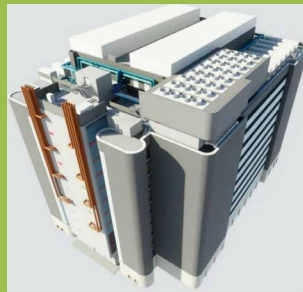


Image Source: AECOM

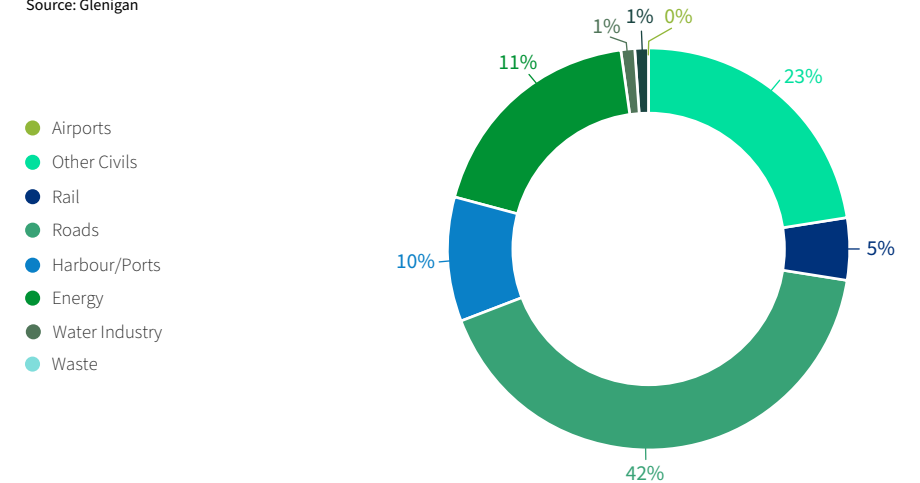
Power Station

Detailed plans have been approved for the development of a £107 million power station in Tower Hamlets, London. Works are expected to start on-site in November 2023 and are due to complete in October 2026. A main contractor is yet to be appointed on the scheme.

Project ID: 20374250

Types of Civil Engineering Projects Started Three Months to January 2023

Source: Glenigan



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Civil Engineering – Regional

Most regions experienced a decline in civil engineering project-starts. The South East, at £535 million, decreased 5% against the previous year. Despite this the region accounted for 26% of starts during the three months to January, the highest of any area. Further decline was prevented by the commencement of the M25 Motorway junction improvement works worth £250 million (Project ID: 14429880). The West Midlands experienced the sharpest decline, falling by 95% to £96 million, accounting for 5% of the sector. Northern Ireland also had a weak period, with work commencing on-site decreasing by almost three quarters compared to a year ago to £32 million, accounting for a 2% share of sector project-starts.

In contrast, starts in the East of England were 64% up against the previous year and accounted for 6% of sector starts, totalling £118 million. The North West, accounting for the second greatest share (16%) of civil engineering starts at £329 million, was 26% up on the preceding year's levels. The biggest contributor to the growth in the region was the £108 million broadband roll out in Cumbria (Project ID: 22439456), which is part of the Project Gigabit framework worth £5 billion (Project ID: 21243486). Coming in third place, for both growth and share of starts, was London which experienced an increase of 20%, totalling £209 million, which accounted for one-tenth of all civil engineering starts.

The South East was the dominant area for detailed planning approvals, accounting for 28% of the total value, and totalling £1,624 million. The value of approvals in the region increased nearly nine times compared to the previous year, with growth in the region being primarily driven by the approval of the £1.2 billion Aquind Interconnector project in Southsea (Project ID: 18084832). The South West was the strongest region in terms of growth, with the value of approvals increasing more than ten times compared to last year's figures to total £882 million. The region accounted for 20% of the sector due to the approval of a £460 million dual carriageway in Gloucester (Project ID: 14432358) and other smaller projects.

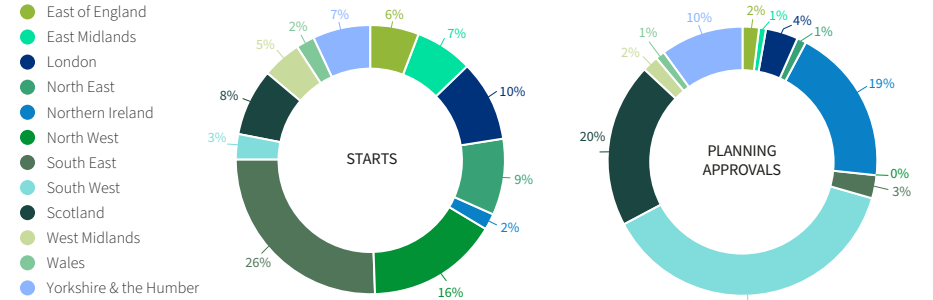
In contrast, approvals fell particularly sharply in Wales (95%) when compared with the previous year, totalling £33 million, accounting for 1% of the sector. The North East experienced a similarly stark decline (79%) against last year's levels, with approvals totalling just £31 million.

76%

Growth in the value of civil engineering detailed planning approvals against the previous year

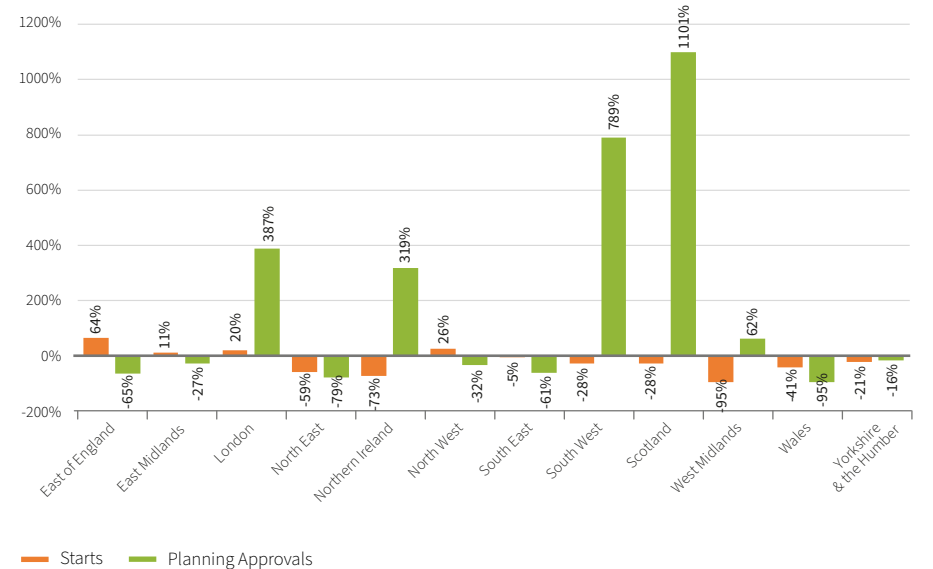
Share Value of Civil Engineering Starts and Planning Approvals in the Last 3 Months

Source: Glenigan



Changes in Civil Engineering Starts and Planning Approvals on a Year Earlier

Source: Glenigan



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