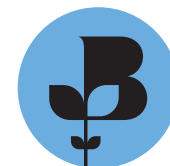




Aberdeen City & Shire

Investment Tracker: Telling the story of a renaissance region

Issue 3 - September 2018



**Aberdeen &
Grampian
Chamber of
Commerce**



Welcome to this third edition of the Chamber's Investment Tracker, a publication that has become established as a much-used piece of reference material to aggregate and demonstrate, at a glance, the exciting plans for the Aberdeen city region.

Outsiders might know of this as being Europe's oil capital and with that knowledge, make assumptions of this place being industrial and in decline. Nothing could be further from the truth but perception is reality, so this report is part of a concerted campaign by our regional partners to share the narrative of an already thriving place with big ambitions for the future.

This is a region of around half a million people in the North-east of Scotland yet over the centuries it has punched well above its weight in terms of influence around the globe.

It is already a great place to live, work, study, visit, invest and do business but one which isn't sitting on its laurels but investing heavily in delivering the infrastructure, regeneration and cultural activity to create a truly 21st century environment, right here, right now.

And there is a clear vision for the future. It's about building a renaissance region. A strong and diverse economy with energy still at its core but with vibrant

food & drink, life sciences, digital and tourism sectors offering a unique and fantastic environment for residents and visitors alike.

This is underpinned by a Regional Economic Strategy, City Region Deal and City Centre Masterplan - all highly credible initiatives that are being delivered apace due to the strong and unique delivery partnership and joined up approach. The partners are too numerous to mention here but the Chamber is proud to be working alongside our two local authorities and universities, NESCOL, Opportunity North East, Scottish Enterprise, Skills Development Scotland, Elevator, Aberdeen Inspired and Visit Aberdeenshire to name just a few - to make this a reality.

Last year we were looking at a pipeline of over £8bn of initiatives due to be realised over the next 10 or so years. It is a measure of the incredible progress and pace being demonstrated that the 'Completed Projects' section on pages 4-9 totals over **£1.7bn** with many of the headline projects currently still under construction due for completion in 2019 and 2020.

I hope that once you reach the back page you are as excited and enthused about the current reality of and future prospects for this region as I am, and that you will share this information with customers, colleagues, family and friends.



Russell Borthwick
chief executive,
Aberdeen & Grampian Chamber of Commerce



After a particularly challenging couple of years, the renewed strategy of diversification for the North-east economy is beginning to pay dividends. In a relatively short period of time, the region galvanised and responded positively to one of the worst oil and gas downturns.

Confidence is building. This confidence is evident in EY's recent UK attractiveness survey with Aberdeen retaining its position in the top 10 for foreign direct investment (FDI). Ranked eighth, Aberdeen's FDI performance is encouraging and highlights the diversification strategy is working with the oil and gas sector accounting for little over a third of FDI projects (36%) in 2017 and five different sectors, including digital, responsible for the remainder.

With large scale road and rail infrastructure improvements nearing completion, increased investment in digital infrastructure; and success stories such as the Oil & Gas Technology Centre - the region is continuing to nurture an environment of innovation and entrepreneurship, ready



for growth. It is imperative that the ongoing political and trade uncertainties, or an increasing oil price, must not detract from the strategy and the focus remains on harnessing the power of digital technology to improve productivity across all industries and investing in skills to develop the future workforce.

According to our attractiveness survey, the most important factors for investors are: availability and skills of local workforce, transport, telecommunications and technology infrastructure; and availability of business partners. Therefore, we need to keep sharing the positive stories of what is happening in the North-east to maintain our position as a suitable investment destination.

It is essential investors and politicians are hearing the right story - this is where the tracker proves to be invaluable. We all have a role to play in telling this story. I challenge you to familiarise yourself with the facts and figures within the Tracker and share this information with your networks.



Derek Leith
EY global oil & gas tax lead and Aberdeen senior partner

Completed projects

Aberdeen International Airport

Phases 1 & 2 including new reclaim area, passport control and executive lounges

£16.5million

European Offshore Wind Deployment Centre

11-turbine 92.4MW offshore wind demonstrator site

£330million

Cove Rangers

New stadium at Calder Park

£5million

Bridge of Don Retail Park

Redevelopment and upgrade of existing retail park

£2.5million

Buchan Gateway Development

Hotel and restaurant – first phase of mixed use leisure and retail centre in Peterhead

£4.5million

Aberdeen Western Peripheral Route

Construction of a dual carriageway peripheral route and dualling of the A90 between Balmedie and Tipperty. Opened Autumn 2018

£745million

Dalriada Lodges

Self-catering lodges outside Stonehaven

£1.5million

Broad Street

Transformation into a pedestrian-priority space

£3.2million



Aberdeen International Airport



Sandman Hotel

Inverurie Medical Centre

GP surgery, dentistry, maternity and cardio unit

£14.6million

Sandman Hotel

218 bedroom hotel with extensive conference facilities

£20million

Foresterhill Health Centre and carpark

New health centre near Aberdeen Royal Infirmary

£7.6million

Inverurie-Kintore cycle path

New commuter route

£0.7million

Marischal Square

Hotel, office and leisure development

£107million

Kinellar Primary School

New primary school

£12.2million

Miller & Carter

Redevelopment of department store into restaurant on Union Street

£2million

Lochside Academy

New school in the south of the city

£47million



Marischal Square



Peterhead Port

Increase in industrial and commercial space

£51million

The Royal Station at Ballater

New tearoom, waiting room, library and VisitScotland information centre

£3.5million

Nationwide Building Society

New flagship branch on Union Street

£1.9million

Hywind (cover image)

World's first floating offshore windfarm near Peterhead

£220million

Orchard Brae School

A best practice hub for pupils with additional support needs

£18.5million

Silversmithing Banff

Redevelopment of historic building into a new workshop and viewing gallery

£0.3million

The Silver Fin Building

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

£65million

Replacement Stoneywood School

Built on the site of the former Bankhead Academy

£14.3million

Uryside Primary School

New primary school

£10million

Total value of projects

£1.7billion



The Silver Fin Building



Life scientists at work

***The Aberdeen City Region Deal comprises funding of £250million split evenly between the UK and Scottish Governments. In addition the Scottish Government and our local authorities committed further amounts, bringing the total to £524million. To date it is forecast this initial investment has so far attracted additional matched funding of £245million, totalling circa £769million.**

City Region Deal

Aberdeen Harbour supporting works

Improve surrounding roads to support the Aberdeen South Harbour development at Nigg Bay. STAG assessment underway

£25million

Bio-Therapeutic Hub for Innovation

A world-class focal point for accelerated innovation, collaboration, incubation and commercialisation, building on the strengths of the life sciences cluster on the Foresterhill campus

£40million

Digital connectivity

Investment into state-of-the-art digital infrastructure making Aberdeen one of the best connected cities on the planet by 2021, powered by a partnership with Vodaphone and CityFibre

£67million

Food Hub for Innovation

The go-to regional centre for the accelerated growth of food and drink businesses, inspiring ambition and providing essential support

£21million

Housing infrastructure

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

£20million

Oil and Gas Technology Centre

Established in 2016 with the aim of maximising economic recovery from the UKCS, anchor the supply chain in the North-east; and create a bright future for the region as a thriving global technology hub

£365million

Rail improvements south of Aberdeen

To improve journey times and increase capacity on key rail links between Aberdeen and the Central Belt with assessment of options due late 2018

£200million

Strategic transport appraisal

20-year strategic review of transport implications of the investment unlocked by the deal with project currently at option generation stage

£7million

Trunk roads

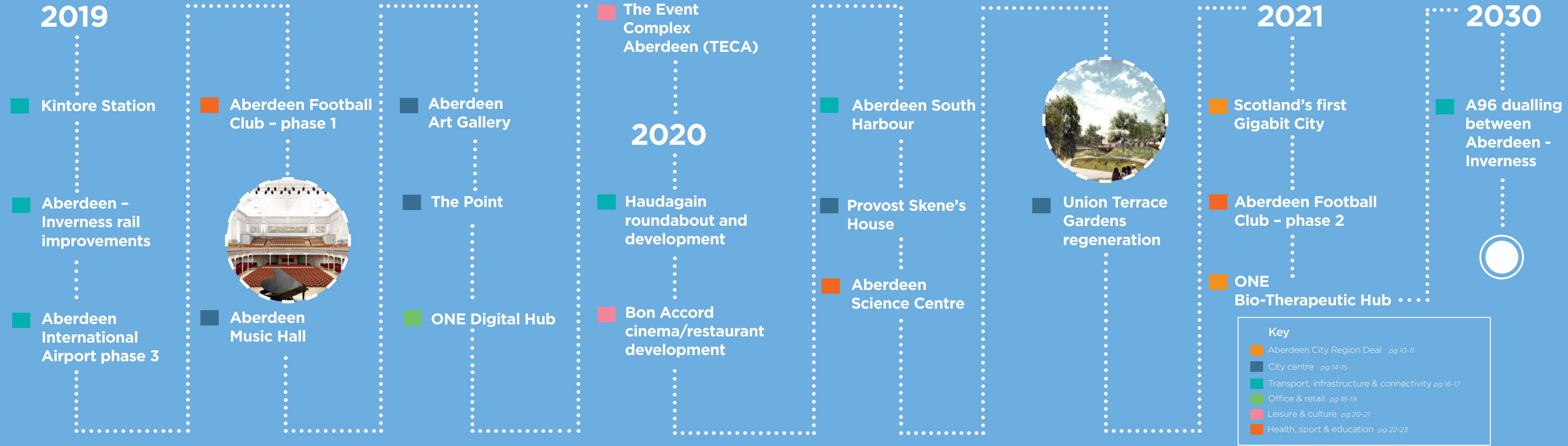
New flyover at A90/A937 south junction at Laurencekirk

£24million

Total value of projects

£769million*

Timeline of selected projects



City centre

Aberdeen Music Hall (2019)

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

£7million

Aberdeen Art Gallery (2019)

Additional gallery space and increase of size to accommodate international exhibitions

£30million

The Point (2019)

The redevelopment of the former Triple Kirks site to deliver Grade A student accommodation and associated facilities in the heart of the city centre

£20million+

Schoolhill Public Realm stage 1 (2019)

Improved setting for Aberdeen Art Gallery and Cowdray Hall

£0.5million

Provost Skene's House (2020)

Interior refurbishment as a new visitor attraction

£4.2million

Union Terrace Gardens regeneration (2020)

Renovation to improve access, amenity and activity while conserving heritage

£20million+

Mither Kirk - Open Space project (2022)

Construction of the interior of the Kirk to house the civic archives, a café and a function space

£5million

Union Street Conservation Area Regeneration Scheme (2022)

Grants available from Historic Environment Scotland and Aberdeen City Council to support ongoing repairs and renovation of historic buildings

£2.4million+

Broadford Works (2022)

Mixed-use development incorporating residential, student accommodation, office and retail space

£140million

Queens Square (TBC)

Proposed residential led city centre mixed use development

£100million

Total value of projects

£329.1million+



Aberdeen Art Gallery and The Point



Total value of projects
£6.1billion+

Transport, infrastructure & connectivity

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 with phase 1 Dyce – Aberdeen completed summer 2018

£330million

Aberdeen – Stonehaven rail capacity improvements (2019)

Track and signalling improvements

£6.2million

Aberdeen International Airport (2019)

Phase 3 including catering, shops and more departure lounge space

£3.5million

Aberdeen Railway Station improvements (2019)

Revamp the entrance and historic pavilion, with significantly enhanced passenger and retail facilities

£4million+

Haudagain roundabout and development (2020)

Improvements including the construction of a new slip road through Middlefield with demolition works commenced summer 2018

£30million

Aberdeen South Harbour (2020)

State-of-the-art marine support facilities making Aberdeen the largest port in Scotland in terms of berthage

£330million

North East Shared Services Energy (2021)

Construction of a facility in East Tullos

£150million

Scottish Water (2021)

Capital investment and maintenance of water and waste infrastructure

£140million

NorthConnect (2022)

£1.5billion project providing an electrical link between Scotland and Norway, to exchange power and increase the use of renewable energy

£40million

Moray Offshore Wind Farm (East) (2022)

Offshore wind project including a new substation at New Deer in Aberdeenshire

£2billion

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. Options appraisal underway

£3billion

New Dee Bridge crossing (TBC)

Options to be reassessed to take account of traffic re-routing following opening of AWPR

£60million+

Berryden corridor (TBC)

Widening of the road to a dual carriageway, with associated junction improvements and a new dual carriageway to the St Machar Drive roundabout

£26million

Office & retail

Fraserburgh Saltoun Chambers project (2018)

Mixed-use development including an enterprise hub with open access pre/start up advice and business networking facilities

£2.5million

The Faithlie Centre (2018)

A new business and enterprise hub, part of Fraserburgh 2021 regeneration

£1million

Meridian (2019)

Full refurbishment and upgrade of 45,000sq ft city centre office building

£4million

City South Business Park (2019)

Speculative development of 19 commercial units

£4million

Scotbeef Inverurie (2019)

State of the art abattoir facility

£6million

ONE Digital Tech Hub (2019)

The focal point for digital company cluster growth, cross-sector digital transformation and entrepreneurship at Schoolhill

£1.5million

Blackdog Town Centre and Regional Food Hall (2021)

A new retail, leisure and business hub at the junction of the AWPR and the A90

£50million

Aberdeen Market regeneration (2021)

Mixed use scheme

£10million+

Industrial portfolio & factory units (2032)

Various industrial redevelopments and upgrades across Aberdeenshire, delivered by Aberdeenshire Council

£14.8million

Kingshill Park (TBC)

Ongoing development of new business park in Westhill with up to 165,000sq ft of office space and 137,000sq ft of industrial units

£66million

Bon Accord Centre - George St extension (TBC)

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

£100million

Union Square (TBC)

Planning permission granted in 2018 for retail and leisure/catering expansion, hotel and parking

£200million

Buchan Gateway Development – phase 2 (TBC)

Mixed use leisure and retail development in Peterhead

£45million

Total value of projects

£504.8million+



ONE Digital Tech Hub

Leisure & culture

The Event Complex Aberdeen (TECA) (2019)

New 12,500 arena capacity venue with 15,000m2 multipurpose event space, two onsite hotels and energy centre

£333million

Braemar Gathering Heritage Centre (2019)

New museum and heritage centre at the Games site

£2.5million

Bon Accord - cinema/ restaurant development (2020)

New seven screen cinema and nine new restaurants

£15million

The Inchmarlo – phase 1 (2021)

Development of five-star hotel, spa and restaurant

£40million

Total value of projects
£390.5million



The Event Complex Aberdeen

Health, sport & education

Westfield Community Hub (2018)

School upgrade

£1.8million

Hill of Banchory Community Sports Facility (2019)

Six-lane swimming pool, sports hall, fitness room, squash courts and cafe

£8.5million

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 - phase 1 (2019)

Professional training campus youth development academy and community hub

£10million

Garioch Sports Centre (2020)

Extension

£8million

Tillydrone new school (2020)

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

£17million

Torry new school & community hub (2020)

A new primary education and community hub to address over-capacities at Tillydrone and St Peter's schools

£20million

Aberdeen Science Centre (2020)

A Lifetime with Science project radically transforming the Centre, creating inspirational spaces and new exhibition zones developed in synergy with the region's development priorities: Life Sciences, Food & Drink, Energy and Science Tourism

£5million

Inverurie Community Campus (2020)

New school and community campus

£71million

Aberdeen Football Club, phase 2 (2021-2022)

20,000 capacity stadium, the largest new build sports stadia in Scotland in over 100 years

£40million

North Corridor Project (2022)

Joint initiative between Aberdeen City and Aberdeenshire councils to provide an enhanced primary healthcare service

£9million

Peterhead Care Village (2022)

65-bed care home, sheltered housing and community cafe

£8million

Mountain Biking Centre (2025)

New facility in Durrus forest for range of outdoor sports including mountain biking/skiing

£10million

Ury Estate development (TBC)

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

£100million

Total value of projects

£309.4million



Aberdeen Football Club stadium development



The end? No, just a beginning

The Chamber of Commerce is committed to creating the economic conditions that will enable our members to be more successful. Part of this is our lead role in telling the story of our unique region, both contemporary and future-facing. Already a great place to live, work, study, visit, invest and do business. And getting even better.

The purpose of this document is to give a flavour of some of the projects and initiatives we will see come to fruition over the next few years. It is indicative and certainly not comprehensive, excluding for example the two new towns and significant amount of other housing development in the area.

Nor does it include offshore oil & gas-related investment or businesses investing in their own premises, equipment and technologies to ensure this remains one of the most productive and competitive places in the UK.

If you know of any projects that might be included in future versions, please email the details to info@agcc.co.uk

Copies of the Tracker are available from the Chamber or online at www.agcc.co.uk

Value of projects committed in the region

£8.4billion+