INSIGHT

The News Magazine From Sapphire

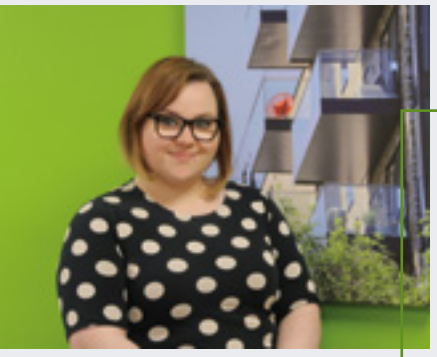
SAPPHIRE

2019
Q4

What can we expect from Brexit in 2020? Page 22

How has the industry changed during the 2010s?

Read more on page 6



Editor

Hello I'm Mary, I'd love to hear your ideas for future content, or questions you would like our experts to answer in future issues. You can email me at mary.mccollum@sapphire.eu.com

Editor's Overview

As 2019 comes to a close, we take a look back on the past year and the many challenges and changes it has brought the industry. The end of 2019 means the beginning of a new decade that's shaping up to be quite a departure from business as usual.

With a cloud of Brexit uncertainty looming on the horizon and legislation that seems to be ever-evolving, just what to expect in the 2020s is hard to say.

In this issue of Insight, we'll be looking back at the 2010s, how the years have changed the construction landscape and try to catch a glimpse of what is to come. We'll take a look at changes to fire legislation this year, what to expect from Brexit in 2020 and Director Luke Haughton will discuss how the needs of the industry have evolved since 2010.

With perspectives from our MD Tristan Parsons and a guest feature from BalconMe, this issue is packed with must-read content to bring 2019 to a close.

Mary McCollum

Mary McCollum

Event Coordinator

Hello I'm Regan, we run regular industry roundtable events and CPD's. To join an event or to book a balcony design, balcony fires or drainage CPD, email me at regan.cook@sapphire.eu.com

Regan Cook

Regan Cook

Read more...

Read more about our Manchester MMC and Fire event on page 18.

Book your place at our event at The Shard at www.sapphire.eu.com/shard/

Events

Hindsight

Manchester Fire & MMC Roundtable & CPD Event
23rd October

Contact me to book a CPD, Fire CPD or Design Meeting today!

Foresight

Reducing Fire Risk in High-Rise Residential Buildings – The Shard
6th February 2020

This morning roundtable discussion and associated afternoon CPDs will be focused on the Fire Risk in high-rise residential buildings. This will include discussing the changes in regulations and discussing an approach to the future to safeguard homes from undue risk.

Topic TBC – Dublin
30th March 2020

This event will focus exclusively on the Dublin high-rise residential market, in order create a cross-industry discussion among industry leaders. We hope that by bringing construction individuals together we can work on creating sustainable and safe building practices for the future.

2019 Summary

3138
balconies designed
(YTD)

2715
balconies produced
(YTD)

1510
balconies in storage
(YTD)

Almost **7000**
installed since 2017

92.3%
balconies right first time

More than
900
balconies produced in Q4 that's more than
16 per day

Tristan Parsons

Tristan has been with Sapphire since 1999 and as our Managing Director is at the forefront of business leadership and growth. His vast knowledge of MMC and balcony design comes as a result of his extensive experience acquired over the past 20 years.

2019 has been a successful year at Sapphire with some milestone achievements along the way. Our teams have been hard at work producing over 2500 balconies in the last 12 months and designing more than 3138.

The innovation momentum hasn't stopped with the development of products like StubGuard® purposefully created with the challenges of our clients in mind. We've completed some landmark projects in 2019 from Media City to Local Blackfriars and continued to develop close working relationships with some of the nation's most prominent developers.

We've expanded our business into New Zealand this year with the first balconies arriving in September.

Our founder, Andrew Parsons, has continued his involvement on the BSI Committee with a new balcony standard guide announced this year. We have introduced a BSI Balcony Standard CPD along with a new fire CPD - Balconies: From Fires, To 'The Ban' & Beyond.

Our Computer Aided Balcony Specifier, or CABS, has gone through significant development including the introduction of a new photo-realistic configurator.

Our values drive everything we do as we share our success with the community. We've supported a myriad of charitable causes throughout the year, both with fundraising and volunteering.

As we look ahead to 2020, we aim to continue to innovate and improve to meet the challenges of a new decade.

Regards

Tristan Parsons

Tristan Parsons

Industry Insight

Over the past 10 years we've made some radical changes to the way balconies are manufactured and installed. As a result, the Sapphire of 2019 is a significant evolution from Sapphire at the turn of the decade.

The pace of change over the last 10 years has been rapid at Sapphire. In 2009 we produced traditional steel bolt-on balconies, by 2014 we had established the new standard of our Glide-On™ system and in 2019 we're spearheading industry change to meet the challenges of a new decade.

Technical Advice

Hello I'm Nick, I keep up to date with latest industry changes and regulations, to guide clients with technical design at early design stages of projects, email me at nick.haughton@sapphire.eu.com

Regards

Nick Haughton

Health and Safety

Traditional bolt-on balconies are affixed to the building from underneath meaning installers must stand under the live-load until the balcony is secured in place.

Our Glide-On™ system is secured from inside the building from behind a protective barrier, preventing falls and other accidents as a result of an insecure load. This vastly improves health and safety standards on site and takes a weight off the mind of site management.

Speed of Install

Traditional installation methods move at a snail's pace, installing an average of just 4-5 balconies per day.

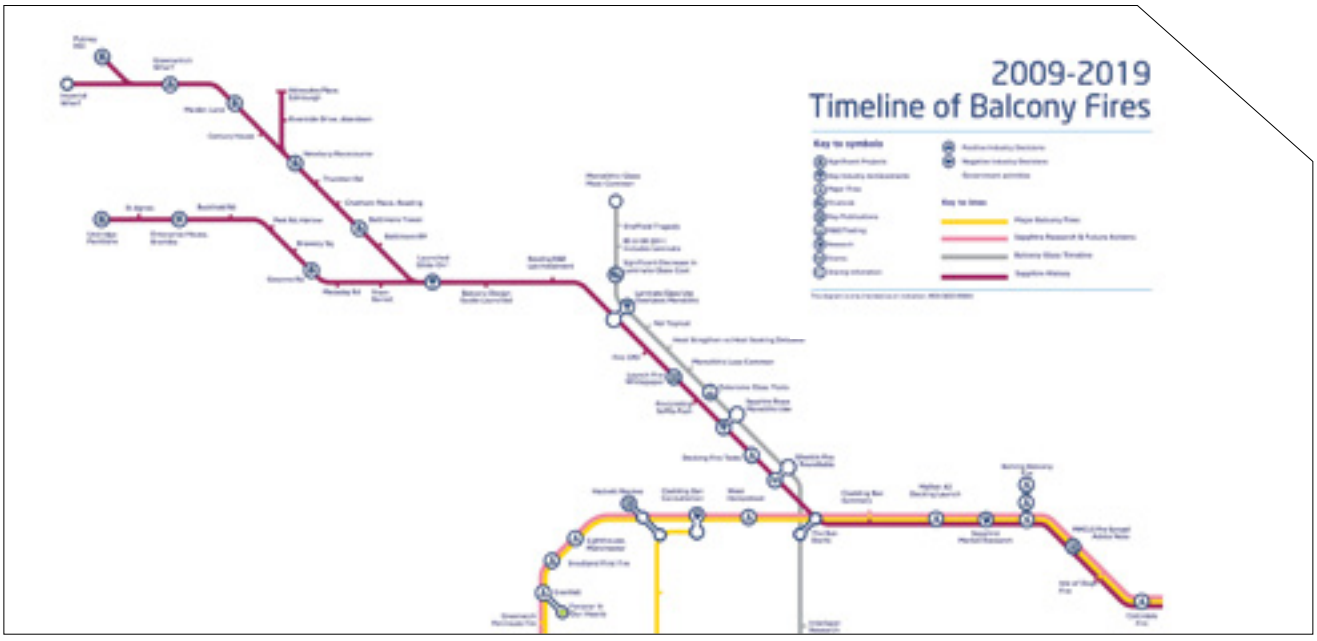
Our Glide-On™ balconies have set records with 34 installations in only 6 hours.

Prefinished

Bolt-on balconies, whether manufactured on or off site, require drainage and soffits to be fitted after the balcony is installed, adding costly labour time to on-site works. At this time, we were manufacturing 40-60% offsite.

Our balconies arrive to site prefinished including soffits, drainage, balustrades and even partially fitted decking. All that's needed on site after the simple Glide-On™ installation, is for the final decking slats to be secured in place.

2009-2019 Timeline of Balcony Fires



Now, our Glide-On™ balconies are manufactured 95% offsite bringing the benefits of MMC to every project.

Efficient Production

10 years ago, like other bolt-on balcony suppliers today, balconies would be welded together using standard steel sections.

Now, each balcony is produced in an assembly line with specially formed aluminium parts, ensuring factory controlled, quality processes. The use of aluminium rather than steel cuts the weight of our balconies in half, without compromising on strength.

This means they require fewer connections to secure them to the building which reduces the risk of cold bridging and damp.

Our specialised production method is also far more precise and more resource efficient delivering cost savings to our clients.

Fire

The past 10 years have seen a drastic change in the way both the industry and public view fire risk. Post-Grenfell legislation changes, the new part B guidance and the inclusion of balconies in the new regulations over the past few years have impacted the way the industry approaches projects.

The ban of laminate glass on balconies on buildings over 18m has sparked a change in not only the look of balconies but the aesthetic of buildings and neighbourhoods across the country. As new alternatives develop to meet the needs of the industry in response to these legislation changes the way our cities and homes look is likely to transform alongside it.

R&D

The change wont end here! We invest in research and development at our Reading test facilities, so we stay at the cutting edge of advancements in balconies.

Some of our recent developments have been focussed on the change in fire regulations and the combustible cladding ban. We're developing new class A decking solutions and alternatives to laminate glass to meet the demands of an ever-evolving industry.

Global construction market forecast to **grow** by over

70%

by 2025

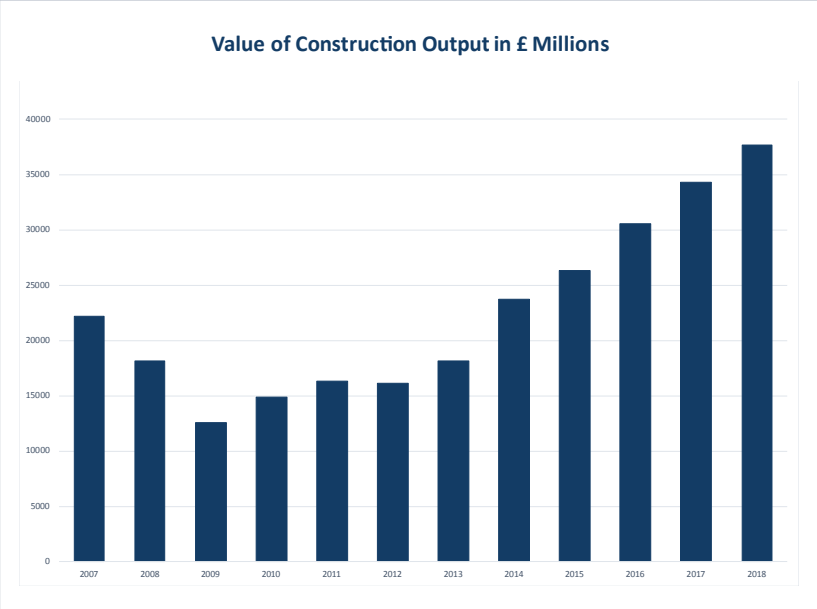
Source: Industrial Strategy: government and industry in partnership (2013)

Global construction industry is set to see **growth** of

4.3%

by 2025

Source: Industrial Strategy: government and industry in partnership (2013)



Source: Office for National Statistics, published 2019

Book your Balconies: From Fires to 'The Ban' CPD today!

Email:
regan.cook@sapphire.eu.com

2009-2013

Gwynne Road

From 2009-2013 we supplied steel bolt-on balconies, with some of the most memorable at Gwynne Road.

2009-2013

Newbury Racecourse

From 2009-2013 we also supplied concrete balconies, like these at Newbury Racecourse.

2016

Greenwich Peninsular

Greenwich Peninsular in 2016 was a mammoth project with 3 phases totalling over 579 Glide-On™ Cassette® balconies. Further phases are planned to continue.

2017

Pomona Wharf

Pomona Wharf in 2017 was a record-setting project hitting an impressive 34 Glide-On™ balconies installed in 6 hours.

2014

Staines Road

Staines Road in 2014 was a landmark project for us as we supplied our first ever Glide-On™ Cassette® balconies which were installed without a hitch.

2015

Woodberry Down

Woodberry Down in 2015 was a significant project for us with the tower known as Skyline alone featuring over 150 Glide-On™ Cassette® balconies.

2018

Wembley Park

Wembley Park in 2018 was a significant project for us as we supplied 372 Glide-On™ Cassette® balconies with some reaching a substantial projection of 1725mm.

2019

Media City

Media City in 2019 is another significant project featuring 380 Glide-On™ Cassette® balconies in Salford, Greater Manchester.

Aluminium Balconies Top the Green Guide

In researching the BRE Green Guide rating, it indicates aluminium balconies achieve an A grade, while steel balconies come in at a B.

The Green Guide Report ranks materials in construction based on their sustainability and environmental friendliness. It provides information on the environmental impact to help guide specifiers in their choice of materials and products.

Thanks to the ease of recycling of aluminium and the reduced number of connections and thermals breaks needed for our Glide-On™ balconies, look to earn an A score. Steel balconies however require far more connections back to the slab due to their weight and because zinc coated steel is more difficult to recycle, so these balconies come in at a B grade.

Concrete balconies are expected to be considerably worse in the ratings.

Grenfell: Where Are We 2 Years On?

The tragic Grenfell Tower fire triggered a host of changes to fire legislation as the nation reeled from the news. But where are we now, two years later?

The first phase of the Grenfell inquiry stated the ACM cladding used “actively promoted” the fire. It went on to say the decorative ‘crown’ at the top of the tower, which had no functional purpose, was “primarily responsible” for spreading the fire across the whole building.

In May, the Government announced a £200M fund to facilitate the recladding of buildings but as of 30th September 321 high-rise buildings had yet to have cladding replaced. In October it was announced that Dame Hackitt would lead the creation of a new building safety regulator to oversee the design and management, with a focus on high-rise buildings.

Read more about the changes in legislation relating to fire on page 16.

Mark Farmer Appointed National MMC Advisor

MMC enthusiast Mark Farmer, best known for his ‘Modernise or Die’ report, has been appointed the role of National MMC Advisor.

Farmer will be responsible for promoting modern methods and developing plans for a centre of excellence for MMC in the North. Esther McVey has promoted MMC as “the new gold standard for building” and hopes greater adoption will lead to an increase in green housing.

This appointment marks the latest in the Government’s efforts to expand the use of MMC and improve efficiency across the industry.

The Commercial Impact of Non-combustible Materials

Under the new regulation, new developments are required to use materials that are A2-s1,d0 rated or Class A1 under the European classification system for balcony construction and all external façade works. The industry has seen several compliance changes in the built environment. Additionally, resultant from this ban there are new consequences from a commercial perspective. Here are three ways the use of combustible materials in a residential building may impact your new development, regardless of the height of the building.

The Impact on Buyer Mortgages

Mortgage lenders are increasingly refusing to lend on properties that make use of combustible materials within the construction. Especially in high rise buildings, if the vendor cannot confirm the property adequately meets the standards following on from the Building Amendment Regulations 2018, there have been instances of the surveyor valuing the property at £0 until the developer has been able to prove otherwise.

New Home Warranty

Warranty providers are also following the lead of mortgage providers and are not offering warranties such as the 10 years new home warranty on homes that are not compliant.

Building Insurance

Further, the use of non-combustible materials can have an additional positive impact on building insurance due to lower risk associated.

Understanding Fire Grades

Only A-grade materials should be used when specifying decking due to their non-combustible nature.

A1 and A2	no contribution to fire
B	very limited contribution to fire
C	limited contribution to fire
D	contributes to fire, but with limited ignitability
E	contributes to fire
F	no performance specification

The meaning of 's' and 'd' grades for A2 materials are explained below

s1	Little or no smoke
s2	Medium smoke
s3	High smoke
d0	Nil flaming droplets
d1	Slow dripping is recorded
d2	High volume of droplets recorded

Credit to: MyDek

Sapphire's Innovative Approach Meets the Needs of Beaumont Court and Richmond House

Beaumont Court and Richmond House was a challenging project because it was a renovation of a long-derelict building. This meant that the exact strength of the existing floor substrate was unknown, and a solution needed to be found to ensure the rigidity of the balconies.

The building had been out of use for an extended period of time and had become a well known eye sore in Southend on-Sea.

Working alongside the site team and engineers our designers developed a unique anchor that met the needs of the project. The system incorporated both a connection to the slab and to tie wires to ensure the balconies were safely secured to the building.

Due to the size and weight of the balconies the load had to be carefully considered in engineering the post-fixed anchors. The brackets fixed the bottom of the balcony to the slab and incorporated fixings to connect the tie wires of the balcony below back to the building.

Working alongside the site team and engineers our designers developed a unique anchor that met the needs of the project.

The tie wires gave a unique aesthetic to the balconies while also improving their rigidity and reducing deflection. The wires

in combination with the unique anchors took the momentum forces in a similar way to traditional bolt-on/Glide-On™ balconies.

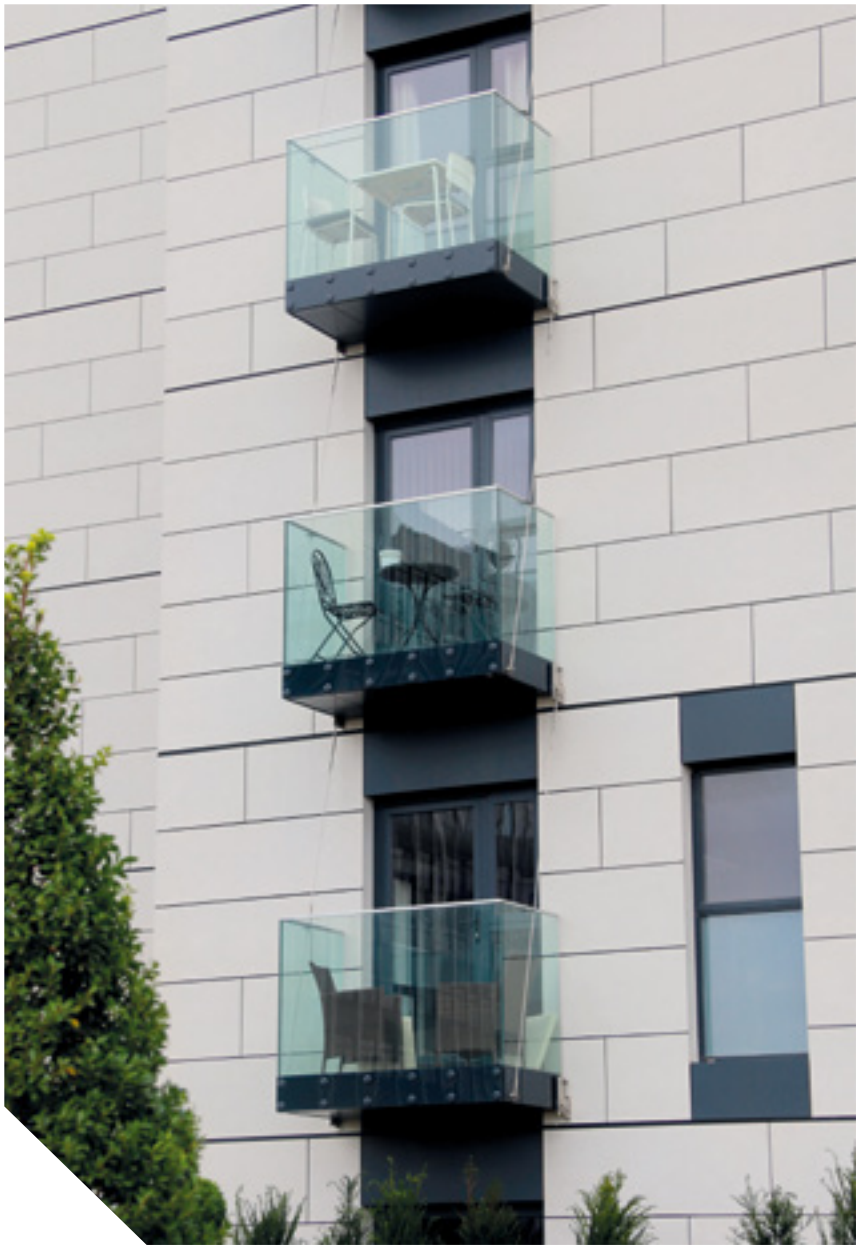
The wires in combination with the unique anchors took the momentum forces in a similar way to traditional bolt-on/ Glide-On™ balconies.

The design of the building included feature 'boxes' which included inset balconies placed above the rest of the balconies. This meant our balconies needed to be installed carefully around the existing structures.

Our counterbalance made manoeuvring the balconies into position for quick and easy installation a breeze. Installers remained inside the building behind our internal door guard system while the balcony was guided into position and locked into place.

The project is part of a wider regeneration of Southend on-Sea which, according to Pluto Finance partner Justin Faiz "will deliver much-needed residential accommodation in Southend and contribute towards the regeneration of the town centre". Source Construction News.

Beaumont Court and Richmond House is located in the town centre just minutes from the beauty of the Essex coast and the Sapphire balconies will provide residents with stunning views over the Estuary.



Facilities include restaurants and a gym providing residents with luxurious living in an up-and-coming area within easy commuting distance from central London. According to Savills the south east of England is predicted to benefit from an average house price growth of 26.4% making this project a great investment for residents.

Beaumont Court and Richmond House combines the benefits of city working with seaside living and delivers all the high-end amenities residents could need.

Key Stats

Architect:	**Campbell Reith**
Developer:	**Randall Watts Construction Ltd**
Contractor:	**Base Quantum**
Balconies:	**139 Cassettes®**
Storeys:	**10**
Location:	**Southend-on-Sea, Essex**

Ask The Expert

For this issue's Ask the Expert we ask Director Luke Haughton how client needs, and the wider construction landscape has changed over the past decade. From economic fluctuations to adoption of MMC the industry continues to evolve and adapt and with it, our team rises to new challenges to exceed client expectations.

Luke Haughton

Luke joined Sapphire in 2006 and has progressed to his position as Director gaining expertise and insight along the way. He has a wealth of experience in building strong and lasting relationships with all positions through most of the UK's top house-builders and developers.

Q: How has the specification process changed over the past decade?

A: The dynamic has shifted from more architect-lead specifications to more contractor-lead. Previously the architect could choose each detail and the contractor would take it to tender. In recent years this has shifted, and contractors are taking greater control over the details through D&B contracts and providing the architect with an in-depth brief.

Q: How do you expect this to develop in coming years?

A: It's possible that now, with the increased pressure from Government that the dynamic might shift again. Uncertainty about the specifics of the combustible cladding ban for example has pushed many in the industry to seek out the advice of experts and consultants.

As a result, there has been an increased dependence on the expertise of specialist sub-contractors to develop the details, take the challenges and engineer a solution. This way, the power of focus means sub-contractors can refine the process by becoming specialists in their field and providing this insight to clients.

Q: How to you see MMC contributing to these specification changes?

A: A shift towards standardisation brings the benefits of intelligent design rather than focussing on cost cutting. While a standardised solution brings the benefit of value engineering, unlike cost-cutting it also maintains high quality standards and still allows for a high specification.

Many forward-thinking developers are setting budgets for architects with scope within it for different solutions. This ensures cost certainty and gives architects the freedom to explore innovative standardised solution to achieve a high specification project.

Q: Do you see any other changes in methods of construction?

A: There's certainly been a change in the way buildings are constructed with many more developers trying MMC. There's less scaffold and mast climbers and more pressure on companies to innovate. Products and practices are evolving to meet the changing demands which pushes us all as an industry to improve.

Light gauge steel buildings, for example, have become more common and with them the demands on balconies have changed. These steel structures are less robust than traditional building methods and need lighter building materials to go with them. This means aluminium balconies are essential to reduce forces transferred to the structure and minimise balcony deflection.

Q: Where do you see the most potential for change in the 2020s?

A: In specialisation and refining processes. The switch from bolt-on and introduction of Glide-On™ changed the industry and pushed metalwork forward.

The balcony industry remained unchanged for years but with these innovations the sector is forced to keep up and we all raise the bar. The needs of the industry demand purposeful and meaningful innovation which means the process becomes more efficient and effective over time.

Soffits Turn the Game Around at Upton Gardens

Upton Gardens is a substantial project delivering 842 homes located in Upton Park on West Ham FC's former home.

Upton Gardens is a substantial project delivering 842 homes located in Upton Park on West Ham FC's former home, the Boleyn ground.

The project's location makes it ideal for London professionals as well as families and the facilities provided include a gym, rooftop terraces and family play areas, as well as a new café and community space.

The developer specified balconies without soffits because they were concerned about issues with drainage. Previously they had experienced poor drainage management causing stagnant water and resident complaints. As a result, they chose to avoid soffits all together and opt for free draining balconies.

At Sapphire we recommend the use of polyester powder coated aluminium soffits with our Glide-On™ Cassette® balconies not only because they provide an aesthetic finish to the balcony but because they also bring a range of benefits.

At Upton Gardens we delivered balconies without soffits in line with the client specification which created a unique design to the building exterior. The underside of the balconies show the underside of the decking

and areas which conceal the support arms.

However, on subsequent phases of the project the developer has chosen to include soffits in the specification, thanks in part to their drainage benefits on other schemes. While soffits are not a legal requirement on balconies their minimal cost and added benefits make them a great addition. With an offsite modular solution like Glide-On™ they don't add to the onsite works or project programme.

During fire testing we found that the use of aluminium soffits dramatically improved fire safety by containing a balcony fire and minimising its spread.

Our soffits are either positive or controlled draining meaning that rainwater is managed effectively and not allowed to collect internally. In addition to this the soffits also bring the benefit of protecting residents from spilled drinks falling from balconies above.

During fire testing at Exova we found that the use of aluminium soffits dramatically improved fire safety by containing a balcony fire and minimising its spread. The soffits help to prevent embers falling to the balcony below and block the fire from spreading to the balcony above.

Residents at Upton Gardens will experience all the benefits of the area and the balconies will provide coveted outdoor space in the city. The project has been designed to maximise green space with communal gardens and landscaping.

When complete the development will include commercial space and a public library creating a sense of community and providing ample resources for residents.

Key Stats

Architect:	**Goddard Manton Partnership**
Developer:	**Barratt Homes**
Installer:	**Dantaag**
Balconies:	**132 Cassettes®**
Storeys:	**8**
Location:	**Upton Park, London**

How Fire Regulations Have Changed in 2019

2019 has been a transformative year for fire regulations in construction. The combustible cladding ban has come into effect leaving uncertainty and delayed projects in its wake. A series of revisions, exceptions and amendments have left many struggling to keep up and unsure of what does, and doesn't, comply.

Sir Robert McAlpine CEO Paul Hamer commented that since the first phase of the Grenfell report came out the building regulations are "almost as opaque – if not more opaque" than they were before. Hamer went on to say that as each tier one firm takes a "slightly different" approach the industry if becoming more and more fragmented. Meanwhile the Fire Brigades Union called for the recommendations of the first phase of the Grenfell Inquiry to be "quickly and efficiently" put into action.

The year has also unfortunately included a spate of balcony fires over the summer leading scrutiny of the Government and

"As an industry this is the time to re-evaluate current procurement methods and create awareness of what needs to change"

Róisín Ní Chatháin – Director of Architecture at BPTW

public demands for change. This triggered the announcement of a new regulatory body for future builds and a Protection Board to carry out checks on existing buildings.

Director of Architecture at BPTW, Róisín Ní Chatháin, welcomes these changes saying “As an industry this is the time to re-evaluate current procurement methods and create awareness of what needs to change to see that we are designing and building with quality construction and life safety at the fore.”

Paul Doman, Partner at Calfordseaden commented that for the recommendations of the Hackitt Report to work “the skill level on site has to meet the requirements of the designer”. He continued “Avoiding errors relies upon a high skills base both in the individual trade operatives and in those managing the site. The onus must be shared by the design team, the construction team and the individual trades throughout construction”.

In November a fire at student accommodation in Bolton raised further concerns about combustible cladding on existing buildings. The cladding in Bolton was HPL, not ACM as was used at Grenfell, which had been the subject of a government-issued fire-risk warning back in July.

This spurred the Managing Director of the Fire Protection Association, Jonathan O’Neill to call for a complete ban on all combustible materials used in residential construction. He went on to say that the only way we can “reasonably [avoid] another tragedy such as Grenfell” would be to mandate third-party specification, sprinklers on buildings of all heights and

> “the skill level on site has to meet the requirements of the designer”
>
> Paul Doman – Partner at Calfordseaden

introducing a ban on single-staircase evacuation.

One thing we can expect as we move into 2020 is further refinements to the combustible cladding ban and the debate over its details to continue. With the second phase of the Grenfell inquiry and the effects of the headline-hitting residential fires in 2019 it’s clear a lot of eyes will be fixed onto these developments.

As an industry, we are faced with the challenge of minimising the risk of fire while maintaining building standards. As a result, it is essential that we collaborate to find the best solutions and encourage the MHCLG to implement change in a way that is conducive to the industry’s productivity.

Manchester Roundtable Summary

Our CPD event in Manchester's iconic Beetham Tower included two roundtable sessions with industry leaders. One discussing leveraging MMC and the other on reducing fires in multi occupancy residential construction.

At the fire session a key point raised was from the Greater Manchester Fire Rescue Service who felt there should be far more testing of scenarios relative to construction. This is a suggestion made at a previous roundtable and denotes a need in the industry for definitive testing.

Another theme was confusion over the details of the combustible cladding ban and the lack of clarity, a point also raised at previous roundtables. Disparities between quotes, guidance and what the NHBC will approve leaves confusion resulting in delays.

Another point was the need for collaboration within the industry to tackle the challenges we face collectively. While effective collaboration between active and passive fire protection is also key in reducing the risk of fire spread.

At the MMC session, discussion centred around the challenges facing the industry in adopting MMC. The point was raised that 1 in 5 construction workers are over 50, meaning the skills shortage may be exacerbated by their retirement. This is challenge that may be overcome by greater adoption of MMC and a move to more efficient automated processes.

A barrier to adoption of MMC is the industry perception of high up-front costs and investment. While this is the perception the reality is that MMC can not only reduce project costs but by partnering with subcontractors using MMC the benefits can be gained without the expense.

A point raised was that the industry is not adopting MMC early enough in the project to make the most of its benefits. One attendee argued that architects are the biggest components restricting MMC development while others argued a lack of education was the key issue.

An area of consensus was that greater education was needed in BIM and MMC if its full potential is to be reached.

High-Rise Resibuild Summit

The Shard
London

06/02/20

SAPPHIRE

To have all aspects of the industry in 1 room to discuss new regs was really good
Director, BPTW Architects

This event was very good, very well organised, very slick.
Technical Manager, Wates

Very insightful event, highly recommended to all
Fire Engineering Officer, Manchester Fire Brigade

Key Topical Roundtable Discussions

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Watch a video showing previous events at www.youtube.com/watch?v=0f4mwVGJceM

High Society: Outdoor Space in Urban Living

The last decade has seen a shift in the global population balance and more people now live in cities than in rural areas. This has resulted in a population increase of 5 million people in UK cities alone. This has created growth in the construction of high-rise buildings. In the summer of 2018 in the UK, there were over 270 existing high-rise buildings and structures. Around 70% of them are in London and 70% of these are residential. Most of these apartments have balconies.

Balcony living is quite a new concept in the UK and new owners are not always sure how to use them. People will focus on the interior of their property but neglect these outside spaces. This can be a headache for developers and estate managers with people using their balconies for storage, laundry and dead plants.

Balcon.me™ launched as a one stop solution for people living in high-rise buildings with balconies. We understand which plants will survive in challenging conditions and deliver evergreen, hardy planting designs, pre-planted in stylish containers direct to customers. We offer a seasonal subscription plan, sending new plants every 3 months to add colour throughout the year.

We want to encourage people to see their balconies as an extra room in their home, enhancing their view and their lifestyles. We offer planting designs that help to keep their balconies more private and will soon offer a range of suitable accessories to ensure these outside spaces on buildings can look their best at all times.

Balcon.me™ launched as a one stop solution for people living in high-rise buildings with balconies.

Credit to: Philip Dundas BalconMe™

Sapphire Accredited

Steelbuild are Sapphire Accredited installers. Find out more at www.sapphire.eu.com/sapphire-accredited

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What Can the Industry Expect From Brexit in 2020?

The B-word has been inescapable in 2019 whether we like it or not. The new Conservative government pledges to finalise the Brexit negotiations by 31st January bringing a new sense of confidence to the market and a surge in the value of the pound.

One thing that has become clear in the course of 2019 is the effect of geo-political uncertainty on the wider market and the construction industry more specifically. This year we've seen a slow-down in construction output and a freeze on new contracts across the industry as a result of both legislative and Brexit uncertainty.

> a potential cause for concern once we have departed the EU is the predicted labour shortage

The true cost of Brexit thus far for the construction industry has been the ongoing sense of uncertainty and anticipation, rather than the terms of any deal. The hope now is that with a new majority government the 'invisible handbrake' will be released and a flurry of delayed projects will be spurred into action.

On the other hand, a potential cause for concern once we have departed the EU is the predicted labour shortage. Currently, over 50,000 UK born construction workers are in the age range 50-54 meaning they're expected to retire within the next 10-15 years. For UK born construction workers this is the most common age demographic while for EU workers it is 35-39 and non-EU workers it's 30-34.

A lack of construction professionals would not be a new phenomenon post-Brexit. For example, in Q4 of 2018 75% of the main contractors reported finding it difficult to recruit plasterers, 70% said the same for bricklayers and 58% for carpenters and joiners.

A natural solution to the aging UK-born construction workforce and the risk of a labour shortage after Brexit is renewed focus on encouraging young people to adopt a career in construction. Apprenticeships, training initiatives and outreach programmes are essential to safeguarding the future of the industry's workforce. In 2017/18 more than 22,000 construction apprenticeships were started, an increase from just over 21,000 in 2016/17.

Another solution to concerns about a potential drop in labour availability is the adoption of MMC and off site construction. Off site construction offers the benefits of improved productivity, efficiency and quality control while requiring far fewer labourers. Sapphire's production line style method of manufacture vastly improves the productivity of individual labourers meaning fewer workers are needed compared to on site production.

This means that regardless of the effect of Brexit on the labour market, off site production puts companies like Sapphire in a better position to weather the changes.

The uncertainty plaguing the market appears to have been lifted in light of the clear victory of the Conservative party. As this government holds a majority it's expected that a deal will be reached with EU providing the stability needed to boost industry investment. The value of the pound increased by more than 2% against the USD after Boris Johnson's decisive electoral victory, to the highest since May 2018.

It is important, now that the immediate concern about a Brexit deal seemingly quelled, that we look to the future of the industry and aim to safeguard its continued development. The next generation need to be encouraged to seek a career in construction if we are to avoid a skills gap down the line and greater adoption of MMC is necessary if we're going to meeting the needs of a growing UK population.

Conservative party pledge

1M

homes in the next 5 years

35-39

years old is the most common **age for EU born construction workers**

Residential contract **award values increase** by

19.4%

compared with November 2018

In Q4 of 2018

75%

of the main **contractors** reported finding it **difficult** to **recruit plasterers**

Currently, over **50,000** UK born construction workers are **aged 50-54**

In Q4 of 2018

70%

of the main **contractors** reported finding it **difficult** to **recruit bricklayers**

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