

Constructing Excellence South West – Conference Slides

Life after Article 50 – risks and opportunities

Productivity in Bank Finance and information relevant to Construction Sector

Bristol – 9th June 2017

Information Classification – Public

Who am I ?



Nathan Waller
Regional Director, Real Estate,
South West and South Wales
NatWest

Residential Development Finance
Commercial Development Finance
Residential Investment Finance
Commercial Investment Finance

Where did we come from ?



Captain George Mainwaring
Branch Manager
Walmington-on-Sea
Any Bank

So what would I like to talk to you about?



So what would I like to talk to you about?

- **Productivity – how the world of Bank Real Estate Finance is changing and the implications for the Construction and Real Estate Sectors**
- **Bank View of the Risks and Opportunities in the Construction and Real Estate Sector in 2017 and beyond**
- **Real Life Stories from our NatWest Mentor colleagues**

Meet our team

Bristol, Wales and the South West

We are what we do

The NatWest Real Estate team is a major force in the provision of funding to support the activities of house building, commercial development and investment in the UK. We have a team of dedicated professionals based strategically across the region to support the Real Estate sector.



Paul Coates
Managing Director, Real Estate
Commercial and Private Banking



Paul Eyre
Regional Managing, Director Real Estate
Commercial and Private Banking



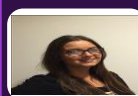
Nathan Waller
Regional Director, Real Estate
Commercial and Private Banking



Nicholas Cussen
Director, Real Estate
Commercial and Private Banking



Tracey Abbott
Relationship Director, Real Estate
Commercial and Private Banking



Hayley O'Driscoll
Assistant Director, Real Estate
Commercial and Private Banking



Matthew Jones
Relationship Director, Real Estate
Commercial and Private Banking



Alan Woodbridge
Relationship Director, Real Estate
Commercial and Private Banking



Jamie Lawson
Assistant Director, Real Estate
Commercial and Private Banking



Colin Ness
Relationship Director, Real Estate
Commercial and Private Banking



Alex Goodey
Relationship Manager, Real Estate
Commercial and Private Banking



Amy Jones
Corporate Manager, Real Estate
Commercial and Private Banking



Nigel Morris
Relationship Manager, Real Estate
Commercial and Private Banking

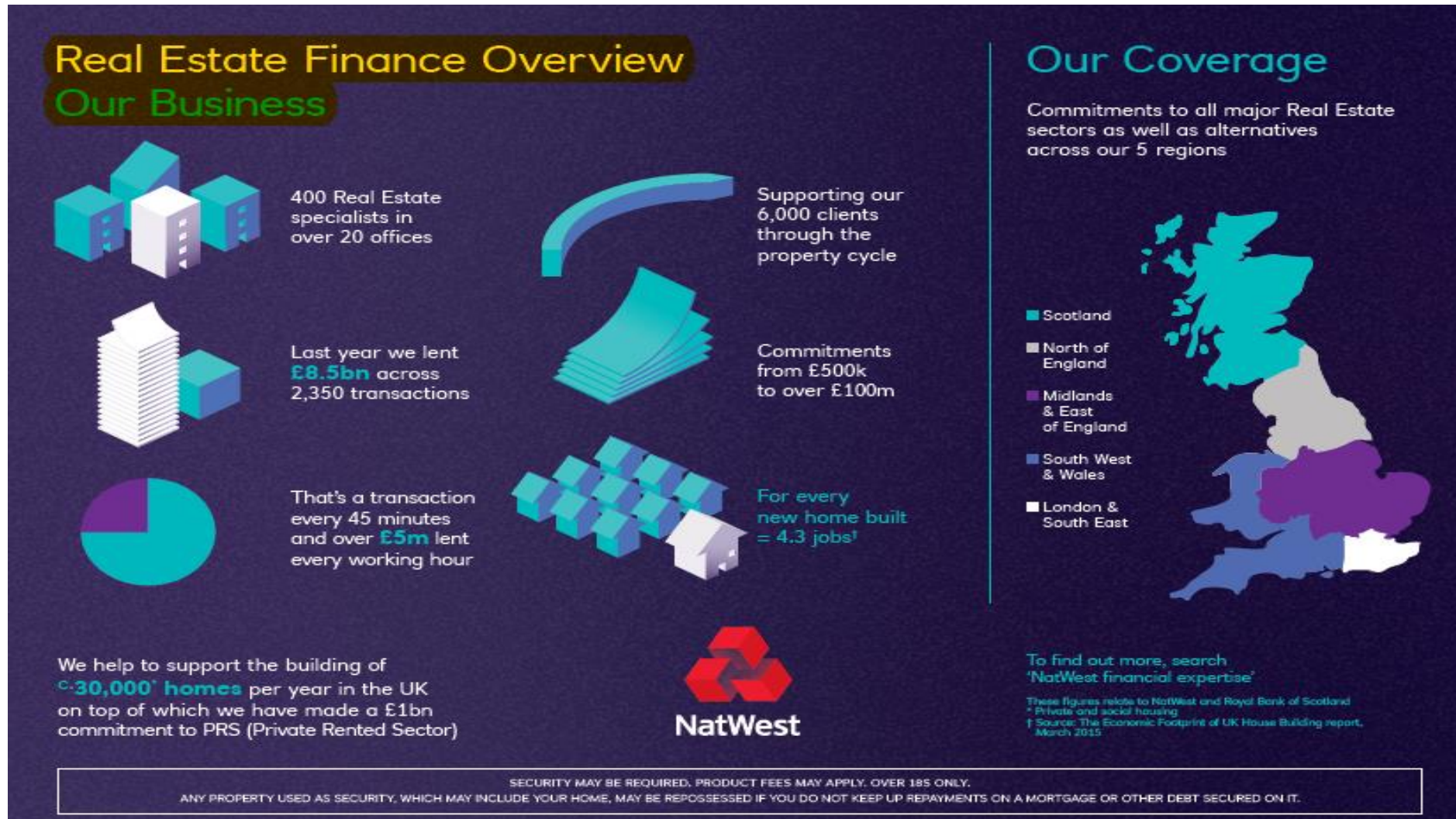


Andrew Buss
Relationship Manager, Real Estate
Commercial and Private Banking



Emma Paget
Corporate Manager, Real Estate
Commercial and Private Banking

NatWest Real Estate Infographic



The Pace of Change



Machine Learning – gives computers the ability to learn without being explicitly programmed

95% of the world's stored computer data was created in the last five years



Amazon Push Button Devices

The Productivity Challenge

- Productivity is one of the biggest topics shaping current economic discussion
- UK labour productivity rose 2% pa from the 1970's but now remains only slightly higher than its pre-crisis peak at the end of 2007
- International comparisons: British workers are less productive than French counterparts by a third
- Andy Haldane, Bank of England Chief Economist –



“widening divergence of productivity amongst firms having an impact on overall productivity growth”

“in UK Brexit and National Living Wage could have the potential to exert similar pressure on wages, incentivising businesses to invest in technology and focus on efficiency

Source :

Deloitte Economics March 2017

The response of the Real Estate Banking Industry to that pace of change

Simplify, Automate
or Eliminate

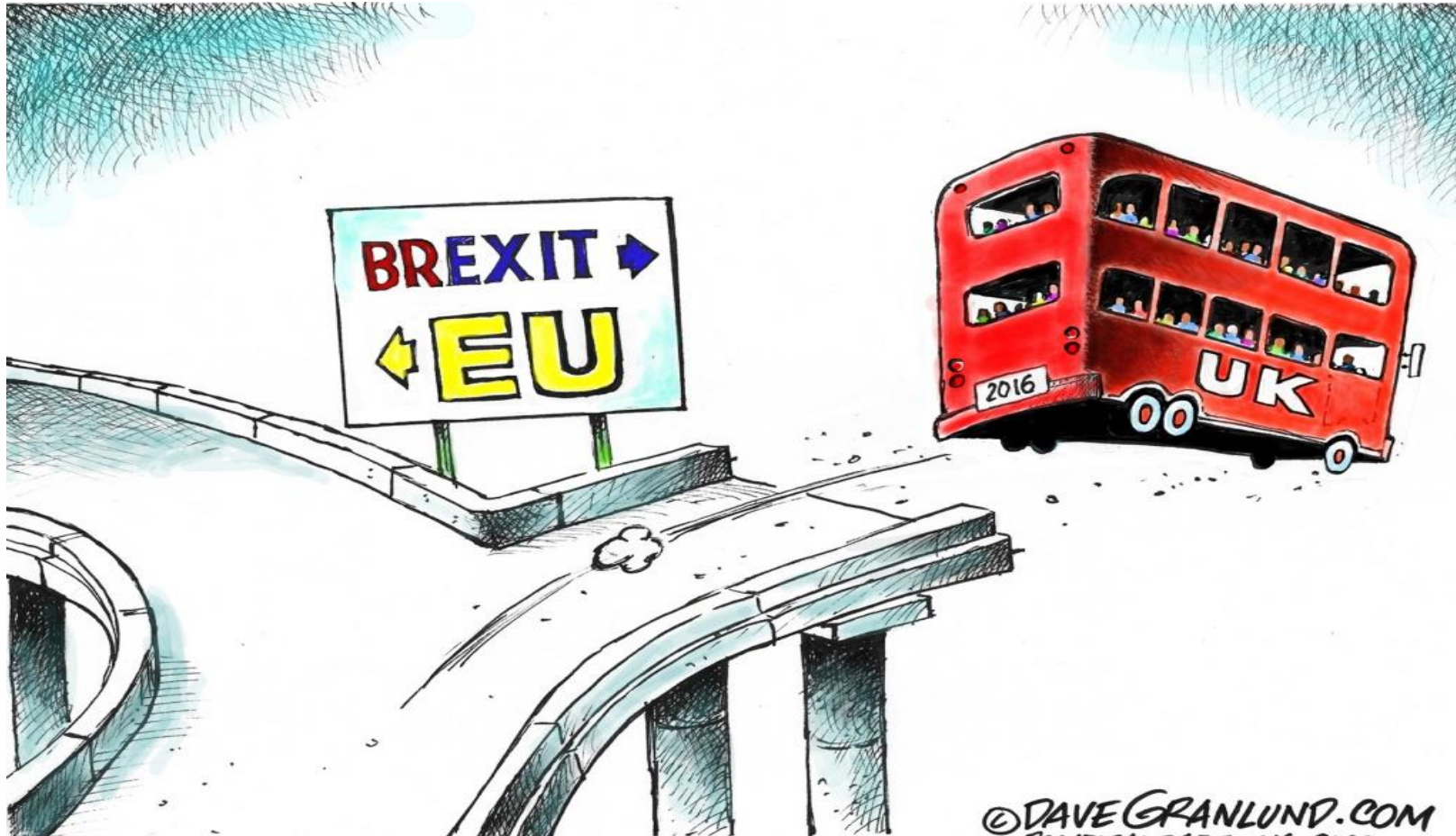


Balanced with Relationship
Banking

Our Contribution to the debate.....



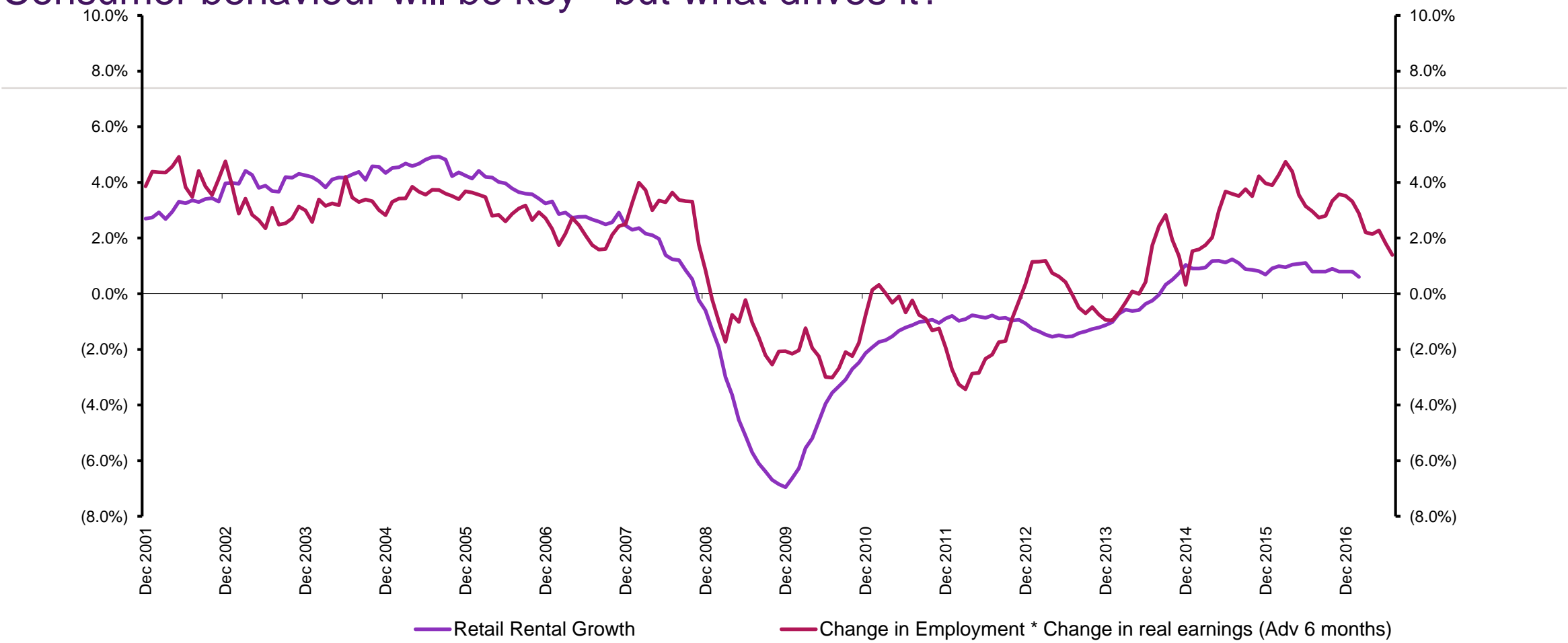
Brexit – a leap into the unknown...



Let the grandstanding commence

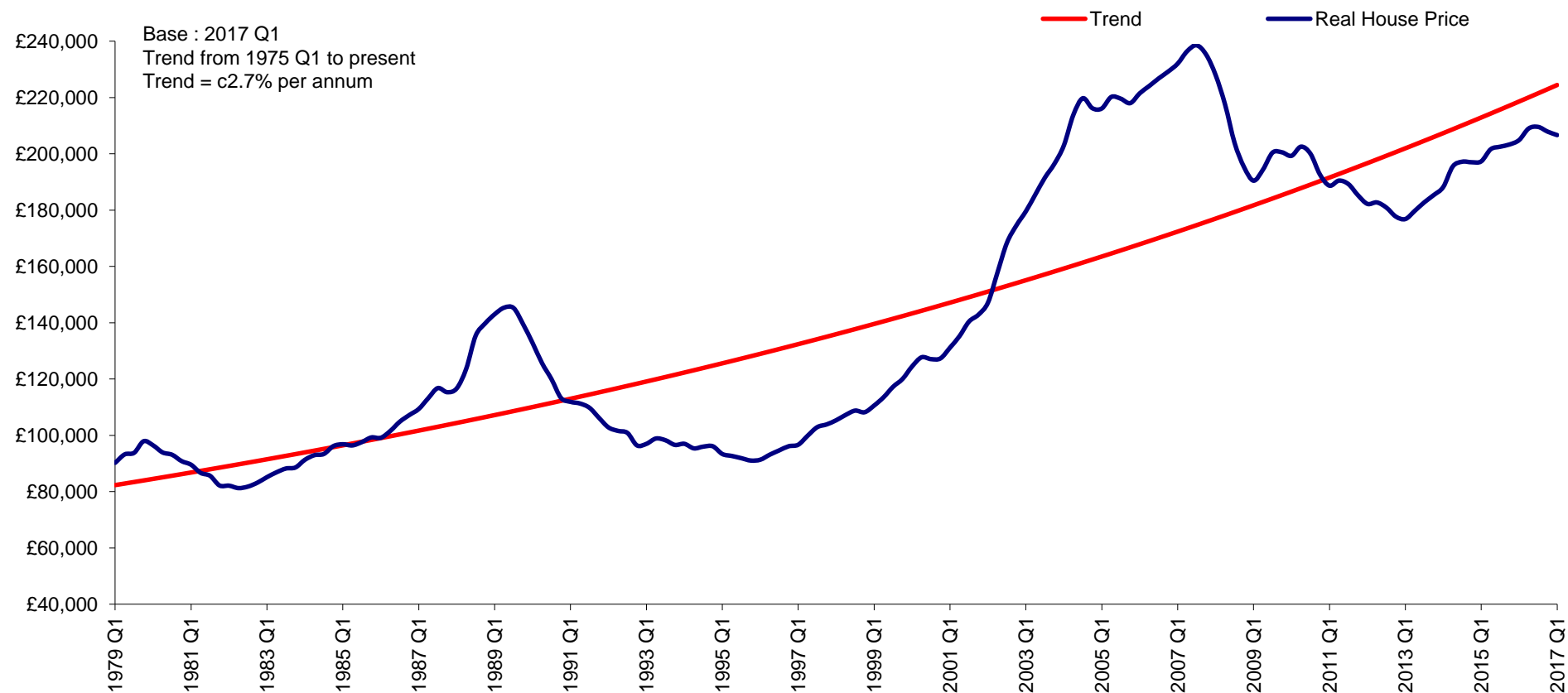


Consumer behaviour will be key - but what drives it?



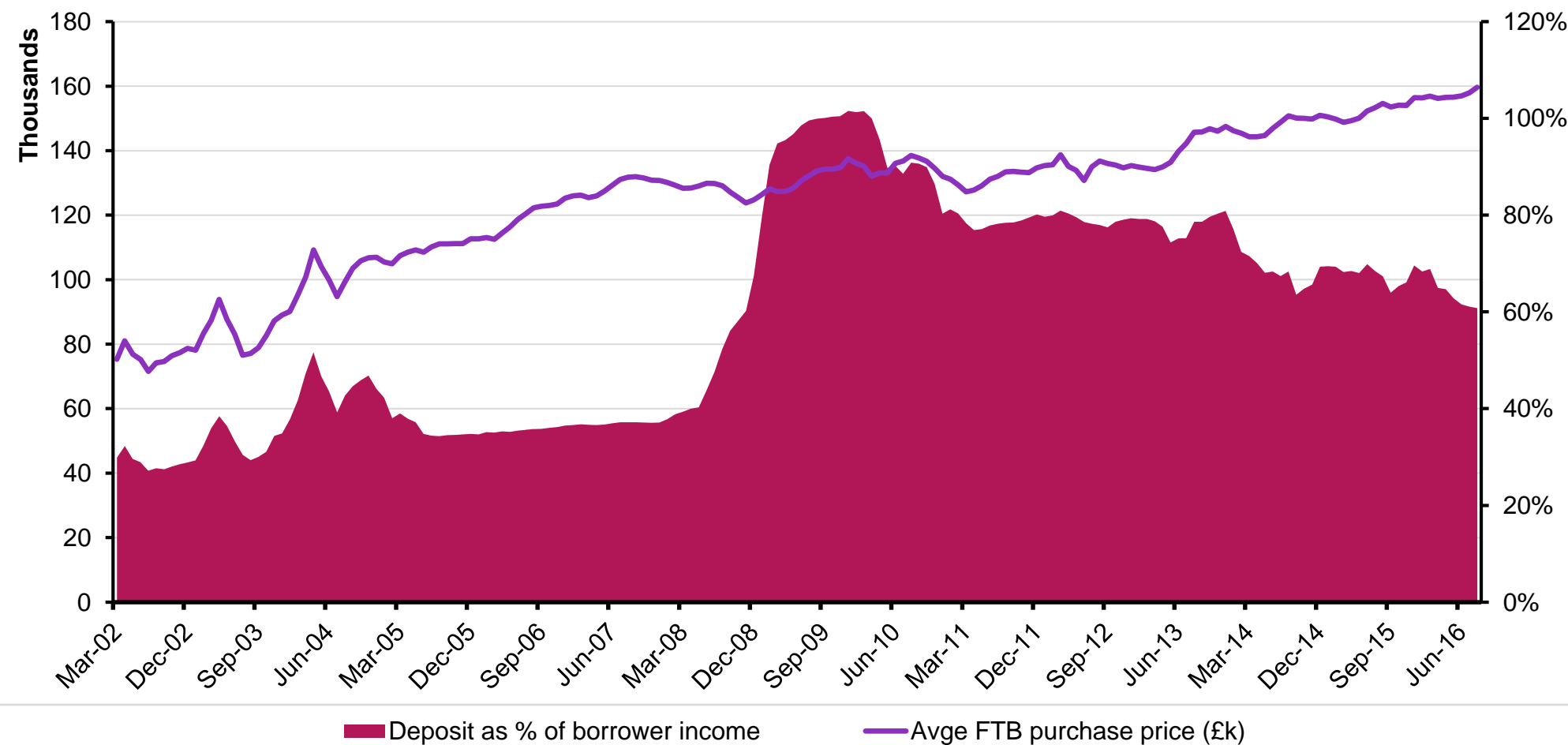
Source: IPD, ONS, RBS

Inflation in excess of wage growth will hold down house prices



Source: Nationwide

Support for First Time Buyers has done it's job



Source: CML, RBS

Major regional cities – Opportunity, lifestyle, affordability



Prepared for the unexpected?



120,000 - 1



After the referendum - life goes on and we are open for business

£150m Student accommodation investment facility, UK wide
£35m forward funding development of five student schemes across the UK
£20m residential development finance for 139 units in Bristol
£10m Industrial investment in Gosport
£8.7m development of 50 units in Exeter
£7.8m residential development finance in Bath
£5.5m development of mixed residential units in North Devon
£5m development of 57 residential units in Bristol
£3.75m development of 35 residential units in Somerset
£3.7m development of 16 executive houses in Somerset
£3.1m mixed commercial investment in Derby
£2.5m development of 13 units Somerset
£2.1m development of 4 units in Exmouth
£1.65m development of Barn Conversions in Devon
£1.5m development of 29 student studios in Exeter
£1.2m development of 10 flats in Exmouth
£1m development of 8 units in North Devon
£1m increase in net debt for office investment in Somerset
£1.8m PBSA development in Cheltenham
£915k investment refinance in Somerset
£850k residential investment in Bristol
£750k residential development finance, Gloucester
£588k residential development in Wales

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NATWEST MENTOR H&S SERVICES

Construction remains one of the most hazardous industries, accounting for about a quarter of all UK fatal injuries to workers. In the five years to March 2016, **210 construction workers have died** and many more have received life-changing injuries at work.



Source HSE

2015/16; 3.7% of the workforce were suffering from an illness they believe was caused, or made worse, by their work.

The sector has a statistically significantly higher rate of occupational lung disease and musculoskeletal disorders than the average for all industries

Source HSE

The majority of fatal accidents involve small businesses, and nearly half of all reported injuries occur in **refurbishment activities**

HSE:— TOP Three Priorities for the Construction Sector.



- Reducing incidents of ill health, with a particular focus on occupational lung disease and musculoskeletal disorders
- Supporting small businesses to achieve improved risk management and control
- Embedding the principles of the Construction (Design and

Recent Issues, that have lead to improvement/prohibition notices from the HSE.



- Working at height not properly controlled: –
 - scaffolding altered by site workers and not by qualified scaffolders.
 - Scaffold not inspected by a competent person every seven days –
HSE required at least a scaffold inspection ticket.
- Lifting equipment (telehandler) operated without appropriate ticket.



Site Security?

- No site Security – Member of public walked in whilst our consultant was there!!!



Bad storage and housekeeping



Trip Hazard:

Commonplace problem on a lot of sites.



Scaffold loading Bay

- Scaffold loading bay – Saves manual handling. Bricks, tools etc. Used with Telehandler or Forklift Truck.



In-completed scaffold in use.

Often the visit is initiated following a photo taken by a member of the public.

Other Issues, Identified by Mentor Consultants.



- **Real lack of understanding of the role of Principal Contractor and client in commercial builds.**
- **Lack of understanding in regards to:**
 - **Construction dust (Control – Suppression, Extraction and RPE)**
 - **Occupational Health.**

Silica dust



Silica is a natural mineral found in many construction materials such as concrete and mortar. The silica is broken into very fine dust (also known as Respirable Crystalline Silica or RCS) during many common tasks such as cutting, drilling and grinding.

Anyone who breathes in these dusts should know the damage they can do to the lungs and airways. The main dust related diseases affecting construction workers are:

Lung cancer
Silicosis

The largest amount of silica someone should be breathing in a day after using the right controls is



It is reported that Over 500 construction workers are believed to die from exposure to silica dust every year.

Construction sites present complex challenges every day, particularly to keep everyone safe onsite and manage a high turnover of employees in a wide range of roles.

NatWest Mentor can help with:-



H&S Consultancy – 24h Advice

Construction Health and Safety
Management System

Construction Advice Notes

Toolbox Talks

Site Inspections

Risk Assessments, Method Statements, Fire
Assessments

Crisis Management

Training