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Real Estate Matters
Issue 19

Construction & Real Estate Newsletter
July 2021

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Introduction

Welcome to the latest issue of Real Estate Matters from MHA.

In our third issue this year we find the construction industry facing a 'mixed bag' of challenges. While Brexit has contributed to the industries short supply of labourers, specialist trades and building materials resulting in increased costs, UK construction is expanding at a record rate, and we have seen the biggest property sales boom in ten years. Now six months into trading post-Brexit, we take a look at some of the key Brexit related VAT and Customs Duty issues that relate to the Real Estate and Construction sector.

It came as no surprise that that the Governments Net Carbon Zero target was a major discussion point at the G7 summit. In this issue we contemplate some of the challenges and opportunities this target offers to the industry and explain some of the new rules.

We also try to establish 'when does a car look like a van'? and take a look at the current rules and tax implications, investigate how you could sell your company without having to pay any tax on the gains, and review recent Valuations and Deal Volumes in the Construction Sector, how they have been impacted by the pandemic and look at common valuation methods in the sector.

If there are any topics within this issue you would like further information on, please do get in touch.

MHA Construction & Real Estate team

Valuations and Deal Volumes in the Construction Sector

Our Corporate Finance Partner based in the North East region and has advised on numerous civil engineering and construction service sector deals including the recent sale to LaFargeHolcim of Roadbuilder, Northumbrian Roads Limited in December 2020.

He has reviewed recent deal volumes and how they have been impacted by the pandemic and looked at common valuation methods in the sector.

£12.3 MILLION

Construction deal volumes fall since the Pandemic began – but quality of deals improves

The Pandemic has impacted the UK construction in many ways.

It is generally thought that the construction sector has fared better than many parts of retail, hospitality, and leisure, and that many construction sites have been continually open except for the first few weeks of the UK Lockdown. This has been supported by anecdotal data from the majority of MHA clients.

Recent analysis of UK construction M&A deals based on the year before and after the start of the first lockdown show that whilst the Pandemic has been very bad for volumes in the UK Construction sector, the deals that are being done after the impact of Covid 19 include a higher level of goodwill.

The analysis has been based on MarketIQ data for reported deals of UK Construction companies (as per their SIC Codes) for two years ending 31 March 2021; and the impact on deal volumes, average deal size and average levels of goodwill have been calculated.

Since the Pandemic began, UK Construction reported M&A deal volumes have decreased 85% and the average deal size has fallen 35% to £12.3m. The average size of the target companies being acquired reported net assets of around £4m which means that, typically, goodwill represented over 2/3rds of the actual deal size.

Goodwill is measured as the difference between the assets being acquired and the value of the deal and represents that are not valued on the balance sheet of the acquired company, such as the value of its brand, its contracts, its intellectual property, its intangible assets and future profitability.

The observation that the level of average goodwill is increasing suggests a couple of factors:

1. Buyers are being more choosey – their due diligence during the deal process may identify problems and risks at the target company which mean they are unable to complete a deal acceptable to the sellers.
2. Buyers only want to acquire companies that have a niche trading position and during the Pandemic there has been a “flight to quality” – only strong businesses are being sought after and so only deals with these better quality, niche target companies are completing.

(Or it may simply be that only the better-quality deals are being reported – in fact only about one in eight deals were reported – but there is no real evidence of this.)

So, if you are the owner of a UK Construction company how do you increase your levels of goodwill and hence your attractiveness to a buyer? **In short here are five quick tips:**

1. Increase your quality of profits: in particular your recurring profits which can be identified by your ongoing contracts, the length of time remaining on those contracts and to a lesser extent the longevity of your recurring customer base.
2. Increase your pipeline and order book: this gives the buyer greater confidence in the future.
3. Protect your intellectual property: with patents, systems or know-how.
4. Protect your reputation: especially for quality, health and safety and customer service; and
5. Maintain excellent Management Information: to demonstrate that the detailed financial records and decision making evidence that you are a well run company.

As we start to come out of the lockdowns and return to the “new normality”, it will be interesting to see how quickly construction deal volumes return or whether the focus on quality will continue for more years.

Common valuation methods in acquisitions

Our experience of many civil engineering and construction service sector deals show common themes emerging in valuations which should be addressed with the help of your corporate adviser before the transaction process starts to allow shareholders to understand the company’s value and how a buyer may view them.

Typically the valuation of a construction company will be a multiple of adjusted profits, which is then increased by cash held within the company, reduced by its debt and finally adjusted by some reference to normalised working capital level to arrive at the overall equity value.

This method of valuation is an art and not a science and there needs to be a clarity of the definitions used so that all parties can become comfortable with the valuation method so that it may be fairly reflected in the final share purchase agreement.

Taking each of these five key definitions in turn:

Multiple: this can be referred to as the p/e multiple (price earnings) and tends to be around 5-8 for many SME owner managed construction businesses with at least £1m profits, though the multiple can vary hugely depending on circumstances, some of which we discussed above. Research into published data on similar deals can help to ensure the correct multiple is applied.

Adjusted profits: refer to the historic earnings before interest, tax, depreciation and amortisation (abbreviated to EBITDA) and adjusted for non-recurring costs such as vendor family costs, excessive Directors remuneration and one-off items.

Cash held: typically this is all cash at completion but increasingly buyers seek to value only the excess levels of cash and may seek to argue that some cash is required to be retained for the smooth running of the business, or that some cash represents payments on account and so should not be valued. Discussions around this definition of ‘free cash’ are becoming more important during the final negotiations phase of the deal.

Debt: whilst there is no strict definition this typically includes bank overdrafts and loans, corporation tax, overdue trade creditors and hire purchase.

Normalised working capital level: is the opportunity for a final valuation adjustment to ensure that the cash included in the valuation is not unusually distorted by seasonal trading, payments on account or some other unusual trading patterns. This adjustment is normally required by the buyer to ensure they do not have to insert more cash into the business after completion; and conversely required by the seller if their cash levels at completion would otherwise be unusually low.

Bugged by Brexit?

Although we are now 6 months into our post-Brexit way of trading, many businesses are still finding implementing the Customs Duty and VAT issues arising out of Brexit is like walking through treacle. We are looking today at some of the key Brexit related VAT and Customs Duty issues that relate to the Real Estate and Construction sector.

The sector has already had to deal with many VAT issues this year, such as:

1. Implementing the new Domestic Reverse Charge;
2. Managing the big Covid VAT payment deferrals; and
3. Ensuring that accounting systems are fully Making Tax Digital compliant.

So what are the big issues for the sector when it comes to importing materials, hiring equipment and doing business in the EU?

Importing materials:

- Are you named as the importer of record?
- Have you instructed your agent to declare the import to Postponed import VAT accounting "PVA"), so you do not have to pay the VAT up front? PVA allows you to deal with the import VAT on your VAT return and is a good cash flow measure introduced by HMRC.
- Will you be charged Customs Duty? Do you know how to check the Customs Duty tariff classification and where to find the commodity codes for the materials you are buying?
- Only goods with an EU stated origin are eligible for 0% Duty under the Free Trade Agreement.
- Did you know that certain materials are subject to quotas and Duty will be charged once that quota is reached?

Hiring equipment

- If you are hiring equipment from the EU and importing it into the UK, be aware that HMRC only allow the owner of the goods to recover the import VAT. You may want to check that the hirer is registered for UK VAT and will import the goods into the UK.
- If you are a hirer and lease equipment to an EU business and the goods stay in the UK, you must charge UK VAT post Brexit.

Doing business in the EU.

- Selling materials, equipment and goods generally to the EU will be subject to export and import declarations. It is important to establish incoterms with your customer which will determine who is classed as the importer into the EU.
- The importer has responsibilities for VAT and Duty payments.
- A UK business which is not established in the EU will need to appoint an Indirect Customs representative to clear the goods on the UK businesses behalf if that business is selling DDP terms. They can be difficult to find as they are in high demand and Indirect representation carries with it more risk for the agent as he is jointly and severally liable for the VAT and Duty costs if something goes wrong.
- Previously businesses that were involved in supply and install contracts could often avoid VAT registration in the EU as many countries had a simplified reverse charge procedure. However, this usually only applies to EU businesses, so if you are signing up to such a contract please look at the VAT implications as you may need to register for VAT in that country and charge local VAT. You may also need to appoint a local fiscal representative to deal with VAT compliance on your behalf.

> VAT and Customs Duty post Brexit brings complexities that businesses would rather not have to deal with. It can be costly to get it wrong and have a serious impact on profit margins. Being able to adapt and implement the challenges that come with post Brexit (and we haven't even mentioned Northern Ireland and the TSS!) is important to ensure business continuity. At MHA we have the experts to help guide you through this maze and to get you safely to the other side.

Employee Ownership Trust

A relatively recent tax relief allows construction companies to be sold for zero capital gains tax.

If you were told that you could sell your company without having to pay any tax on the gains, would you be interested? You would be? Then read on.

Back in 2014 a new tax relief was introduced. It brought in the concept of an Employee Ownership Trust (EOT). As the tax relief's name suggests, it is to encourage company owners to transfer their companies to their employees. Company owners wanting to take advantage of this tax relief do so by transferring their companies to a newly set-up trust, an EOT, whose beneficiaries are the employees of the company. These employees will include all employees and directors of the company but not any employee or director who owns, or has owned in the past 10 years, 5% or more of the company. Although all employees must be included as the beneficiaries of a trust, any employee who has been with the company for less than 12 months can be excluded from benefitting from the EOT.

Provided several conditions are met by both the EOT and the company, if the present owners give, or, more interestingly to shareholders, sell their shares to the EOT for full value, if they sell at least 51% of the company, the sellers will pay no capital gains tax ("CGT") on what they receive for the shares they sell to the EOT in the UK tax year the EOT first acquires more than 50% of the company.

To emphasise, that is zero tax on whatever you receive. If instead you were to sell your company to a third party buyer for £10m, you would pay CGT of £1.9m, assuming you had all your £1m "Entrepreneurs', Relief" band available. Selling that company to an EOT would cost you nothing in tax and just £50,000 in Stamp Duty, a tax saving of the best part of £1.9m.

There are catches, of course, like having to continue to meet the qualifying conditions for up to 24 months after the sale to the EOT. However, using offshore trustees can deal with some of these.

In addition to the zero CGT benefit, there are further tax benefits of an EOT:-

1. Firstly, the EOT's purchase price for the company's shares is usually funded from the company's accumulated and future profits over, say, five to seven years. These profits are contributed to the EOT rather than being paid as a dividend and so are paid to the EOT free of dividend tax and then paid onto the sellers to pay off their owed sale proceeds without further tax; and
2. Company's owned at least 51% by an EOT can pay annual tax-free bonuses to employees of up to £3,600 per employee per year.

I say to clients that they should not consider a sale to an EOT just for the tax exemptions. However, if they find the thought of selling to a large multinational company difficult because of the potential threat to the identity of their long-nurtured company or to their valued employees job prospects, and if they have capable senior employees able to take on the running of the company, or the selling shareholders are prepared to remain with the business for a few years as directors or consultants to bring on and mentor the new management team, a sale to an EOT must be on the table for consideration.

A sale to an EOT can be combined with a Management Buyout (an "MBO") or share incentives for the senior managers who are going to take the company forward to give those senior managers a direct equity interest in the company to be rewarded for growing it after the sale to the EOT.

And why are we including this article in a newsletter aimed at Construction and Real Estate companies? Because quite simply the idea is proving popular with construction companies. It is public knowledge that companies like Mott MacDonald, Arup, The McGee Group and Triton Construction have gone through sales to EOTs. Within MHA MacIntyre Hudson, we have helped at least 10 construction or building services companies with sales to EOTs.

If you are currently thinking about exiting from and/or selling your construction business or are starting to think of succession plans, an EOT and a sale of part or all your business to it must be something you consider.

Van or car - VAT Implications

When does a 'car' look like a 'van'?

On first inspection this appears to be a ridiculous question, far below the publication standards you've come to expect of MHA! However, it is a pertinent point and one relevant to many of our clients in the sector, especially given the rise in popularity of multi-purpose vehicles over the past 10 years.

In a long running case, pitting HMRC against Coca Cola, the Court of Appeal was ultimately asked to consider certain vehicles which any layperson would describe as vans. Indeed the vehicles in question, specifically a Vauxhall Vivaro, a Series 1 VW Kombi and a Series 2 VW Kombi, were all marketed as commercial vehicles and are initially based on a common panel van design.

The Court considered the above vehicles, provided to Coca Cola employees, which have additional seating and windows behind the driver and had been modified after manufacture. The ruling noted that removable seating was in place within each vehicle or was formerly in place before post manufacture modifications. Each had been treated as a commercial vehicle for tax purposes by Coca Cola.

The current rules:

Tax legislation states that a van can only be considered as a goods vehicle if its construction is primarily suited for the conveyance of goods, or burden of any description. With reference to our sector, replace goods with the carriage of building materials and/or tools and machinery.

The key word in this context is 'primarily'. Each of the VW Kombi models was originally fitted with a removable three-person bench seat in the vehicle's mid-section, meaning no goods could be carried with these in place. One model was also modified to include a fixed partition to separate it from the cargo area at the very rear. The Vivaro also included an additional set of removable seats and a passenger window as modifications.

Based on these facts, the Court has therefore judged that each is a multi-purpose vehicle, suitable for carrying passengers as well as goods.

Cars are defined as vehicles other than a vehicle primarily suited to carrying goods. So it was held that a multi-purpose vehicle fell into the category of car, for P11D purposes.

Implications for the tax take:

The case has been appealed to the Supreme Court, so the position is still uncertain. But if HMRC win, it means that multi-purpose "vans" will be treated as cars, and therefore subject to much higher benefit in kind charges.

The current annual van benefit charge is £3,500 and is multiplied by the rate of income tax paid by the employee, typically either 20% or 40%. This means a 20% taxpayer would be liable for £698 this tax year. The company is liable for Class 1A National Insurance Contributions at a rate of 13.8%, so £483 in this scenario.

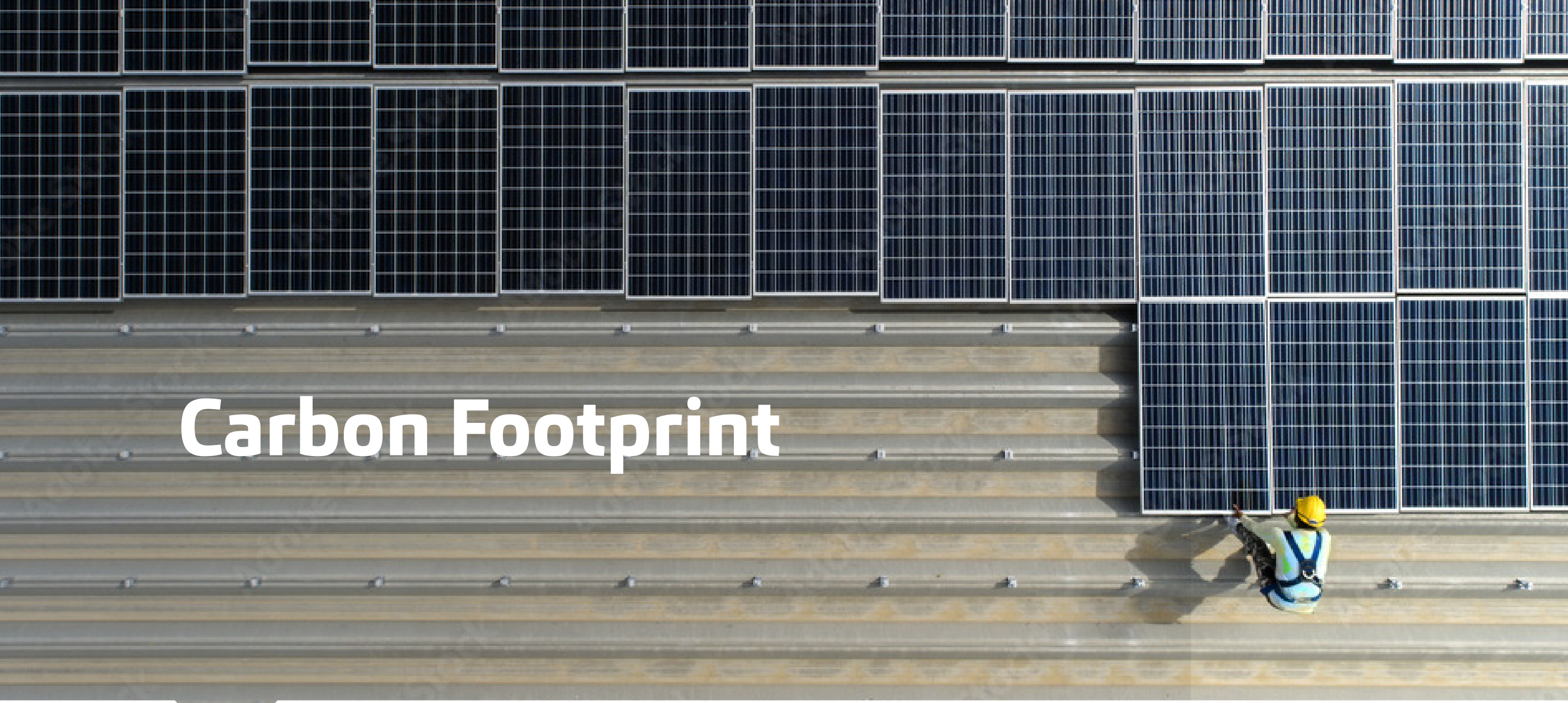
Company car tax, however, is determined by a sliding scale according to CO2 emissions and list price, which would prove much more costly than company van tax. A further critical point is that many employees currently escape a van benefit altogether if their only private use is to take the van home after work. If the vehicle is classified as a car, keeping it at home overnight would make it a taxable benefit in kind regardless of how and when it is used.

Action points:

Companies purchasing multi-purpose vehicles therefore need to consider the possibility that their vans may in fact be cars for P11D purposes once the Supreme Court has ruled on the matter. It then remains to be seen whether HMRC will seek back taxes from the companies and employees affected.

None of the above affects VAT, which has its own rules.

We therefore advise that you should undertake a review of your vehicle fleet considering these developments and discuss with your local MHA office. The consequences of the ultimate ruling could well be far reaching, impacting both company and employee cash flows.



Carbon Footprint

Firms must commit to net zero to win major government contracts

Having previously highlighted the increasing legislation and reporting requirements that have been, or are in the process of, being implemented for UK Govt to meet its Net Carbon Zero target, it came as no surprise that at the G7 summit climate change was again a major discussion point. All G7 nations have agreed to a 2050 Net Carbon Zero target with deeper short-term cuts to be announced for the end of the decade. As we roll on to COP26 in November expect further information and instruments of implementation.

Just prior to the G7 summit the Government announced one such instrument, that business must commit to net zero by 2050 before they can bid for major government contracts. With other major public sector organisations such as the NHS and an increasing number of influential major brands and businesses also having a net zero target, supply chain prerogative is going to be an increasingly wielded tool by large organisations in meeting their publicly stated obligations.

However, under the new measures, by September, prospective suppliers bidding for contract above £5 million a year will not only need to have committed to the government's target of net zero by 2050 but will also have to publish a carbon reduction plan. Firms failing to do so will be excluded from bidding for the contract.

A carbon reduction plan details where an organisation's emissions come from and the environmental management measures already in place. Large companies must now report part of their carbon emissions under the Streamlined Energy and Carbon Reporting (SECR) requirements. The current focus of SECR is; Scope 1 (direct), Scope 2 (indirect owned) emissions and Scope 3 emissions being voluntary.

The new rules will go further, requiring the reporting of some Scope 3 emissions, including business travel, employee commuting, transportation, distribution, and waste. Scope 3 emissions represent a significant proportion of an organisation's carbon footprint.

By way of an example, National Health Service published in October 2020, a scope 3 footprint of 76% within delivering a National Health System 'Net Zero'.

Whilst the measures will apply to all central government departments and arm's length bodies, and affect companies pursuing contracts of over £5 million, the impact will be felt across all companies supply chains as tier one contractors look for robust carbon reduction targets across much of their scope 3 emissions.

The new rules are aimed at driving forward the government's green agenda, whilst also striking a balance to not overly burden and exclude small and medium sized (SMEs) from bidding for government work. While the tender value itself may well provide a barrier for SME reporting requirements, for the many that sub-contract work within the tier 1 and tier 2 contracting chain, over time it is expected that not only will they be asked to report their emission, but also how they themselves can contribute to reduction and Net Carbon Zero pathways.

The government spends over £290 billion on procurement every year with around 13% of this across the Infrastructure and Construction pipeline. This move is significant for the industry, but where the Government have led others will follow, and once again whilst there are risks for some organisations, for those with lower carbon products and operations there is a real chance for growth.

In our continued support of the construction industry, we are proud to be sponsoring the Sustainability Award at this year's National Building and Construction Awards in November.

For us, sponsoring sustainability is relevant not only to understand the technical developments, but also to capture the R&D expenditure that arises on which tax reliefs are claimable. The construction industry is building for the long term. Future proofing new builds now and re-engineering existing stock is acting today for the longer benefit of future communities. From an investment viewpoint there is little point in building something that cannot stand the test of time.

News bites

Shortages

It is general consensus that there has been an exodus of EU workers due to Brexit leaving an acute shortage of labourers in a number of specialist trades.

A shortage of heat pump installers could hinder the Government's plan to tackle climate change by banning gas boilers in new build homes. The homes standard will require low-carbon alternatives to gas boilers in all new homes by 2025. Independent reports indicate there are only around 1,200 qualified heat pump installers in the UK whereas it is estimated that 10,000 will be required by 2025. There are also questions over the manufacturing capacity to deliver

It has been widely reported that many of the basic building materials are in short supply with significant price increase being applied. Travis Perkins was reported to have advised their customers of significant price rises at the beginning of June. Not only were prices going up but lead times for delivery extended.

UK construction expands at record rate

The lifting of lockdown restrictions on the UK in May caused a rise in new orders implementing the fastest surge to the UK construction sector since 2014.

The IHS Markit/CIPS construction purchasing managers' index saw an increase from 61.6 to 64.2 – well above the 62.3 forecasted by economists. A reading of over 50 indicates growth. Growing demand following a housing market boom has allowed housebuilders to drive this growth. Official data suggests a record 10% house price increase last month. Commercial work has also reported a record increase since August 2007.

Stamp duty deadline prompts UK's biggest property sales boom in 10 years

Across Britain it is estimated that over 700,000 home sales are going through the conveyancing process, the highest seen in over a decade and 78% higher than this time last year. According to Rightmove, 220,000 properties sold subject to contract between July 2020 and February 2021 are still waiting to complete due to the 'back log', with the current average time from sale agreed to completion being four months.

UK housing market "on fire"

The UK's housing market is "on fire" and the rise in prices is likely to worsen pre-existing wealth inequalities, said The Bank of England's Chief Economist Andy Haldane, after the Halifax revealed the average house price increased by £3,000 in May, taking the average property price to £261,743, a record high.

Andy Haldane said the price spike is a result of the stamp duty holiday and a reduced supply combined with increased demand, due to households having more savings after the lockdowns. He added, unless policy makers tackle the supply of homes, "inevitably we'll see the sort of relentless rise in house prices relative to incomes that we've seen over the past 30 to 40 years".

Hotelification' of offices in the rise

Helical is predicting an increase in "hotelification" of office buildings, as employers try to tempt workers back with high-quality work spaces. Gerald Kaye, chief executive of Helical, expects increased demand for modern developments with more and more bosses looking for hybrid working following the pandemic. Tenants want the most efficient and up to date air conditioning systems and there is a greater demand for secure bike parking and modern high spec changing facilities. Kaye added: "We will see an increasing "hotelification" of office buildings, with five-star management a necessity."

Self-storage Surge

Since the onset of the pandemic, self-storage warehouses have seen a surge in demand. Customers face paying hundreds more in rent per year due to the extra demand from people moving home and setting up small businesses. A new report has revealed that the use of self-storage units reached an all-time high in 2020. 82% of all space in warehouses was occupied - a 6% increase year on year and an increase of nearly a fifth in the past 10 years. This new demand during the pandemic has resulted in rents increasing much more quickly than previously, according to the report by the Self-Storage Association and Cushman & Wakefield.

The average rate per square foot this year has increased by 86p excluding VAT, compared to an average of 50p over the past five years.

House price growth

The pandemic may have caused house buyers to reassess their housing preferences. In our UK HPI data, we have seen the average price of detached properties increase by 11.7% in the year to March 2021, in comparison with flats and maisonettes increasing by 5.0% over the same period.

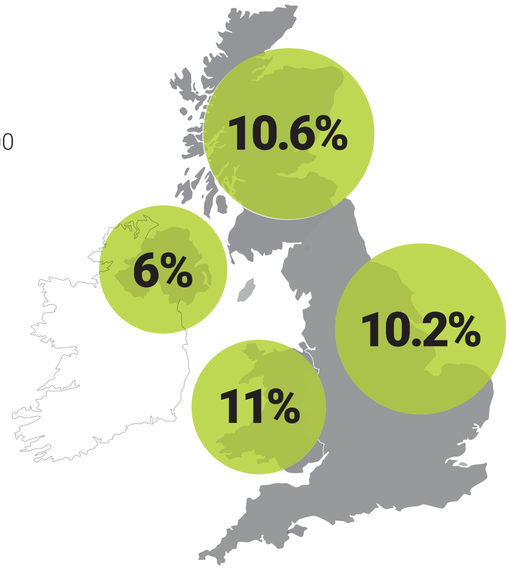
UK average house prices increased by 10.2% over the year to March 2021

Monthly house prices changes across the UK and Ireland

The average UK house price was £256,000 in March 2021; this is £24,000 higher than in March 2020.

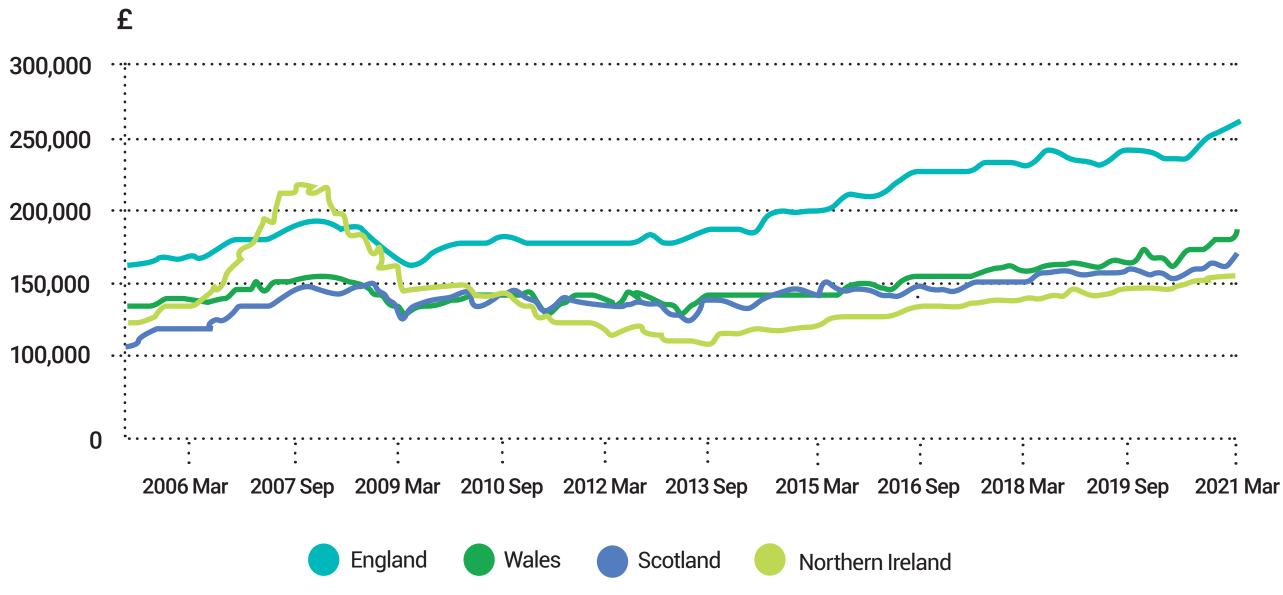
Average house prices increased across all four countries:

- England increased 10.2% to a record high of **£275,000**
- Wales increased 11.0% to a record high of **£185,000**
- Scotland increased at a record level of 10.6% to **£167,000**
- Norther Ireland increased 6.0% to **£149,00**



England house prices remain the highest in the UK

Average house price by country, UK: January 2005 to March 2021



Impact of COVID-19

The ONS is working to ensure that the UK has the vital information needed to respond to the impact of the coronavirus (COVID-19) pandemic on our economy and society, this includes how we measure the UK HPI.

In the past 12 months all those involved in the property market have been impacted by the effects of the coronavirus; HM Land Registry is no different and as a result of this the House Price index data isn't as complete as it could be. HM Land Registry are focusing on their core purpose of registering land and this includes recording the price paid for a property.

This means that the HPI may be subject to increased revisions as more data are added over the coming months.

HM Land Registry's absolute top priority is to reduce any delays, both those caused by the pandemic and those existing beforehand. To simultaneously deliver their services while promoting public health, they are adjusting their resources where necessary, introducing automation where practical, and recruiting and training more than 500 new staff.

They have temporarily changed the date they receive the transaction data from HM Land Registry. Because of this, they receive more transactions than what is immediately seen in the published Price Paid Data.

The processing of new build properties has been more affected than the processing of "old build" properties. So, to address this, they have pooled new build transactions for certain months:

Dec 2020 Includes new build transactions from November and December 2020 for England and Wales.

Jan 2021 Includes new build transactions from November 2020, December 2020 and January 2021.

Feb 2021 Includes new build transactions from December 2020 and January 2021 and February 2021 for England and Wales.

because of the nature of the processing of the new builds, these are never included in the model for the first estimate, so March 2021 has not been affected.

These changes might lead to larger revisions to published estimates than usual as they reduce the reliance on pooling. Further information on how we usually process the new build properties can be found in the Quality and methodology guidance.

The ONS has released a public statement on the coronavirus and the production of statistics. Specific queries should be directed to the Media Relations Office.

End of EU Exit transition period

As the transition period ends and the UK enters into a new Trade and Co-operation Agreement with the EU, the UK statistical system will continue to produce and publish our wide range of economic and social statistics and analysis.

They are committed to continued alignment with the highest international statistical standards, enabling comparability both over time and internationally, and ensuring the general public, statistical users and decision-makers have the data they need to be informed.

As the shape of the UK's future statistical relationship with the EU becomes clearer over the coming period, the ONS is making preparations to assume responsibilities that as part of our membership of the EU, and during the transition period, were delegated to the statistical office of the EU, Eurostat. This includes responsibilities relating to international comparability of economic statistics, deciding what international statistical guidance to apply in the UK context and to provide further scrutiny of their statistics and sector classification decisions.

In applying international statistical standards and best practice to UK economic statistics, ONS will draw on the technical advice of experts in the UK and internationally, and their work will be underpinned by the UK's well-established and robust framework for independent official statistics, set out in the Statistics and Registration Service Act 2007. Further information on ONS's proposals will be made available later this year.

Regional variation

14%

Yorkshire and The Humber was the region with the highest annual house price growth, with average prices increasing by 14.0% in the year to March 2021. This was up from 11.0% in February 2021

3.7%

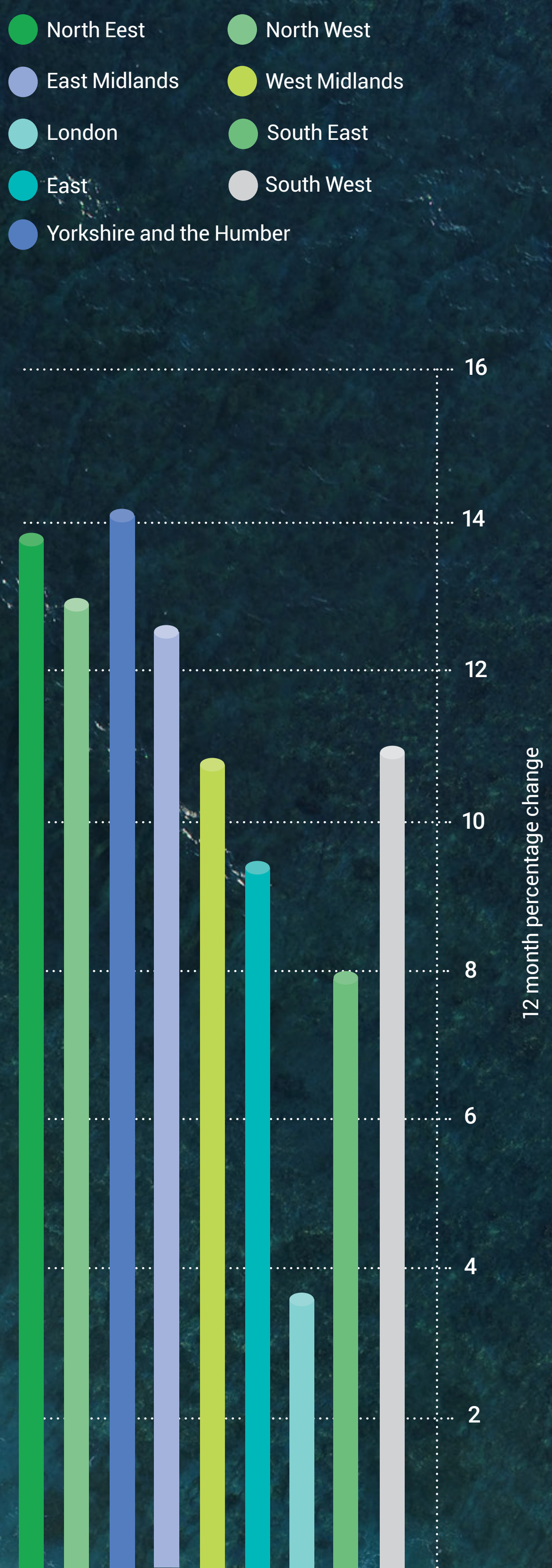
The lowest annual growth was in London, where average prices increased by 3.7% over the year to March 2021, down from 4.4% in February 2021.

London's average house prices remain the most expensive of any region in the UK at an average of £500,000 in March 2021.

The North East continued to have the lowest average house price, at £146,000, and surpassed its pre-economic downturn peak of July 2007 in December 2020.

London remains the region with the lowest annual house price growth

All dwellings annual house price rates of change, by English region, year to March 2021



MHA Construction & Real Estate Team

Our Construction & Real Estate experts understand the challenges and opportunities within the sector, which remains a vital part of the UK economy.

A national Construction & Real Estate team with local specialists that understand the sector in your area.

Our service is partner-led and we aim to build a strong working relationship with you to understand your business and goals.

We have a wealth of experience in providing professional advice to a diverse range of clients within the property and real estate arena, including commercial and residential investment, facilities management, developers, and property-related service providers.

Our experts understand the issues that face the construction industry and have an enviable reputation for providing advice and support to clients across the sector including civil engineering, house building and developing, as well as the various construction trades and support services.

A wide range of tailored services: assurance, tax, compliance, advisory, training and more, delivered with practical understanding.

Worldwide specialist sector support through our independent membership of Baker Tilly International.

mha | hub

MHA Hub offers clients and contacts a diverse programme of professional events, training, and publications that has been created to offer the latest in best practice, good governance, and regulatory updates and insights,

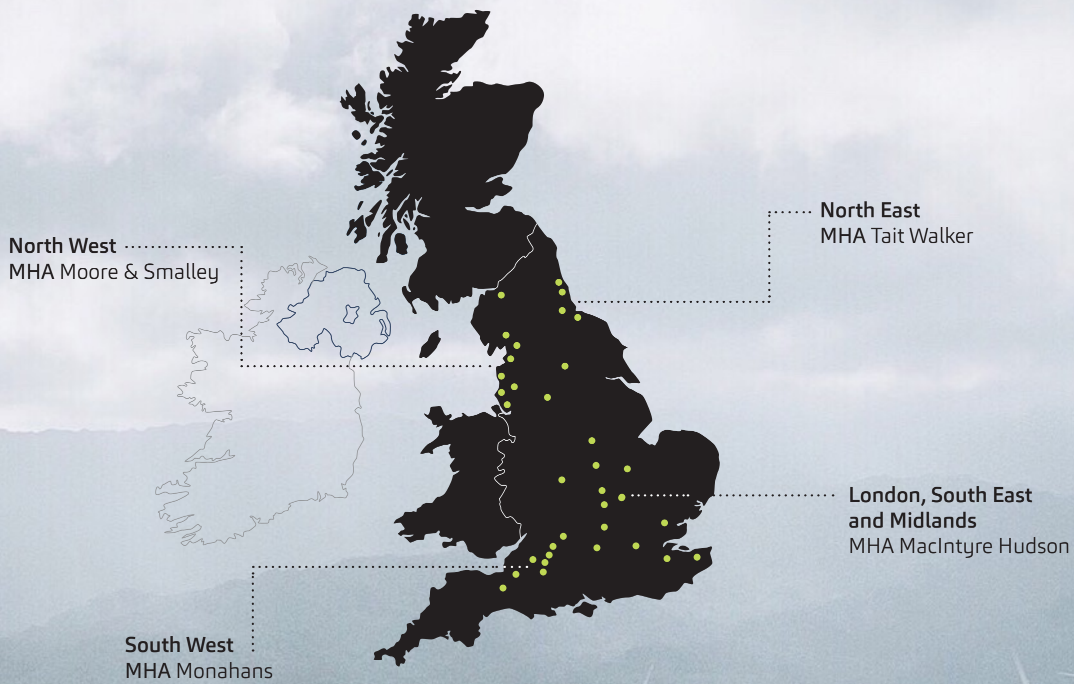
About MHA

MHA is an network of progressive and respected accountancy and business advisory firms with members across the UK.

Our member firms provide both national expertise and local insight to their clients. As an independent member of Baker Tilly International, a top 10 global advisory network, MHA offers clients unparalleled access to a broad range of in-country international specialists where overseas projects are on the horizon.

Our Sector Approach

MHA allows clients to benefit from in depth sector knowledge in addition to specialist accountancy services and expert business advice. Construction & Real Estate is a key sector for MHA, and our industry experts understand the challenges and opportunities within the sector. With MHA's sector experience, and local, national and international knowledge, our team is well placed to provide leading advice.



National Reach

136
Partners

1,375
Staff

£121.9m
Combined turnover

4
Independent accountancy firms

33
Offices nationwide

International Reach

148
Territories

US$4.04bn
Combined member firm revenues

An independent member of bakertilly INTERNATIONAL

37,000
Partners & Staff

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