

CSN FORECASTS 10,050 NEW CONSTRUCTION JOBS FOR YORKSHIRE AND HUMBER FROM 2018-22. THE INDUSTRIAL SECTOR, ALONG WITH COMMERCIAL AND HOUSING WORK WILL DRIVE INCREASING OUTPUT GROWTH.

GROWTH RATE:

Output is predicted to be an annual average of 0.8% over the next five years, below the UK rate of 1.3%. However, by 2022, growth is projected to be just short of its 2004 peak.

JOB CREATION:

Roles in high demand include: plant operatives, logistics personnel and surveyors. Employment growth will, at 0.2%, be just below the UK's rate of 0.5%.

MAIN GROWTH DRIVERS/CONTRACTS:

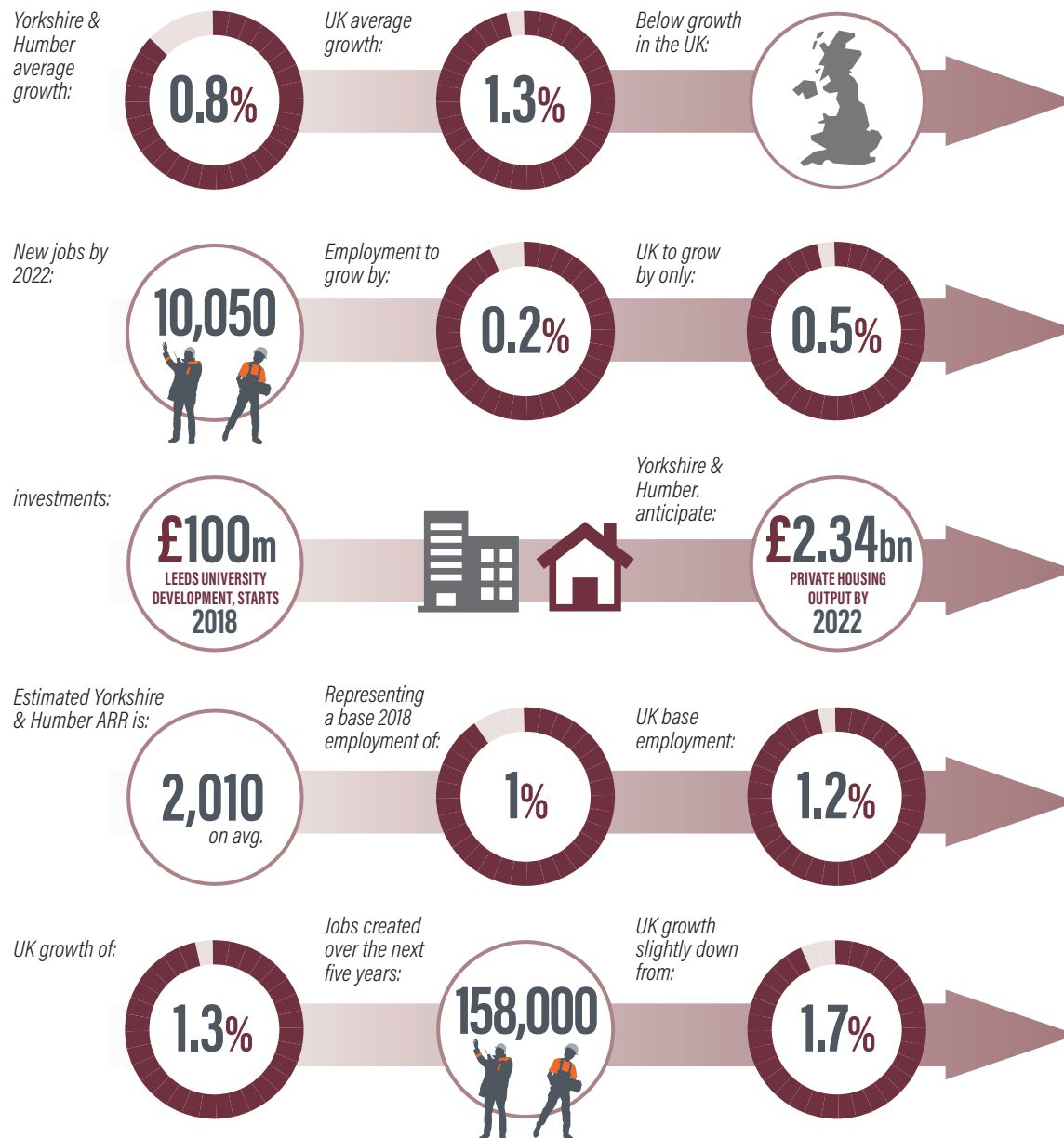
The largest scheme in the pipeline is Leeds University's £100m investment at Woodhouse Lane, due to start this year. The development will include a new six storey building, a connecting atrium and refurbishment of the Old Mining Building. Work is scheduled to begin in March and finish in summer 2020. New work (1.25%) is expected to perform better than repair and maintenance (0.2%). By 2022 private housing output is anticipated to reach a new high of £2.34bn (2015 prices).

ANNUAL RECRUITMENT RATE (ARR):

The region's ARR is estimated at 2,010, which represents 1% of base 2018 employment, a little lower than the UK rate of 1.2%.

IN A UK CONTEXT:

CSN predicts UK growth of 1.3% over the next five years, with 158,000 jobs to be created. Although UK growth is slightly down on the 1.7% predicted in 2017, the fall was expected and is not dramatic, when taking into account the economy slowing as a whole and uncertainty around Brexit.



OVERVIEW – YORKSHIRE & HUMBER

The industrial sector is likely to see the biggest average increases per annum. Decent expansion is predicted for 2018 due to several small and medium sized projects in the pipeline. There are several small and medium sized factory and warehouse projects which should feed into output growth in the short-term. In September work started on Boeing's new 6,200 square metre production facility in Sheffield. Once complete in late 2018 the site will allow Boeing to produce components for the next generation of 737, 737 Max and 777 aeroplanes. September 2017 also saw the start of construction work on Lidl's new £70m distribution centre at iPort. Work on the project is anticipated to finish by spring 2019. A slowdown in activity is predicted thereafter before it begins to rise again towards the end of the forecast period.

Public non-housing output is predicted to rise by an annual average of 1.5% over the next five years. It has been a while since the sector has seen any large-scale developments take place, and until it does, expansion is likely to be minimal. Leeds Federated Housing Association has been given the green light to build 45 affordable homes in Gipton, east Leeds. The homes will be a mixture of two, three and four bedrooms. Work is expected to start in early 2018 with completion in late 2019. Housing association Shoreline Housing Partnership is going to provide 23 affordable homes on two run-down garage sites in Grimsby. There are going to be 15 two bedroom homes in East Marsh and 8 in Bradley Park, with projects due to be complete in summer 2018.

The private housing sector is projected to see small average yearly growth of 0.6% in the five years to 2022. There are projects expected to take place over the forecast period however they are of a small nature. In October plans were submitted for a build to rent scheme in Leeds city centre. The Flax Place/Marsh Lane site will include two tower blocks, one of 8-10 storeys and the other 12-14 storeys. Around 260,000 square feet of residential accommodation will be available once the project is complete. Nonetheless, by 2022 private housing output is anticipated to reach a new high of £2.34bn (2015 prices).

An annual average increase of 1.5% is predicted for the commercial sector between 2018 and 2022. Modest expansion is likely for 2018, but growth is expected to stall because of investor uncertainty due to Brexit. As the terms of Brexit become clearer, confidence should increase. This in turn is likely to lead to growth in commercial output from 2021.

In 2016 Yorkshire and Humber accounted for around 7.8% of UK construction employment. Between 2018 and 2022 the region's construction employment is likely to see only marginal growth, reaching a little under 200,000 by the latter year. As is the case across the UK, managerial and administrative and professional occupations are projected to fare better generally than the trades.

Despite the region's low ARR, there is a high requirement for plant operatives and logistics personnel, both of which have ARR ratios above 5%. In addition to this, surveyors are likely to be under some pressure with an ARR ratio between 2.6% and 5%.

The full report can be read here: www.citb.co.uk/csn