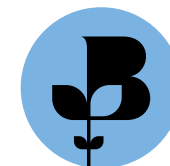




Aberdeen City Region

Investment Tracker: Telling the story of a renaissance region

Issue 4 - October 2019



**Aberdeen &
Grampian
Chamber of
Commerce**



Welcome to this, the fourth in the series of Investment Trackers, published by Aberdeen & Grampian Chamber of Commerce, working with our sponsor EY and a wider group of strategic partners in the region.

Since the first version was published in 2016 it has become established as a much-used piece of reference material to aggregate and demonstrate, at a glance, the exciting infrastructure projects being delivered in the Aberdeen city region.

The pace of change is breathtaking and a lot has happened in the last year with the highlight being the full opening of Europe's largest new road scheme, the Aberdeen Western Peripheral Route. Its impact has been instant, enhancing connectivity across the entire region, transforming journey times, reducing business costs and improving productivity and quality of life. As well as this, it will make the region more accessible to visitors as we build towards the vision of being a £1bn tourism economy by 2023. And, of course, it helps bring closer the Masterplan ambition of creating a more pedestrian-friendly city centre.

In turn, it will connect more people to our transformed international airport, new harbour developments and, of course, P&J Live at TECA. Our new truly world class events complex will be a game-changer for our ability to attract major events and is testament to the vision of the city council.

As well as our business strengths the region offers a great environment to live and raise a family and investments are being made there too. Plans are well underway for new schools, healthcare facilities and quality housing including a number of new town developments.

And it's all accompanied by an investment in new digital infrastructure, which will make Aberdeen Scotland's first

gigabit city by 2021, benefitting residents and companies alike.

But the story goes beyond bricks and mortar. The Aberdeen city region is a great place to be. Across the area there is a wealth of culture, amazing heritage, great food and drink and one of the most spectacular landscapes in the world. Added to this, the strategy to bring world class events and festivals here is part of the reason that the New York Times has Aberdeen as the only UK destination in its 'must visit' list of global destinations.

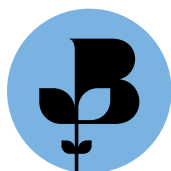
Our regional economic strategy and innovation-based city region deal are delivering strongly. The plans for sectoral diversification have serious traction, focusing on digital; food, drink and agriculture; life sciences; tourism and will see Europe's oil and gas hub leading the energy transition agenda, ensuring the future success of the area is no longer measured by the dollar price of a barrel of crude. A city region with energy not simply an energy city.

This place thrived long before the discovery of North Sea oil and we are doing so again. It is a measure of the incredible progress and pace being demonstrated that the projects completed in the last 12 months total over £800m. Add this to the £1.7bn completed in the previous year and we'll look back on the period 2018-20 as being hugely significant in placemaking terms for the region. But there's still more to come.

Our bold investment programmes are creating an energised, connected and revitalised region, one that offers an unparalleled experience for residents and visitors alike. Right here, right now. Please share this with customers, colleagues, family and friends. To find out more visit abzolutely.com or go to agcc.co.uk where you can download an e-version of the tracker.



Russell Borthwick
*chief executive,
Aberdeen & Grampian Chamber of Commerce*



**Aberdeen &
Grampian
Chamber of
Commerce**



This year's report demonstrates a resilient and vibrant economy in the North-east, built from a diversification strategy that is future-proofing the region for generations to come.

We have seen projects reach completion – among them the Aberdeen Art Gallery, Banchory Sports Village and the P&J Live arena – that those who live, work and visit the Aberdeen city region can enjoy and benefit from but there is also an ongoing pipeline of further capital investment that will create jobs and grow the local economy.

While the region was recovering from one of the worst downturns in the oil and gas sector, innovation and local leadership stepped up. As a result we are at an exciting time with many innovation projects that will see Aberdeen become a centre of excellence in food, life sciences, and, of course, reassert our position as a world leader in the energy sector.

This year's EY Attractiveness Survey found that across Europe the volume of Foreign Direct Investment projects has been more subdued than in previous years. However, the survey also found Aberdeen to be resilient despite this backdrop. Even with a UK-wide fall in FDI, Aberdeen has retained its ranked position within the UK's top ten cities outside London for attracting projects.



According to our survey, the top three sectors generating the highest numbers of inward investment projects are digital, business services; and machinery and equipment. Aberdeen is a prime location to capitalise now on investment trend in these sectors – a world leader in engineering skills and best practice thanks to the North Sea workforce, and with recent investments in digital infrastructure Aberdeen is set to be Scotland's first gigabit city.

This is a story of the local business community and local leaders coming together to be greater than the sum of its parts. The very first Tracker was very much a vision – a map of what was planned. I am proud that in this fourth edition we can now show actual achievement. The results are coming into sharp focus and the Investment Tracker sends a strong message to investors, politicians and visitors that Aberdeen is very much open for business.

A handwritten signature in black ink, appearing to read 'Derek Leith', is positioned above the printed name.

Derek Leith

EY global oil & gas tax lead and Aberdeen senior partner

Completed projects

Aberdeen Art Gallery

Additional gallery space and increase of size to accommodate international exhibitions, with funding from Aberdeen City Council and the National Heritage Lottery Fund

£34.6million

Aberdeen Football Club - phase 1 Cormack Park

New community sports hub and world class football training facilities

£12million

Aberdeen International Airport

Transformation of passenger facilities, including new reclaim area, passport control, executive lounges, shops and more departure lounge space

£20million

Aberdeen to Inverurie rail improvements as part of Aberdeen to Inverness upgrade

Dualling of rail track between Aberdeen and Inverurie to enable half-hourly service and cross-Aberdeen local rail

£330million

Aberdeen Music Hall

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

£9million

Aberdeen Railway Station – glass roof

Replacement of the glass roof with modern glazing and access system for future maintenance of the listed structure

£9million

Aberdeen to Stonehaven rail capacity improvements

Track and signalling improvements and the installation of a new track crossover at Craiginches

£13.5million

Banchory Sports Village

Multi-million pound state-of-the-art sports centre

£8.5million

Braemar Gathering Heritage Centre

New museum and heritage centre at the Games park

£2.5million

Children and Adolescent Mental Health Unit

NHS Grampian project, relocation of the unit from three buildings into a single centre of excellence

£1million



City South Business Park

High specification office pavilions and business units

£4million

Fraserburgh South Links sports facilities project

Sports facilities with a six-lane running track, throwing and jumping facilities, football pitch and cycle path

£1.2million

Inverurie Health and Care Centre

New NHS Grampian health and care hub on the Inverurie hospital site, replacing the existing health centre; and including new community maternity unit

£13million

Meridian

Refurbishment and upgrade of 45,000sq ft city centre building

£4million

ONE Tech Hub

A unique ecosystem bringing together leading digital tech business incubation and ONE CodeBase's expertise with connections and investors

£1.5million

P&J Live at TECA

New 15,000 arena capacity venue with 48,000m² multipurpose event space, two onsite hotels and energy centre

£333million

Schoolhill Public Realm stage 1

Improved setting for Aberdeen Art Gallery and Cowdray Hall

£550^k

Stonehaven Renal Unit (Kincardine Community Hospital)

New satellite renal unit within the site of Kincardine Community Hospital

£1.2million

The Esslemont Bar & Restaurant and Mac's Pizzeria

Transformation of historic building into restaurant and pizzeria

£750^k

Westfield Community Hub

School upgrade

£1.8million



Braemar Gathering Heritage Centre

Total value of projects
£800million



Infrastructure in action —

Aberdeen Western Peripheral Route

The Aberdeen Western Peripheral Route/Balmedie to Tipperty opened in full in February 2019 and we are already seeing early signs of the economic benefits and opportunities this major project will unlock for the region and its communities.

Initial indications show a notable reduction in traffic levels using the old A90 (now A92), cutting congestion and providing pedestrians and cyclists with quieter road networks and enhanced safety. Road users around the city are enjoying reduced journey time and greater reliability contributing to improved quality of life.

In turn, this will provide cost saving and productivity opportunities for business and unlock new export potential as well as opening up new markets and audiences for our transformed international airport, P&J Live at TECA and new harbour developments.

The new dual carriageway between Stonehaven and Tipperty has two lanes in each direction, except between the Kingswells North and Craibstone Junctions, where there are three lanes in each direction.

The 58km project, which was the largest new roads project in the UK during its construction, is also expected to deliver further benefits including enhanced productivity, opportunities for public transport and better air quality in Aberdeen, as well as generating over £6bn for the local economy and 14,000 plus jobs over the next 30 years.

P&J Live at TECA

The Event Complex Aberdeen - or TECA - is the largest new entertainment complex in Europe and is the result of the single biggest investment in conferencing and exhibition facilities in the UK.

With P&J Live at its heart and two on-site hotels, this new world-class complex was built by Aberdeen City Council as part of its transformational programme of investment.

P&J Live also boasts three further conference and exhibition halls, four multi-purpose conference rooms, and nine meeting rooms totalling 48,000 square metres. Offshore Europe was the first major event held there, attended by around 40,000 visitors, and the venue provides the ideal facilities to attract other major international conferences.

The 15,000-capacity main arena has been designed to bring major artists and events to the city. Elton John, Michael Bublé, Lewis Capaldi; and comedians Jack Whitehall and Russell Howard are all on the bill. And when Gerry Cinnamon takes to the stage, he'll be watched by the largest ever crowd at an indoor event in Scotland.

And sports fans across the world will be tuning in to watch the BBC Sports Personality of the Year, live from Aberdeen.

The £333m facility has excellent transport links to neighbouring Aberdeen International Airport and AWPR, is expected to contribute an additional 4.5million visitors, £113m of visitor spend and £63m net Gross Value Added to the Scottish economy over 10 years.



City Region Deal - transport

Strategic transport appraisals

To develop options to feed into a new Regional Transport Strategy and inform the national Strategic Projects Review

£7million

Enhanced connectivity links to the new South Harbour

Improvement of surrounding roads to support the Aberdeen South Harbour development at Nigg Bay

£25million

A90/A937 Laurencekirk junction improvement scheme

Construction of a new grade-separated junction at Laurencekirk as part of a package of additional investment alongside the Aberdeen City Region Deal

£24million

Delivery of strategic transport priorities

Discussions ongoing with Scottish Government and key agencies to establish which schemes from the appraisals are most viable and aligned with economic priorities including the need for faster inter-city rail connectivity with the central belt

£200million

* The Aberdeen City Region Deal comprises funding of £250m split evenly between the UK and Scottish Governments. In addition, as part of the memorandum of agreement, the Scottish Government and our local authorities committed further amounts bringing the total to £524m. To date this initial investment has attracted additional funding of £241m, totalling circa £765m.



City Region Deal - innovation & infrastructure

Bio-Therapeutic Hub for Innovation - Bio Hub (2021)

A world-class focal point for sector ambition and growth to double the number of life sciences companies in North-east Scotland

£38million

Digital connectivity (2021)

Investment into state-of-the-art digital infrastructure that will make Aberdeen one of the best connected cities in the world and provide gigabit fibre to the region

£77million

Food Hub for Innovation - Food Hub (2022)

A centre of excellence for nurturing and growing food and drink businesses in the North-east of Scotland

£20million

Housing provision

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

£20million

Oil & Gas Technology Centre

Established in 2016 with the aim of fostering our culture of innovation to become the go-to place for the energy sector in the UK and globally. Spin-offs include the National Decommissioning Centre and a new global subsea engineering hub

£354million

Total value of projects

£765million*



Bio-Therapeutic Hub for Innovation

Timeline of selected projects

2020

 Kintore Station

 Provost Skene's House

 Aberdeen South Harbour

 Bio-Therapeutic Hub for Innovation

2021

 Bon Accord cinema/restaurant development

 Haudagain roundabout and development

 Garioch Sports Centre

 Digital connectivity



 The Point

2023



**Union Terrace
Gardens
transformation**



**Aberdeen Football
Club – phase 2**

2025

**Blackdog Town
Centre and
Regional Food
Hall**

**Mountain Biking
Centre**

2030

**Queen Street
Project**

**Acorn Hydrogen
Project**

**A96 dualling
between
Aberdeen &
Inverness**



Key

- City Region Deal *pg 10-13*
- Investment in our city centre & towns *pg 16-17*
- Transport, infrastructure & sector development *pg 18-21*
- Office & retail *pg 22-23*
- Leisure & culture *pg 24-25*
- Health, sport & education *pg 26-27*

Investment in our city centre & towns

Provost Skene's House (2020)

Project to turn the Aberdeen building into a new visitor attraction

£3.8million

The Point (2020)

Redevelopment of the former Triple Kirks site to deliver high quality build to rent accommodation

£20million+

Town Centre Fund - Aberdeen allocation (2020)

Range of projects potentially including parklets, intelligent street lighting, suspended signage and a replacement heating system at Mithers Kirk

£1.4million

Town Centre Fund - Aberdeenshire allocation (2020)

Range of projects including Banchory Museum, upgrade of unused buildings in Huntly, Fraserburgh and Banff and public realm projects in Banff, Peterhead and Portlethen

£3.3million

Union Terrace Gardens transformation (2021)

Renovation to improve access, amenity and activity while conserving heritage. New entrance buildings, a café, a gallery area and events space will be created

£28.3million

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

Queen Street Project (2026)

Proposed residential-led, mixed-use urban quarter, adjacent to cultural venues and grade A office development at Marischal Square

£150million

The Merchant Building

Proposal includes 130,000sq ft of Grade A office space with bars and restaurants, retail units and a new public realm space at the current Aberdeen market site

£50million



Total value of projects
£259million+



Transport, infrastructure & sector development

Macduff Harbour ice works (2019)

New ice-making facility to support fishing sector in Macduff

£500^k

Aberdeen South Harbour (2020)

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

£350^{million}

Banff Harbour works (2020)

North pier, east pier and railway jetty remedial works

£1.5^{million}

Kintore Station (2020)

New railway station and car park in Kintore

£14.5^{million}

Kincardine Offshore Wind Farm (2020)

A major new wind farm which, when completed, will be the largest floating wind farm in the world

£500^{million}

Stonehaven flood defence works (2020)

New flood defence infrastructure for Stonehaven

£16^{million}

Aberdeen Railway Station improvements (2020 - 2021)

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

£4^{million+}

Haudagain roundabout and development (2020 - 2021)

New slip road linking South Anderson Drive and Auchmill Road, as well as mixed-use development scheme

£40^{million+}

Scottish Water (2021)

Capital investment and maintenance of water and waste infrastructure

£140^{million}

Energy from Waste facility - North East Shared Services Energy (2022)

Construction of an energy from waste facility in East Tullos

£156^{million}

Gairnshiel Bridge (2022)

New bridge to carry A939 (Ballater to Tomintoul), replacing Old Gairnshiel bridge

£2.5million

NorthConnect (2022)

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

£2.6billion

Acorn CCS Project (2024)

Carbon capture and storage project at St Fergus Gas Terminal transporting CO² to an offshore underground storage facility

£275million

Acorn Hydrogen Project (2025)

Industrial hydrogen production facility at St Fergus Gas Terminal, where waste CO² is processed and stored by the Acorn CCS Project

£200million

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

Aberdeen electricity network upgrade - SSEN, Scottish and Southern Electricity

Project to make Aberdeen's electricity network more resilient

£10million

Berryden corridor

Widening of the Skene Square and Ashgrove Road to a dual carriageway and a new dual carriageway to the St Machar Drive roundabout

£26.4million

Fisheries sector projects

Mixture of onshore seafood processing and investment in northern Aberdeenshire

£11million

South College Street

Widening and junction improvements to enable City Centre Masterplan

£10million

Total value of projects

£7.4billion+

Office & retail

Fraserburgh Saltoun Chambers project/The Faithlie Centre (2019)

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

£2.5million

Scotbeef Inverurie (2019)

State of the art abattoir facility

£17million

Buchan House extension (2020)

Extending Buchan House in Peterhead to accommodate Police Scotland

£1.5million

Blackdog Town Centre and Regional Food Hall (2021)

The scheme will include a regional food hall, cinema, hotel, leisure and business facilities as well as a mix of retail and leisure opportunities

£150million

Kingshill Park, Westhill (2020 - 2021)

Ongoing development of new business park in Westhill following successful completion of initial phases

£66million

Aberdeenshire Industrial and Development Programme (2023)

Aberdeenshire Council programme for mostly new commercial units for lease across a number of settlements

£12million

Industrial portfolio & factory units (2032)

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

£14.8million

Bon Accord – George St extension

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

£100million

Buchan Gateway Development – phase 2

Mixed use leisure and retail development in Peterhead, adding to the new hotel and restaurant facilities

£45million

New warehouse at a site in the D2 Business Park, Dyce

New 90,000sq ft industrial facility to be developed for energy services company

£8.5million

TECA2, Bucksburn

60,000sq ft of retail/leisure space and 650,000sq ft of Grade A office space proposed for development land adjoining P&J Live complex

£200million

Union Square

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

£200million

11,000sq ft of new drive through units

Planning approval for approximately 11,000sq ft of drive thru/drive to units in the Kingswells area of Aberdeen

£4million

Total value of projects

£821million+

Blackdog Town Centre and Regional Food Hall



Leisure & culture

Bon Accord - cinema/restaurant development (2020)

New seven screen cinema and nine new restaurants

£15^{million}

Greyhope Bay, Dolphins in the Battery (2020)

A marine experience centre that will connect Aberdeen with our dynamic marine environment

£500^k

Former Woolmanhill Hospital - new luxury hotel and flats

Transformation of the former Woolmanhill Hospital into a high quality boutique hotel, bar, restaurant, jazz club and cinema experience

£10^{million}

The Inchmarlo – phase 1

Development of five-star hotel, spa and restaurant

£40^{million}

New hotel and country club

5-star development by Carlton Rock incorporating 200-bedroom hotel and country club near Hazlehead Park

£40^{million}

Regeneration and renewal of Blairs College

Integrated scheme including private housing and leisure development with a championship golf course designed by Paul Lawrie and re-use of the listed Blairs College as a hotel

£115^{million}

Ury Estate development

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

£100^{million}

Total value of projects

£320^{million+}





Total value of projects
£560million+

Health, sport & education

Aberdeen Science Centre re-development (2020)

Transformation project to create inspirational spaces and new exhibition zones in synergy with the region's development priorities

£4.7million

Cruyff Court (2020)

New pitch adjacent to Tullos Primary School designed to get youngsters in Torry more active

£300^k

Inverurie Community Campus (2020)

One of the biggest school construction projects in Scotland, it will house Inverurie Academy and St Andrew's school, as well as extensive community sport and leisure facilities

£54million

Baird Family Hospital and ANCHOR Centre (2021)

NHS Grampian project, bringing together a raft of services as well as a patient hotel and dedicated teaching and research facilities

£34million

Garioch Sports Centre (2021)

Extension to provide increased sporting facilities

£5million

Science Teaching Hub (2021)

Dedicated University of Aberdeen science teaching hub which will provide cutting edge teaching labs for students

£37million

New Aberdeen Primary Schools (2021 - 2022)

Four new primary schools being built in Countesswells, Milltimber, Tillydrone and Torry

£100million

Peterhead Care and Support Village (2022)

60-bed care home, supported living, day services and community café to address the region's rapidly growing elderly population

£17million

Aberdeen Football Club – phase 2 (2023)

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

£45million+

Peterhead Community Campus (2024)

1,400 secondary school places and 600 pupil capacity replacement primary school offering specialist support to pupils

£74million

Mountain Biking Centre (2025)

New facility in Durris Forest for range of outdoor sports including mountain biking/skiing

£10million

New health centres across Aberdeen & Aberdeenshire

Enhanced facilities to serve growing population and providing the best health and social care services for our communities

£52million

NHS Grampian Elective Care Centre

Scottish Government capital investment project to enhance diagnostic and treatment facilities for elective care specialties

£52million

NHS Grampian Greenspace

Based at the Foresterhill campus, the project is a key element of the development framework for the next five to 10-year period

£1.5million

North Corridor Project (Bucksburn & Dyce)

Joint initiative to provide enhanced primary healthcare to Bucksburn and Dyce areas

£22million

Mountain bike facilities

New facilities in development for Aboyne, Tarland, Banchory and Alford

£1.3million

University of Aberdeen – development of Estate

Improved teaching and learning spaces on King's campus

£50million



The end? No, just the beginning!

The Chamber of Commerce is committed to helping our members to build their businesses today while being a key partner in creating the economic conditions that will see the region thrive for decades to come.

Part of this is our role in compiling our shared narrative and telling the story of a unique and amazing region, both contemporary and future-facing. Already a great place to live, work, study, visit, invest and do business and getting even better. To find out more visit abzolutely.com

The purpose of this document is to give a flavour of just some of the projects that are enhancing quality of life and business performance in front of our eyes as well as the initiatives we will see come to fruition here over the next few years. It is indicative and certainly not comprehensive excluding, for example, many significant new housing developments in the area.

Nor does it include offshore oil and 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 this Tracker are available from the Chamber of Commerce and the e-version can be accessed at agcc.co.uk

Value of projects committed in the region

£10.1billion+