

Commonwealth Games Construction & Refurbishment UK 2007-2014

***A Review of the Planned Construction and Refurbishment Activity 2007-2014,
Contractors Likely to be Involved, and Identification of Key Specification &
Procurement Issues for the 2014 Commonwealth Games in Glasgow***

November 2007

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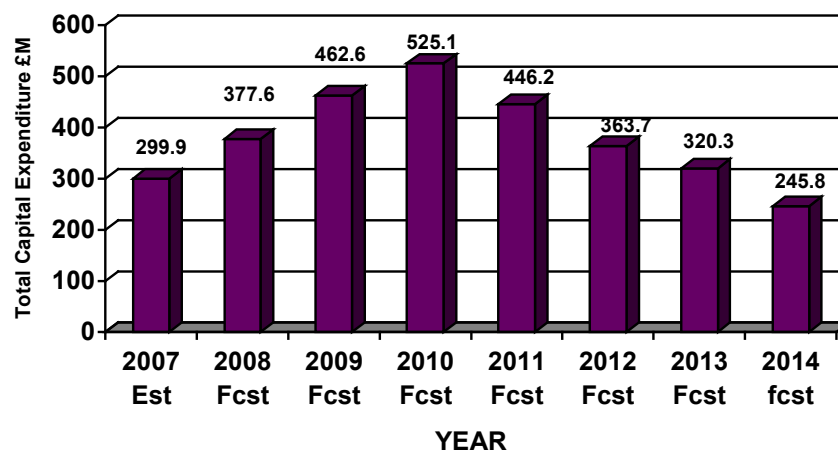
1. Introduction

MTW Research are an independent market research publisher focused on providing high quality, value for money market reports within the UK Building & Construction Industry. MTW Research reports are researched, collated and compiled by experienced and qualified professionals, ensuring that the information contained within the report is as accurate, relevant and up to date as possible.

MTW Research offers professional, quality market reports which are easy to read and digest and provide valuable information on which to base further research or decision-making. The reports not only provide the 'what' and 'when' but also the 'why', facilitating the development of deeper research into particular sectors by the client.

This report reviews the planned construction and refurbishment activity for the Commonwealth Games, due to be hosted in Glasgow in 2014. The total estimated levels of expenditure on new build and RMI between 2007 and 2014 are illustrated in the following chart:-

Figure 1: Commonwealth Games Construction & Refurbishment Market 2007-2014 £M



Source: MTW Research / Trade Estimates

For the purposes of this report the UK Commonwealth Games Construction & Refurbishment Market is defined as consisting of the following:-

- New Build & RMI Activity for Games Related Venues (public & private expenditure)
- Transport Infrastructure Expenditure which will impact on the Games
- New Build & RMI Activity for Hotels in Glasgow

The methodology for this report included primary research information from Government sources, the Commonwealth Games organising committee, contractors, consultants and other trade sources. This was supported by secondary research from a wide range of sources including trade journals, company reports, Companies House, Government statistics, trade associations, company websites and existing knowledge in this sector.

3. Overview of the Commonwealth Games Glasgow 2014

3.1 Background to the Games

On the 9th November 2007, the Commonwealth Games Federation announced that Scotland would host the 20th Commonwealth Games in 2014. Scotland's largest city of Glasgow successfully won the right to host the 'friendly games', following in Edinburgh's footsteps which hosted the Games in 1986 and Manchester in 2002.

The Games are set to take place for 12 days between July 23rd and August 4th 2014, hosting 17 different sports including Aquatics (Swimming and Diving), Athletics, Badminton, Boxing, Cycling (Road, Mountain Bike and Track), Gymnastics, Hockey, Judo, Lawn Bowls, Netball, Rugby 7s, Shooting, Squash, Table Tennis, Triathlon, Weightlifting and Wrestling.

The inaugural Commonwealth Games took place in 1930 in Canada, and included 11 nations and territories. The announcement of the successful bid by Glasgow will have a substantial impact on the city and surrounding area, with a substantial amount of construction and refurbishment likely over the next 7 years, following a sustained period of investment by Glasgow in recent years on economic, social and cultural development which has benefited the local community and supported a substantial increase in tourism. Within the definition of this report, more than £2.9 billion will be invested in the area between 2008 and 2014, reflecting a substantial and sustained key target market for companies involved in the building and construction industry.

3.1.1 Venues for the Commonwealth Games in 2014

The venues for these programmes are primarily located in Glasgow City Centre, with two notable exceptions of Shooting and the Diving, located just outside Glasgow and in Edinburgh respectively. Specifically, the venues to be refurbished or built include:-



3.2 Commonwealth Games Construction & Refurbishment Expenditure 2007-2014

In total, an estimated £3 billion will be spent on new build and refurbishment on venues, transport and hotels which are either directly or indirectly linked to the Commonwealth Games in Glasgow.

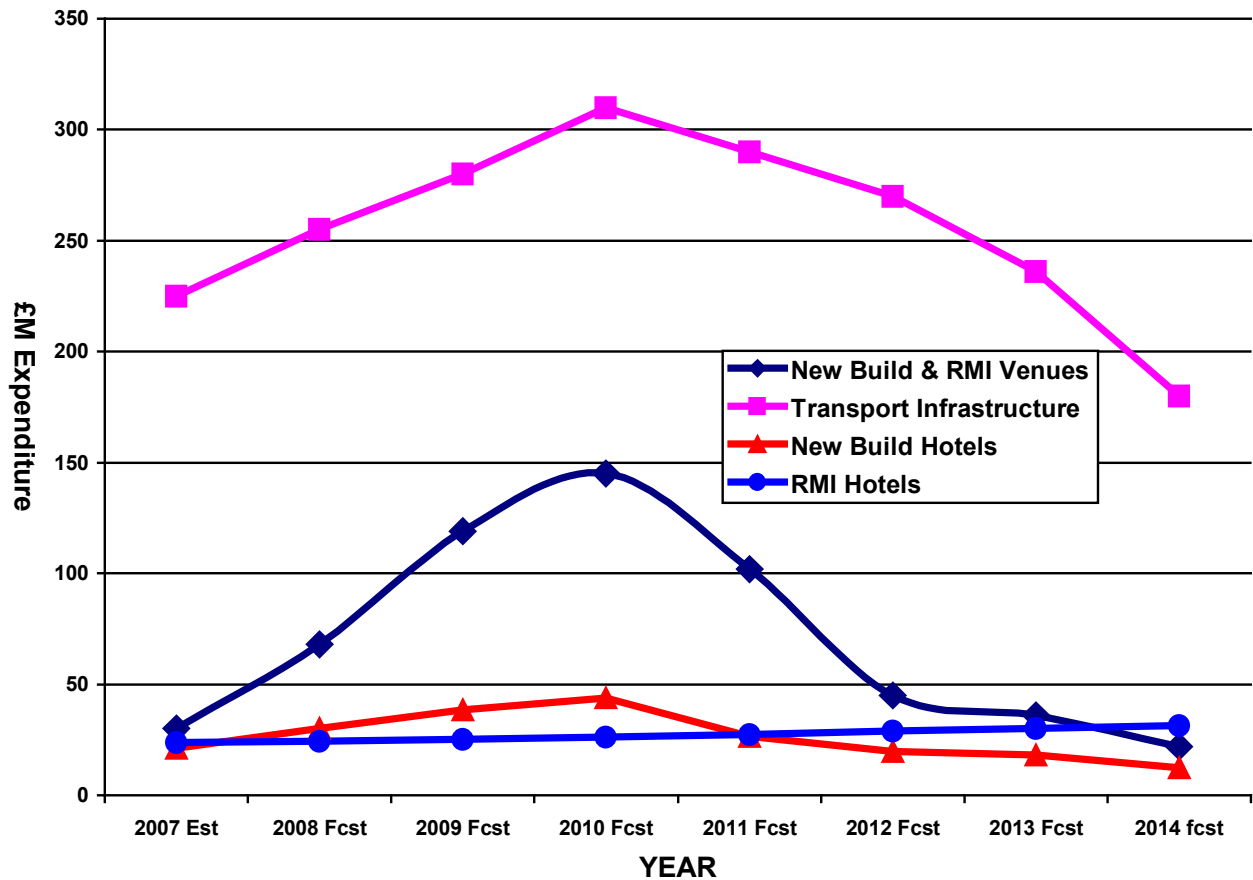
3.2.1 Games Construction & RMI Expenditure 2007-2014

The following chart illustrates our forecasts of the total level of expenditure between 2007 and 2014:-

3.2.2 RMI & New Build Expenditure by Key Sector 2007-2014

The following chart illustrates the total expenditure for each of the key sectors related either directly or indirectly to the Commonwealth Games in 2014:-

Figure 14: Commonwealth Games Construction & Refurbishment Market 2007-2014 £M



Figures Censored From this Sample

As the chart illustrates, spending on

4. Planned Venues for the 2014 Commonwealth Games

Given the large number and wide variation of sports which will be hosted by the Games, the venues required to host these activities are also particularly broad ranging.

The following sections identify the larger venues and their respective budgets and timings which will be an integral component of the Games in 2014, and reflect a substantial element of the construction and refurbishment activity in the years leading up to the Games.

4.1 Map of Planned Commonwealth Games General Locations

The majority of the venues for the Games in 2014 are planned to be held within the city boundary of Glasgow, though some elements of the shooting are outside this area, coupled with the use of the Commonwealth diving facilities in Edinburgh.

The following map identifies the general, approximate location of each of the key venues for the Glasgow Games in 2014:-

5.4 Hotel Refurbishment – Value Estimates of Refurbishment Activity Levels 2007-2014

At present, there are no specific details of refurbishment plans by hotels which specifically relate to the hosting of the Commonwealth Games by Glasgow in 2014. However, it is likely that a number of hotels in the proximity to the Games will undergo some level of RMI activity given that the organising committee for the Games has made a number of promises to the Commonwealth Games Association as follows:-



5.4.2 4 - 5 Star Hotels Likely to Undertake RMI Activity

Whilst it is likely that some refurbishment activity will be undertaken by the smaller 2-3 star hotels, it is likely that the majority of RMI activity will be undertaken by the 4-5 star hotels, particularly given that these hotels have already been assigned to be used as accommodation for Commonwealth officials.

The following table identifies the 4 and 5 star hotels which are most likely to receive the highest level of capital spending, and their role during the Games:-

Figure 24: Glasgow Hotels 4-5* & Their Role During the Games	
Hotel Name	Role During Game
Hilton Glasgow	Flagship Hotel, host to Commonwealth Dignitaries and others
Sample	Sample
Sample	Sample
Sample	Sample
Sample	Sample
Sample	Sample
Sample	Sample
Sample	Sample
Sample	Sample
Sample	Sample
Sample	Sample
Sample	Sample
Sample	Sample
Sample	Sample
Sample	Sample
Sample	Sample
Sample	Sample
Sample	Sample
Sample	Sample
Censored From Sample	

As the table illustrates, there are just under 20, 4-5 star hotels in the immediate vicinity of Glasgow, with most of these having been assigned a particular set of people linked to the Games. In terms of refurbishment activity, it is likely that those hotels which are likely to host dignitaries and foreign leaders will lead the RMI activity in the hotels sector, though it is likely that a large number of other, smaller hotels will also undertaken some refurbishment activity between now and 2014.

7. Construction Dates & Key Specification & Procurement Issues

7.1 Games Venues – Key Dates for Construction & RMI

A substantial proportion of the budget to be used for the enhancement of the Games venues have been committed and as such, the timeframes for construction and RMI activity were established prior to the announcement of the successful outcome of the bid.

The following chart identifies the planned timings of the new build and RMI projects which are directly related to the Games in 2014:-

Figure 29: Construction & RMI Start & Completion Dates By Venue 2007-2014								
VENUE	2007	2008	2009	2010	2011	2012	2013	2014
Sample	June 2007 – March 2010							
Sample	June 2007 – March 2010							
Sample		April 2008 – April 2009						
Sample		April 2008 – Sep 2009						
Sample			Jan 2009 – Jan 2011					
Sample			Jan 2009 – June 2011					
Sample				Aug 2010 – Dec 2011				
Sample					Apr– Sep			
Sample					May 2011 – Dec 2012			
Sample						Jan - Sep		
Sample								Jan - May
Sample								Feb – Jun
Sample								Apr - May
Censored from Sample								

As illustrated, the majority of