

**Aberdeen &
Grampian
Chamber of
Commerce**

Aberdeen City & Shire

**Investment Tracker:
creating an amazing
city region**

Issue 2 - September 2017



**Building a better
working world**



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Foreword

Glance at the doom-laden headlines and listen to the negative chatter about our region over the last couple of years and you'd be excused for thinking that we're closed for business. Forever.

Not true, of course but perception is reality.

Our economy is at a key crossroads and businesses of all shapes and sizes are adjusting to a 'new norm' but it is one that is still the envy of many places in the UK today.

To enable our economic renaissance vision to be realised, we need people and organisations to bring investment, innovation, skills and jobs here, but if they are under the impression that nothing is happening they will simply go elsewhere.

We know that we have a strong platform from which to move forward but many outsiders are of the mistaken view that because of the drop in oil price there is a dearth of development activity here.

To counter this, last year the Chamber commissioned the first edition of our Investment Tracker which revealed over £5bn of infrastructure projects were either planned or already underway in the region.

Added to this, the Regional Economic Strategy and diversification plan is gathering pace; our strength in innovation is being further developed through city region deal investment; there is real momentum behind the city centre masterplan and most of all we are just beginning

to demonstrate some confidence and ambition.

But if our targets don't know all this then they will not choose North-east Scotland.

To address this, we need to provide the people and businesses of the North-east with the confidence and collateral to become our storytellers. This document is a small part of that developing narrative and we invite everyone to share it as widely as possible in both print and e-formats.

Aberdeen & Grampian Chamber of Commerce represents over 1,250 members collectively employing around 125,000 people and our focus is on helping to create the economic conditions that will enable business in the region to be more successful.

I hope you find the picture painted in this second edition of our investment tracker as exciting and inspirational as we do.

The Chamber is committed to continuing to monitor and showcase the level of investment in the region. We have endeavoured to accurately capture the essence of this and to the best of our knowledge the information is correct. However, if there is anything you think should be revised or if you are aware of other projects which you believe should be featured in future editions please contact our policy executive, Rebecca Campbell at rebecca.campbell@agcc.co.uk.



Derek Leith
senior partner
EY Aberdeen

Resilience + confidence = investment

The North-east region has remained resilient during a particularly challenging couple of years. While it has been difficult, it has been a turning point encouraging us to focus on the changes which will ensure our region remains an attractive investment destination.

This resilient approach is providing dividends as highlighted in our latest Scotland Attractiveness Survey. The survey revealed that Aberdeen increased its Foreign Direct Investment (FDI) projects in 2016 by 100% compared with 2015, creating a total of 18 projects – 30% higher than the previous high of 12, in both 2012 and 2014.

Our study also highlighted that global investors' priorities include: infrastructure, skills; and creating incentives for foreign investors which correlate with the strategy being developed for the North-east region.

The 2016 figures show Aberdeen returning to third position in Scotland, and reveal that the city has stepped up in the league of UK cities from joint tenth to seventh.

This should be of comfort to the region especially the energy sector. The majority of 2016's 18 projects have been classed as manufacturing and construction, but almost all are linked to the energy industry. For example, the construction of offshore wind farms and the technical

services these require, as well as some pipeline work for the oil and gas industry.

This flurry of FDI projects signals a rebound from 2015's drop in offshore activity, and should give the market further confidence, and more belief in an optimistic future for the energy sector and the local economy generally.

The 100% increase in project numbers is a firm signal of Aberdeen's attractiveness to international investors. It is also worth noting that this positive FDI performance was achieved in the face of widespread uncertainty, not least the EU Referendum result.

Looking to the future for Aberdeen and the wider economic area, one of the most important issues is innovation. Emerging technologies are on the brink of transforming industry and society worldwide, and this disruptive technology is of particular relevance for sectors that Aberdeen and the North-east are renowned for, including oil & gas, renewables, and life sciences. Fostering an innovative environment, as well as attracting and retaining a skilled workforce, is fundamental to our region's continuing success. Aberdeen's attractiveness to international investors in 2016 is a mark of confidence in what our region has to offer and should act as a stimulus to generate greater success on the global stage in years to come.

Completed projects

Third Don Crossing

Construction of a new crossing over the River Don between Bridge of Don and Tillydrone

£22million

Aberdeen University- the Rowett Institute

Relocation to Foresterhill. A new building with state-of-the-art research and nutrition facilities

£25million

Capitol development

Development of Grade A office space at the former Capitol Theatre on Union Street - recently named best commercial workplace outside of central London

£30million

Travelodge, Peterhead

New hotel opened March 2017

£4.5million

North East Scotland College - Fraserburgh campus

Renovation and expansion of the college facilities in Fraserburgh

£8million

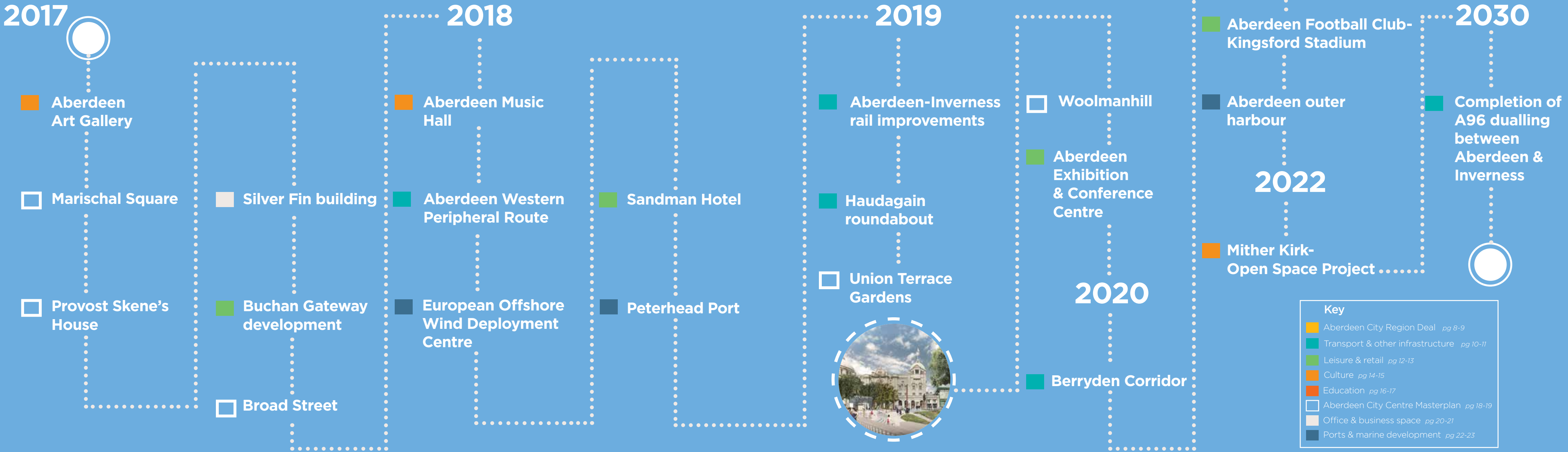
Total value
of projects

£89.5million+

Capitol development



Timeline of selected projects



Aberdeen City Region Deal

Agri-Food and Nutrition Hub for Innovation

A centre for product development and innovation for premium natural products, informed by consumer and market insights

£10million

Bio-Therapeutic Hub for Innovation

Accelerate the growth and build on the strengths of the life sciences cluster on the Foresterhill campus, one of Europe's largest combined research, clinical and industry locations

£20million

Digital connectivity

Get business and industrial parks connected to ultra-fast fibre networks

£27million

Aberdeen Harbour supporting works

Improve surrounding roads to support Aberdeen harbour Board's expansion into Nigg Bay

£36million

Housing infrastructure

Funding to unlock housing sites of strategic importance. Plus a five-year certainty on £130 million of affordable housing grants

£20million

Rail improvment between Aberdeen and the Central Belt

Work to enable faster journey times, with a particular focus on the line at Montrose

£200million

Strategic transport appraisal

Carry out a 20-year strategic review of the transport implications of the investment unlocked by the deal. Establish safe reliable and attractive connections and address issues at key gateways

£7million

Trunk roads

Improvements to the North-east trunk road network to improve safety with a fly over at Laurencekirk

£24million

Oil and Gas Technology Centre

Maximise economic recovery from the UK continental shelf, anchor the supply chain in the North-East of Scotland, and create a bright future for the region as a thriving global technology hub

£180million



Oil and Gas Technology

Total value of committed funding

£524million

The UK and Scottish Governments, Aberdeen City and Aberdeenshire councils have collectively committed £524m to the City Region Deal

This initial investment will enable additional funding from the private sector



Goval Junction. AWPR

Transport & other infrastructure

Aberdeen Western Peripheral Route (2018)

Construction of a dual carriageway peripheral route around Aberdeen and dualling of the A90 between Balmedie and Tipperty

£745million

Kintore Station (2019)

New railway station at Kintore and car park

£16million

Aberdeen - Inverness rail improvements (2019)

Dualling of rail track between Aberdeen and Inverurie to enable shorter journey times and the introduction of a local rail service between Inverurie and Montrose

£330million

Aberdeen International Airport (2019)

New reclaim area, passport control and executive lounges. Phase 2 will complete mid-2018 giving new security hall, shops and catering. Phase 3 will complete mid-2019 giving further catering, shops and more departure lounge space

£20million

Haudagain roundabout (2019)

Improvements to the Haudagain Roundabout with the construction of a new slip road through Middlefield

£30million

Berryden corridor (2020)

Widening of the existing road to a dual carriageway, with associated junction improvements, and a new dual carriageway built from Ashgrove Road to the St Machar Drive roundabout

£26million

Energy from waste facility (2021)

Construction of a facility in East Tullos which uses non-recyclable waste to generate heat and power

£150million

Scottish Water (2021)

Capital investment and maintenance of water and waste infrastructure in Aberdeen and Aberdeenshire

£165million

A96 dualling between Aberdeen and Inverness (2030)

Dualling of all remaining stretches of single carriageway between Inverurie and Inverness and upgrading junctions between the AWPR and Inverurie

£3billion

Total value of projects

£4.48billion

Leisure & retail

Cove Rangers (2017)

New stadium at Calder Park

£5million

Hill of Banchory Community Sports Facility (2017)

New community sporting facilities

£8million

Nationwide Building Society (2017)

Upscaling to create new flagship branch on Union Street in the City Centre Masterplan area

£1.9million

Buchan Gateway Development (2017/18)

Mixed use leisure and retail centre in Peterhead

£50million

Sandman Hotel (2018)

218 bedroom hotel with extensive conference facilities

£20million

Aberdeen Exhibition & Conference Centre (2019)

New AECC to double seating capacity of exisiting venue, 90,000m² multi-purpose arena, hotel and energy centre

£333million

Bon Accord - cinema/restaurant development (2019)

New seven screen cinema and nine new restaurants

£15million

Fraserburgh South Links Sports Facilities project (2019)

Construction of a six lane running track with throwing and jumping facilities, football pitch, and cycle path

£1.1million

Aberdeen Football Club - Kingsford stadium (2019/20)

Development of 20,000- seater stadium with world class professional training facilities, community and sports facilities

£50million

Royal Whisky Lodge (TBC)

Development of five-star hotel, housing and lodges in Inchmarlo

£100million

Bon Accord Centre - George St extension (TBC)

Expansion including additional retail space, residential, office and potential hotel site

£100million

Ury Estate development (TBC)

90 five-bedroom homes, renovation of Ury House and creation of 18-hole elite golf course

£100million

Union Square (TBC)

Additional retail and leisure space

£200million

Total value of projects

£984million



Bon Accord Centre

Culture

Aberdeen Art Gallery (2017)

Additional gallery space and increase of size to accommodate international exhibitions

£30million

Aberdeen Music Hall (2018)

Renovation to develop new studio and opportunities for creative learning, renovation of auditorium and new box office

£7million

Mither Kirk - Open Space project (2022)

Construction of the interior of the Kirk: division into four floors to house the civic archives, a café and a function space

£5million

Total value of projects

£42million



Aberdeen Art Gallery

Education

Uryside Primary School (2017)

New primary school

£12.8million

Orchard Brae School (2017)

Orchard Brae School will be a hub for best practice in supporting pupils from across Aberdeen with Additional Support Needs (ASN)

£18.5million

Kinellar Primary School (2018)

New primary school

£12.2million

Westfield Community Hub (2018)

School upgrade

£1.8million

Lochside Academy (2018)

New school in the south of the city

£47million

Replacement Stoneywood School (2018)

Stoneywood School is being built on the site of the former Bankhead Academy and will house the 434 pupils currently attending the existing primary school

£13million

Tillydrone New School (2020)

A new three stream non-denominational primary school being built on the site of the former St Machar School

£17million

Torry New School & Community Hub (2020)

A new primary education and community Hub in Torry to address the current over-capacities at Tillydrone and St. Peter's RC schools

£20million

Inverurie Community Campus (2020-2022)

New school and community campus

£56million

North East Scotland College (TBC)

Transformation of Gallowgate campus in Aberdeen

£65million

Lochside Academy



Total value of projects

£263million

Aberdeen City Centre Masterplan

Broad Street (2017)

Transformation of city centre street into a pedestrian-priority, event-ready space

£3.2million

Marischal Square (2017)

Hotel, office and leisure development

£107million

Operation Union Street Rejuvenation: Phase One (2017)

Deep clean of public spaces and decluttering, including design work for revitalised Union Terrace Gardens

£2million

Provost Skene's House (2017)

Redeveloped as new visitor attraction telling the story of local people who transformed the world

£1.5million

Union Terrace Gardens improvements (2019)

Renovation to greatly improve access, amenity and activity while conserving heritage

£20million (circa)

Woolmanhill (2019)

52 bed hotel, serviced suites and residential properties

£TBC

Total value of projects

£134million+

The City Centre Masterplan includes a number of projects described on other pages (e.g Aberdeen Art Gallery)

The city council has also commissioned a City Living Study which will inform plans to boost the city centre population by 3,000

Union Terrace Gardens



Office & business space

Silver Fin building (2017)

Grade A office space 132,661 sq ft over 9 storeys

£65million

Fraserburgh Saltoun Chambers/ former Police Station project (2018)

Mixed-use development including an Enterprise Hub with 'open access' pre/start up advice and business networking facilities

£2.5million

Industrial portfolio & factory units (2032)

Various industrial redevelopments and upgrades across Aberdeenshire, delivered by Aberdeenshire Council, with the bulk of expenditure planned for 2017 to 2020

£14.75million

Total value of projects

£82.25million

Silver Fin building



Ports & marine development

Hywind (2017)

World's first floating offshore windfarm development near Peterhead

£1.7billion

Peterhead Port (2018)

Development of a larger fish market and deepening of water. Increase in industrial and commercial space

£51million

European Offshore Wind Deployment Centre (2018)

11-turbine 92.4MW offshore wind demonstrator site

£300million

Aberdeen outer harbour (2020)

Development at Nigg Bay

£330million

Total value of projects

£2.38billion



Aberdeen outer harbour



And finally...

The purpose of this document has been to capture the level of infrastructure and investment in the North-east and the surrounding area. While the focus has been on very specific, often time bound investment, the Chamber recognises that there are other areas where there will be large scale investment that is harder to quantify.

One such sector is the residential sector. There are new towns including Chapelton of Elrick and Countesswells as well as large scale developments at Blackdog and Grandholme.

We'll also see investment in Healthcare and in projects without a published cost such as Peterhead Prison visitor attraction and millions of pounds spent by investors on new boats for the fishing sector which all deliver high value engineering and fabrication jobs.

This expenditure is all on top of businesses investing in their own properties, in equipment and technology to ensure our region remains one of the most productive in the UK. We are indeed creating an amazing region!

Value of projects committed in the region

£8.9billion+