

CONSTRUCTION and

CONSTRUCTION MANAGEMENT TRENDS IN SPAIN

2014



CONSTRUCTION- CONSTRUCTION MANAGEMENT TRENDS IN SPAIN

MARKET ANALYSIS, INFORMATION AND INSIGHTS into Construction in Spain

- An overview of the industry in Spain
- Current, historic and forecast market value and trends in the industry
- Profiles of top construction companies in Spain



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BACKGROUND



BACKGROUND - 2007 2011 PERIOD

Construction was the primary factor behind economic growth between 1997-2007.

By 2007 contribution to GDP was 16%, compared to EU average of 6%



2008- Global Economic Recession- sub-prime crisis in US, that affected the Spanish Industry

2006 762.000 new
2009 159.000 new



Construction employed 13% of workforce



Bubble = Loss of **thousands** of jobs

Unemployment peaked to 21% in Q1 2011



1M unsold properties

100.000s developments unfinished

1/4 workforce unemployed



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KEY HIGHLIGHTS



COMMERCIAL CONSTRUCTION

Commercial construction in Spain demonstrated the strongest performance,
With a CAGR of 1,51% in five years



RESIDENTIAL CONSTRUCTION

Residential construction was the most adversely affected with a GACR of -4,91% between 2006-2010



INFRASTRUCTURE CONSTRUCTION

Infrastructure construction, valued 25.3 billion in 2010 was the second largest market in Spanish construction market.

Roads and Rail (AVE)



COMMERCIAL CONSTRUCTION

The strongest performance in Spanish construction market.

Consumer spending is cautious

But

Recorded a CAGR of 1,52%



INSTITUTIONAL CONSTRUCTION

Valued EUR 6,9 billion in 2010.

7,3% share of market



INDUSTRIAL CONSTRUCTION

The smallest performance in Spanish construction market.

Recorded a CAGR of - 4,58 %
during the review period



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TRENDS



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2014 — slowdown still, but the change of cycle starts

http://economia.elpais.com/economia/2014/01/30/actualidad/1391083713_214781.html



WE ARE OPTIMISTS *INTERNATIONAL INVESTORS* SET THEIR EYES IN SPAIN



REDUCTION OF RISK, BANK PORTFOLIOS, SAREB

START OF RECUPERATION



¿THE TRENDS FOR BIG MAIN CONTRACTORS?

¿THE TRENDS FOR CONSTRUCTION MANAGEMENT FIRMS?

¿HOW?

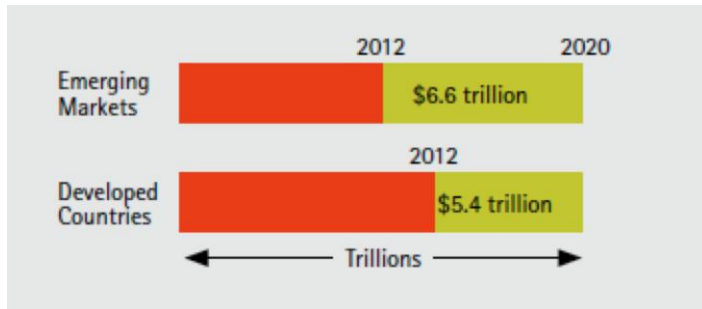
DIVERSIFICATION AND INTERNATIONALIZATION



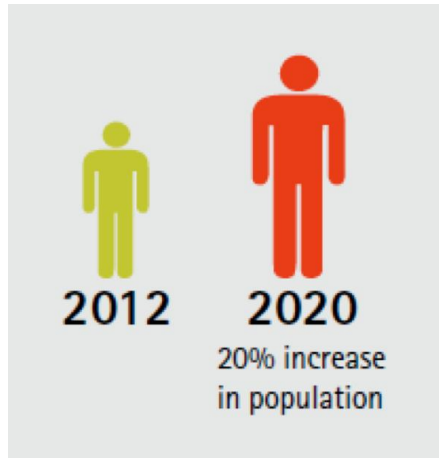
The seven **TRENDS** transforming *the CONSTRUCTION MARKET PLACE*



1. ACCELERATED GLOBALIZATION



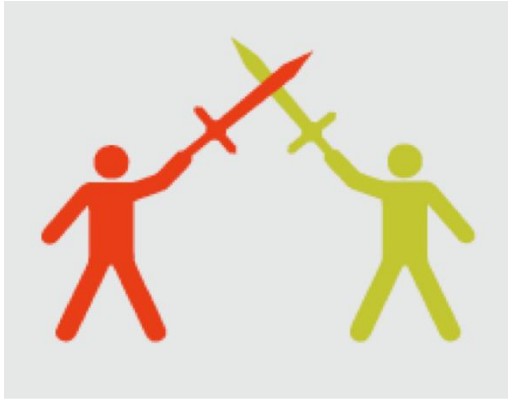
2. URBANIZATION : EMERGENCE OF THE MEGACITY



3. CHALLENGING ACCESS TO CAPITAL



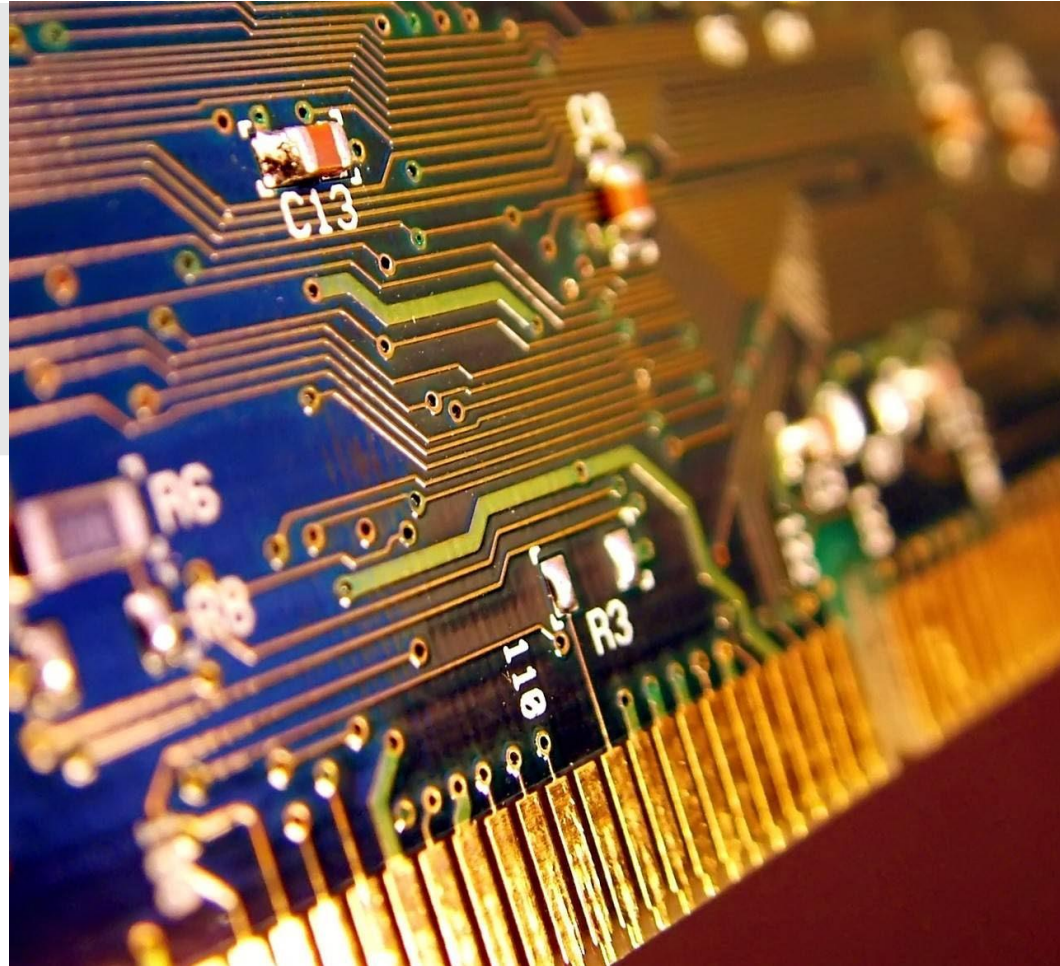
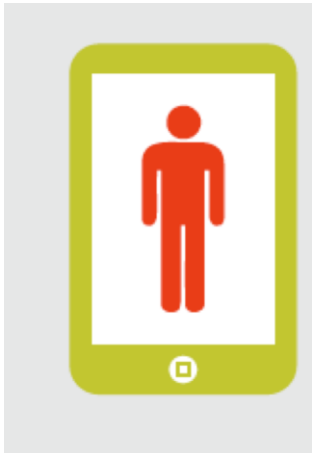
4. WAR FOR TALENT



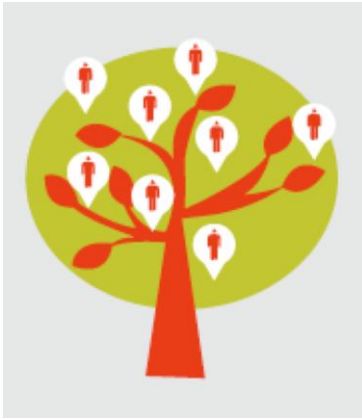
5. ENERGY : THE UPCOMING CRISIS



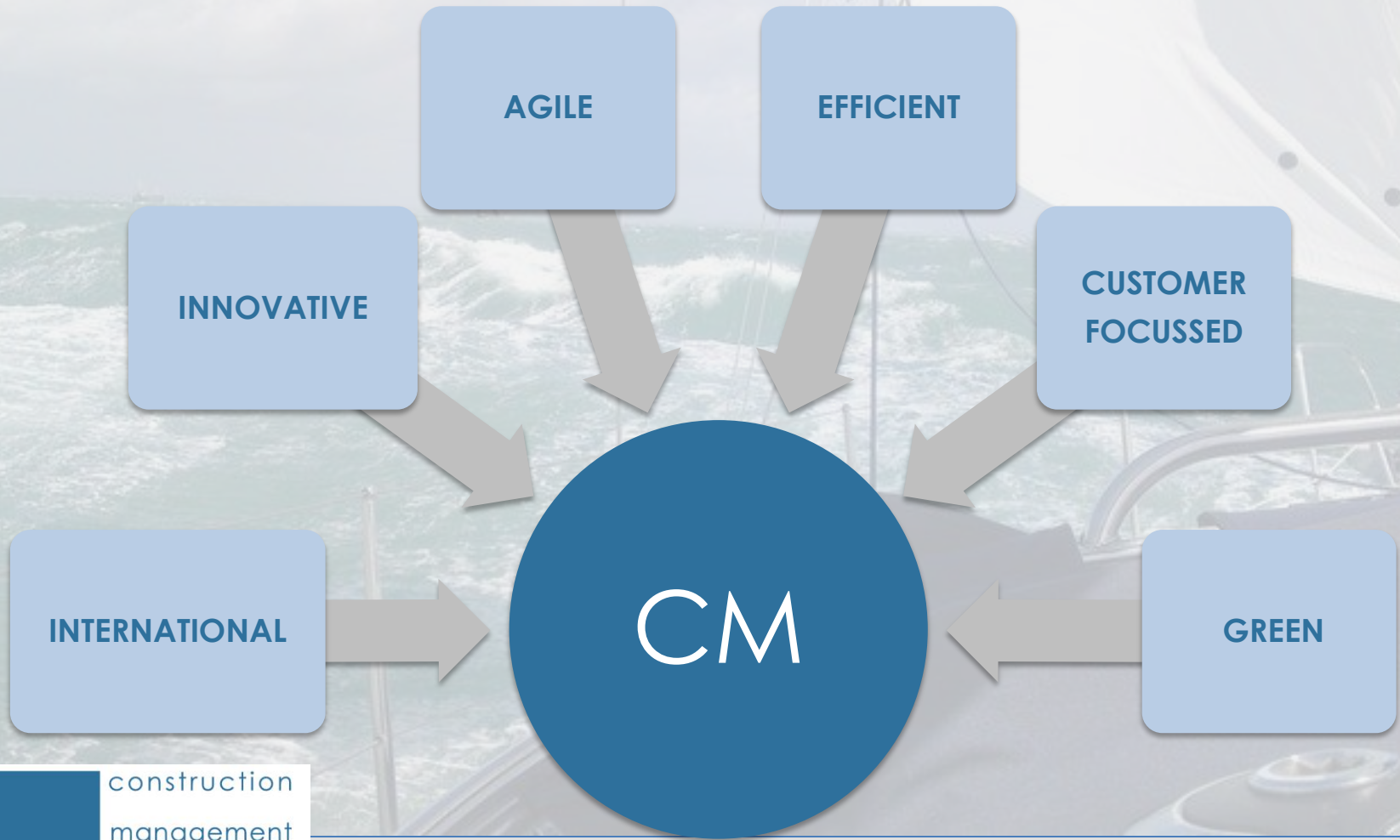
6. NEW TECHNOLOGIES DRIVING INNOVATION



7. HIGHER STANDARDS OF SUSTAINABLE LIVING



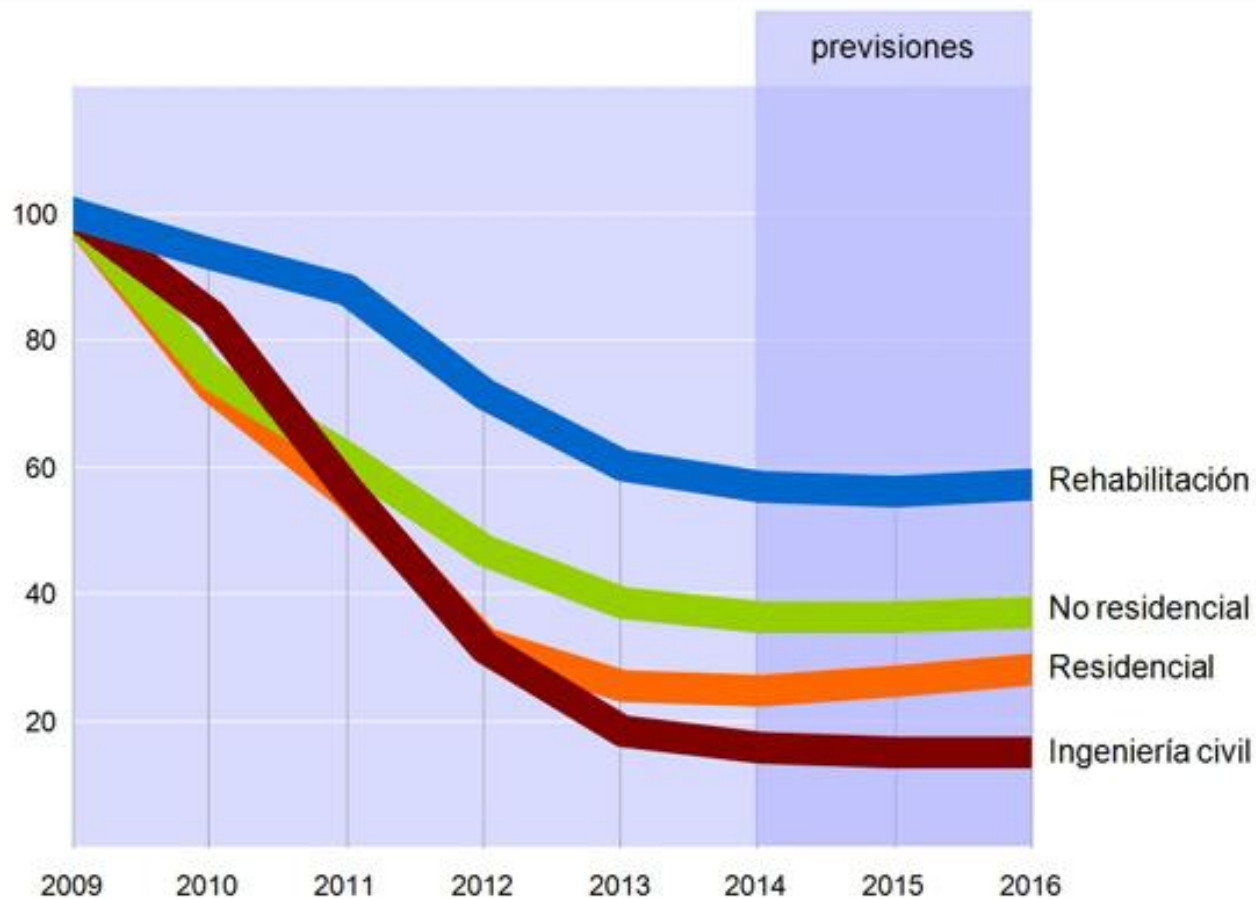
CONSTRUCTION MANAGEMENT FIRMS MUST BE





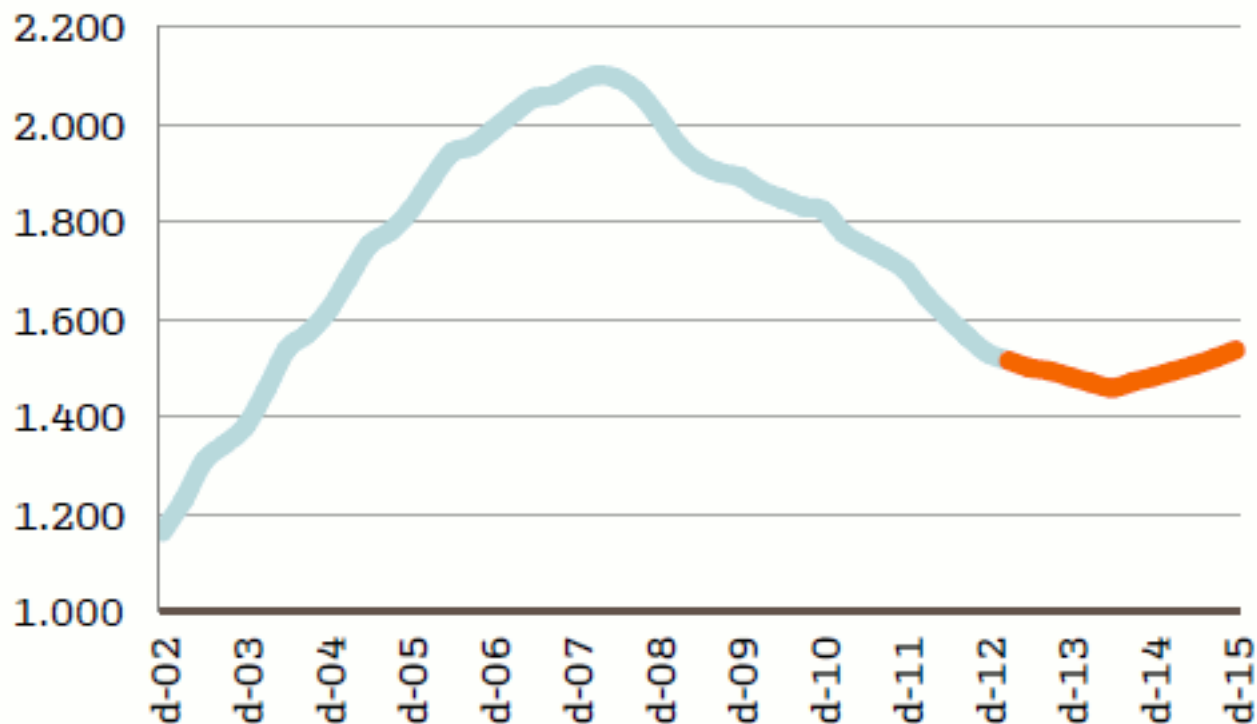
Evolución de los distintos subsectores en el mercado español

Índices de producción a precios constantes, base 2009=100



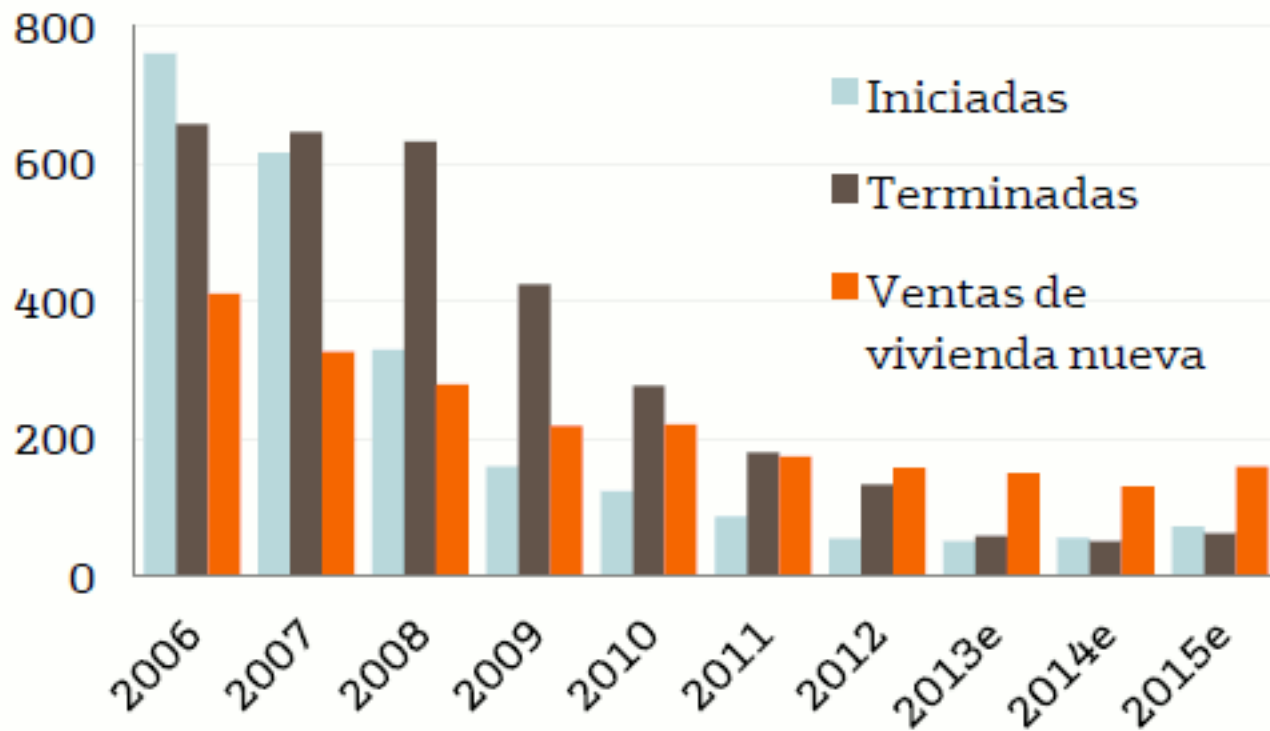
Fuente: ITeC - Euroconstruct diciembre 2013

Gráfico 9: Evolución estimada del precio (€/m²)



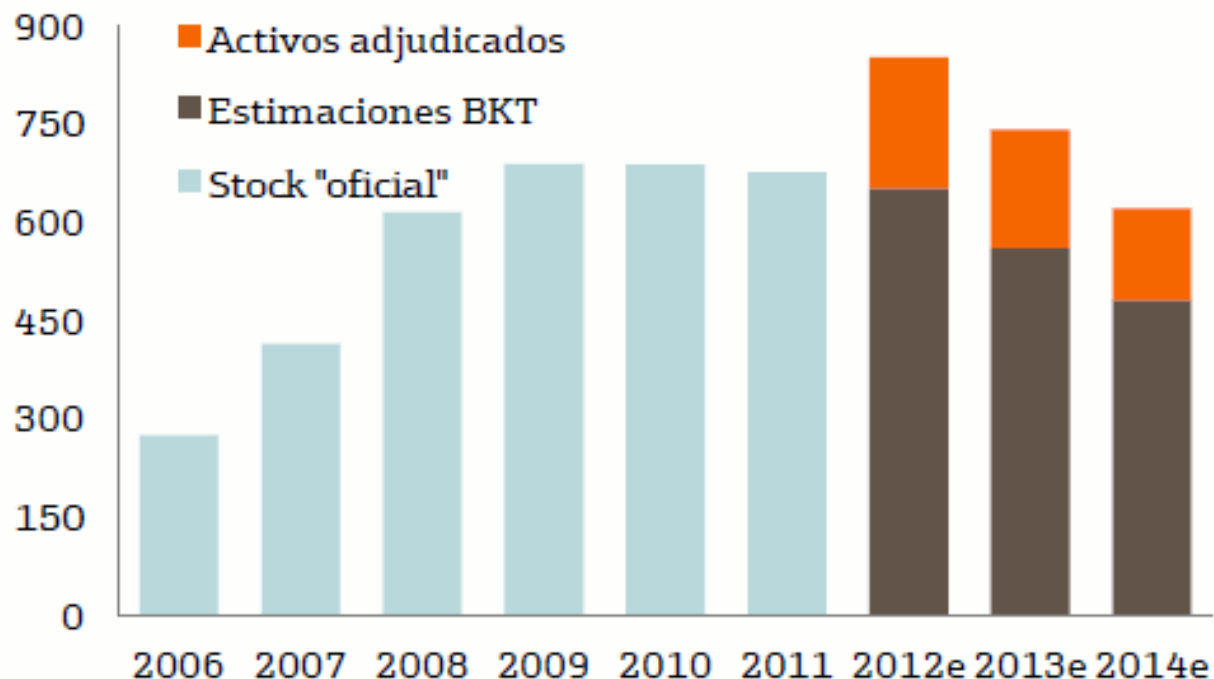
Fuentes: INE y estimaciones Bankinter (2014-2015, en color naranja)

Gráfico 1: Perspectivas de oferta y demanda



Fuentes: INE y Síntesis de indicadores del Banco de España

Gráfico 5: Stock de vivienda nueva



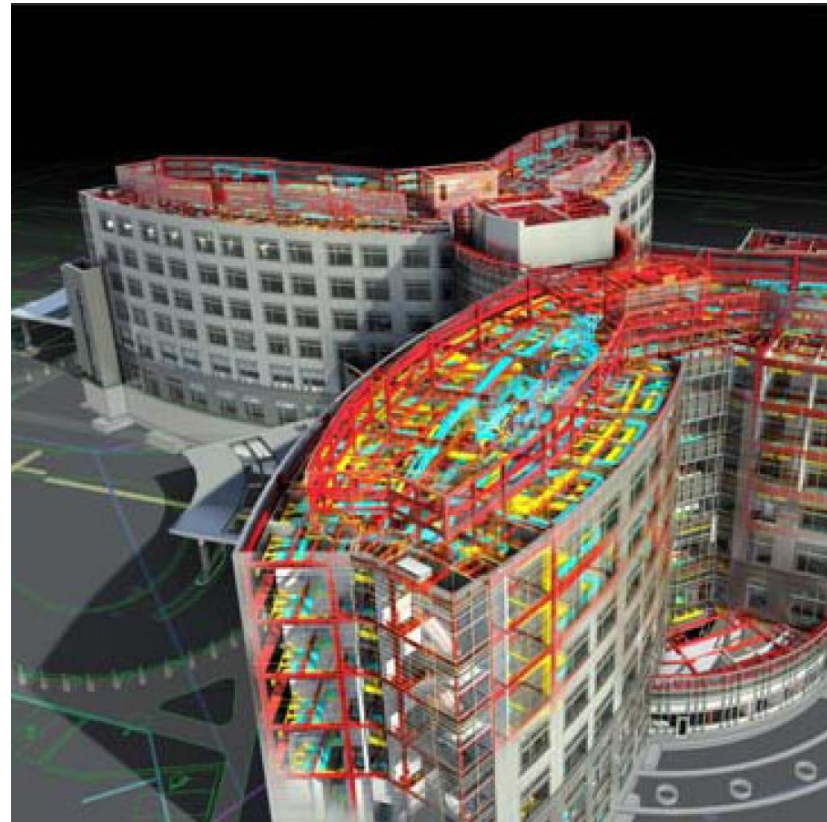
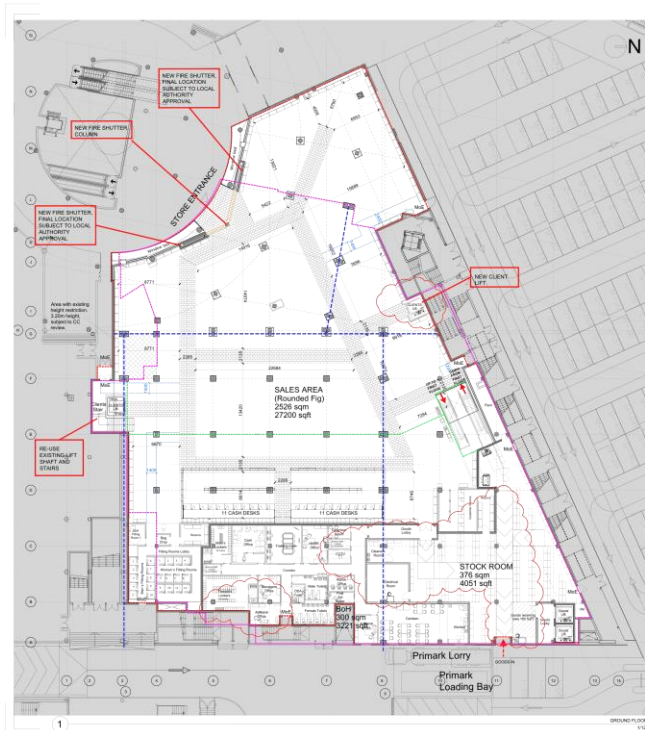
Fuente: Datos históricos del Ministerio de Fomento (2006-10) y estimaciones Bankinter (años 2013-15) incluyendo adjudicados

BECOMING THE HIGH PERFORMERS OF TOMORROW

CONSTRUCTION MANAGEMENT - *LEAN CONSTRUCTION*



CONSTRUCTION MANAGEMENT – *BIM*



BECOMING THE HIGH PERFORMERS OF TOMORROW

NEW APPROACHES TO

RISK MANAGEMENT,
OPERATIONAL EFFICIENCY,
SUPPLY CHAIN MANAGEMENT,
MULTILINGUAL WORKFORCE WITH RELEVANT SKILLS

**CONSTRUCTION MANAGERS WILL BE
THE CRITICAL DIFFERENTIATORS FOR
HIGH PERFORMERS OF TOMORROW**



MAIN PLAYERS IN SPANISH INDUSTRY

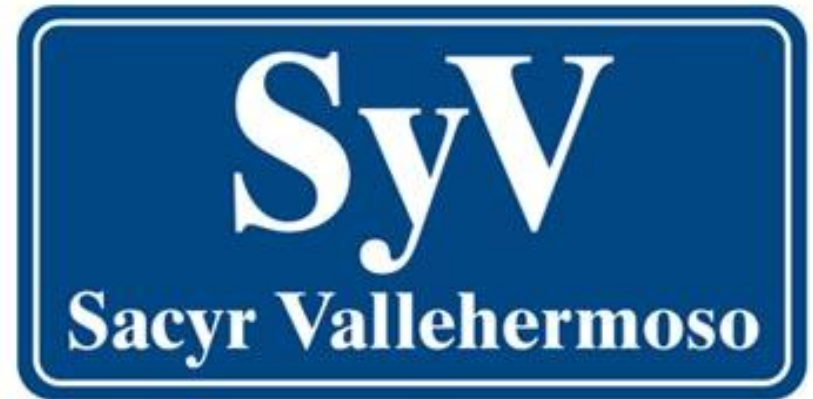
*SIX OF THE GRAND SPANISH CONTRACTORS
CAN BE COUNTED IN THE 20 LARGEST EUROPEAN
CONSTRUCTION COMPANIES.*



MAIN PLAYERS IN SPANISH INDUSTRY



MAIN PLAYERS IN SPANISH INDUSTRY



**ALL OF THIS COMPANIES BREATHE AND GROW UNDER THE TOOLS
OF CONSTRUCTION MANAGEMENT.**



CONSTRUCTION MANAGER



THANK YOU