

BREXIT

Opportunities and Challenges for SW Construction Sector

Philip Beer

Glass half full or half empty?

One thing is certain There is a lot of uncertainty about

Still in Europe, just not in the EU



- 1. Market sentiment and deal flows
- 2. Some less good news...
- 3. And some better news



The UK property market will now enter a "prolonged period of uncertainty" following the country's historic Brexit vote, industry leaders have warned.

Property Week – 24 June

Likely weakening in occupier demand (particularly offices)

Brexit clauses in contracts triggered

Housebuilder land acquisitions – new sites paused

Market sentiment and deal flows



Keep calm and carry on

This does not feel like 2008/9

Banks are in better financial shape

Treasury/BoE policy to ensure financial stability/stimulus

Some less good news...



Banks, airlines, housebuilders and commercial property firms have seen the biggest falls on the FTSE since the result

The market's way to price in a recession or significant slowing in economic growth over the next few years.

Infrastructure, infrastructure, infrastructure



The underlying issues requiring major investment in UK infrastructure (in its widest sense) have not gone away.

Private – public sector partnering likely to become more prevalent in the coming months/years

Infrastructure, infrastructure, infrastructure



Railways

HS2
HS3/Northern Powerhouse
GW Electrification
Transport for the North
Transport for Wales



Infrastructure, infrastructure, infrastructure



Energy

Nuclear power Renewables Storage/frequency response

HPC FID awaited
Other new nuclear stations





Infrastructure, infrastructure, infrastructure



Housing

The demands for housing have not gone away

Affordable housing policy review?
Build to rent may be boosted





"Should sterling go into tailspin in the next few days, weeks and months, international investors playing the long game are more likely to jump on what could be a once in a lifetime chance to get hold of 'cheap' property." Andy Pyle, KPMG



Positive that we have a new government

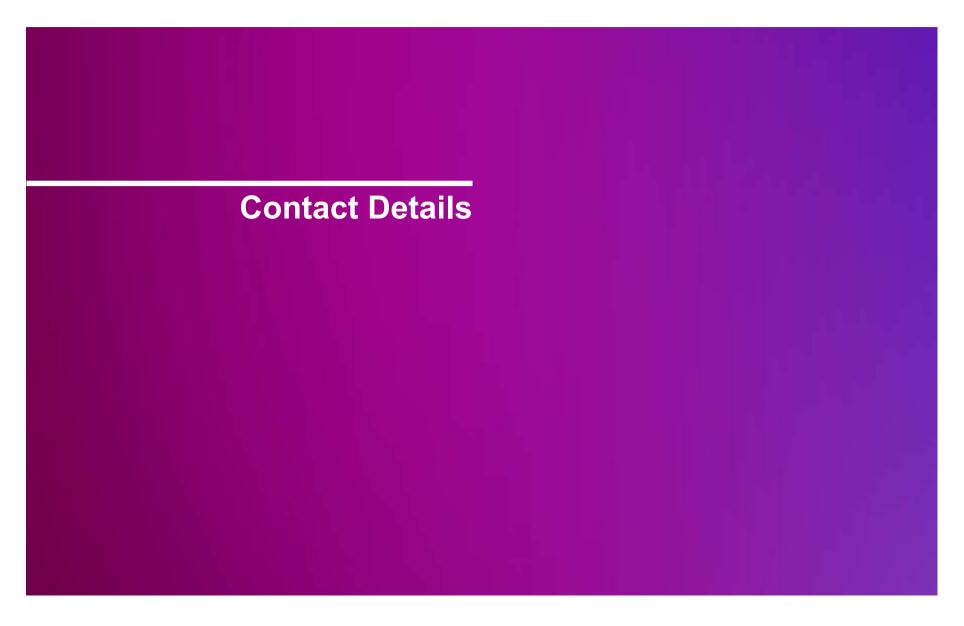
Position will become clearer over the coming months

Fundamentals for real estate in the UK economy remain strong

We risk talking ourselves into a recession

Keep calm and carry on!





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