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## Olympic Games Construction and Refurbishment Market UK 2008-2012

New AMA report provides a timely review of this major construction project.

“The Olympics minister, Tessa Jowell, has stated that the total ceiling of £9.325 billion will not be exceeded, warning that no extra money will be spent on the Olympic Park and other preparations for 2012 beyond the sum already allocated. However, as the overall construction market is anticipated to have a difficult period, the Games will represent a major opportunity for suppliers and contractors across the sector over the next 4 years – particularly as this budget does not represent the full cost of preparing for and staging the Games, but represents the cost to the public sector of building the venues and infrastructure, with private sector involvement in transport, leisure and infrastructure etc, likely to contribute to a much larger overall spend.”

A brief summary of the report is included on the following pages.

Priced at £650, the report is currently available from AMA Research Ltd,  
Telephone 01242 235724 or e-mail at [sales@amaresearch.com](mailto:sales@amaresearch.com).

### **Editors Note:**

Attached is a summary of the report. Please use brief extracts if you wish, **but we would request that references to company market shares are not published without our prior permission.**

If you would like to receive an editorial review copy or would like to speak to an author of this report, please contact Andrew Hartley or Chris Moore on (01242) 235724.

Please include our web address and telephone number on any review printed, it would also be appreciated if a copy of the review could be forwarded to AMA Research. Thank you.

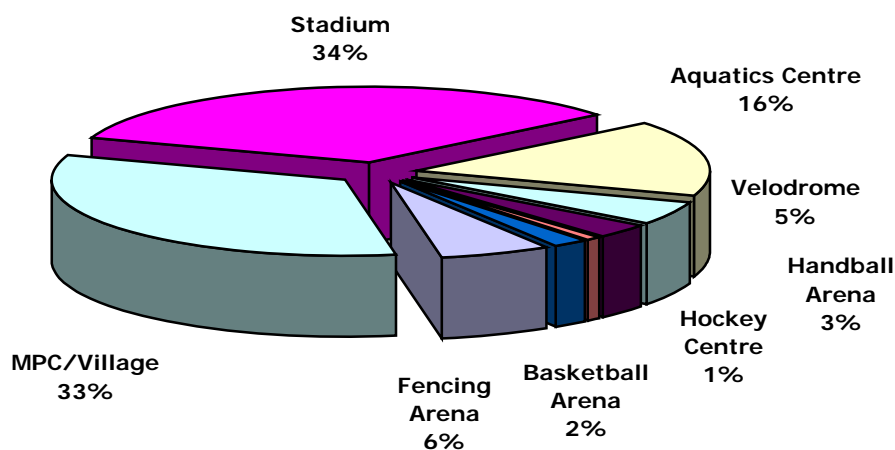
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# Olympic Games Construction and Refurbishment Market UK 2008-2012

The Beijing Olympics have generally been regarded as a major success – both in terms of Team GB performance and the infrastructure and facilities developed for the Games. London will have a hard act to follow, but plans and developments for the major locations are well under way and confidence is high that 2012 will be a great success.

AMA Research has recently published its annual review of the **2012 Olympic Games Construction and Refurbishment Market Report**. This significantly updates the previous edition published in July 2007, providing a detailed overview of **planning, design, construction and tender activity**, as at September 2008, together with **timescales and budget estimates** for each venue and project. In addition, the publication reports on many of the **key players** already awarded work and those bidding for current contracts, as well as those likely to express an interest in future tenders for 2012.

Also provided is a detailed analysis of the impact of the 2012 Games on the **Construction Industry** and the **economy** as a whole including anticipated output values, construction costs and workloads, together with the **impact of the global 'credit crunch'** on preparations for the Games.



The 'big five' Olympic Park venues (Olympic Stadium, Aquatics Centre, VeloPark, Olympic Village, media and broadcast centres) account for a substantial share of the venue costs as illustrated in the chart and are all on track. Construction has already started on the Village, Stadium and Aquatics Centre – ahead of schedule. In addition, the clean up of the Lower Lea Valley is well underway, while the majority of the site of the Olympic Park is being cleared and the infrastructure is being put in place. Outside of London, construction in Weymouth and Portland (the Sailing venue) is on track to be completed later this year.

Some **slippage** has been experienced in the ODA **procurement timetable** with the award of only 23 of the 33 contracts due to be sealed by March 2008. The delays have been attributed to the time taken to produce specifications and in obtaining project specific planning permissions and necessary stakeholder input. The **forecast construction completion dates have slipped for the Main Stadium and the Aquatics Centre**, but the Authority still expects to complete its construction activities in time to allow for test events before the start of the Games.

The extent of **cost pressures affecting the 2012 Games** can be seen in the £106 million increase in the anticipated final cost of the venues since November 2007. The position as at August 2008 is that the total ceiling of £9.325 billion will not be exceeded, with the Olympics minister Tessa Jowell warning that no extra money will be spent on the Olympic Park and other preparations for 2012 beyond the sum already allocated. Any overspending on projects for the Games will be balanced by scaling back projects in other areas.

However, this budget does not represent the full cost of preparing for and staging the Games, but **represents the cost to the public sector of building the venues** and infrastructure required to host the Games, as well as policing and wider security. Opportunities in the construction sector will be much wider, for example in the leisure / hotels, transport and infrastructure sectors, as a wide range of new developments and improvements are implemented to upgrade facilities for visitors to the events.

The report acknowledges that the 'credit crunch' is impacting on some developments, most notably the Olympic Village , but also recognises that the Games represents a key growth sector within a much tougher overall construction market over the next 3-4 years.

AMA Research's "**Olympic Games Construction and Refurbishment Market - UK 2008-2012**" report is available in hard copy or electronic format for £650 and can be ordered online at [www.amaresearch.co.uk](http://www.amaresearch.co.uk) or by calling 0871 3103450.