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<p><b>INCORPORATING CHANGES UP TO 1<sup>st</sup> NOVEMBER 2007</b></p>	

The *Update* covers the *Architects' and Builders' Price Book*, the *Civil Engineering and Highway Works Price Book*, the *External Works and Landscape Price Book* and the *Mechanical and Electrical Services Price Book*. Details of changes in material prices, wage rates etc. are given and the various indices and adjustment factors presented in the books are brought up to date.

Each of the Price Books is dealt with separately in its own section of the *Update*. Information on changes to the *Architects' and Builders' Price Book* appear on pages 5 to 7, the *Civil Engineering and Highway Works Price Book* on pages 8 to 9, the *External Works and Landscape Price Book* on page 9 and the *Mechanical and Electrical Services Price Book* from page 11.

Corrections are headed 'Erratum' and boxed to distinguish them from updated information.

Since the 2002 edition, each series of published updates throughout the year no longer includes a complete history of prior changes. Therefore, if, at any time, you have not previously obtained a copy of an earlier *Update*, please go on-line at [www.pricebooks.co.uk](http://www.pricebooks.co.uk) to download a version.

Spon's 2009 Price Books are planned to be published in August 2008.

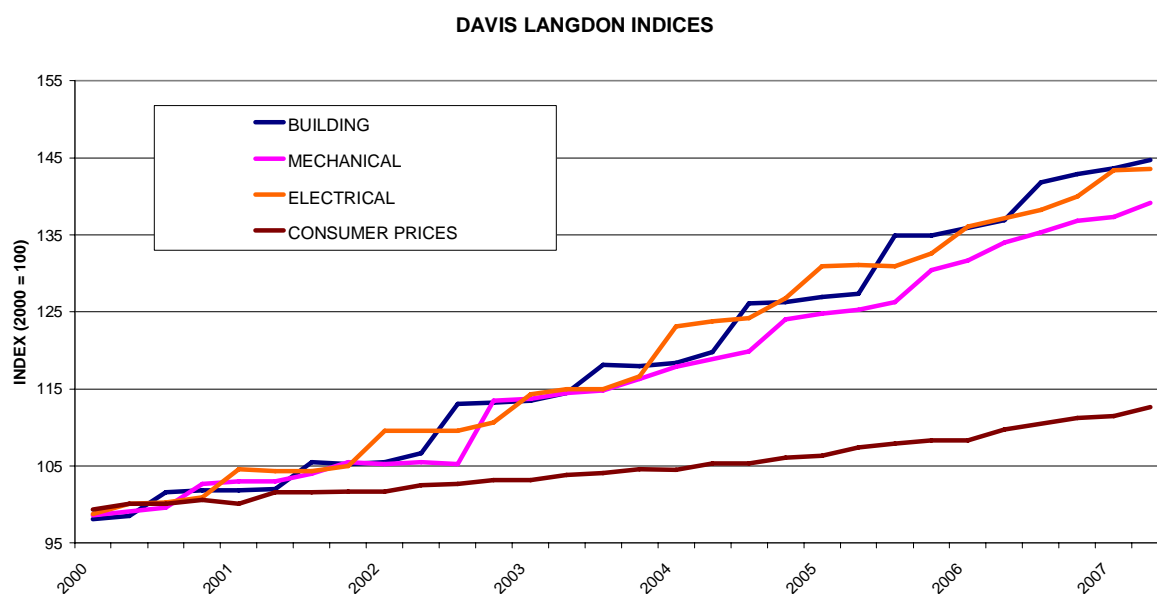
**Unless otherwise stated, wages and prices within the four books are still current.**

## The Construction Climate

**Tender price index** – prices in Greater London rose another 1.7% in the past quarter and 7% over the year. Prices were also under pressure outside London but generally rose a point or so less. There are still doubts about the economy over the next year but inflation is still expected to reach 5–7%.

**Building cost index** – there is a slight easing in materials price inflation, but the 6% labour increase next June will push the annual figure back up.

## Key Trends



All of the inflation measures display lower year-on-year percentage change figures than in the recent past: the Building Cost Index is down from 7.5% a year ago but has been steady around the current figure for the last three quarters and is now considerably higher than the other measures. This is largely down to materials prices which continue to rise at a historically fast pace. The rate of inflation in materials is expected to slow during the remainder of 2007 bringing the year-on-year change in the index down gradually to below 5% by the year end.

The rate of change in the Mechanical and Electrical Cost Index series has come down, particularly the Mechanical where the year-on-year increase stood at 7.1% three quarters ago. This has largely been the result of an easing in materials price increases since the latter half of last year. With a recent increase in H&V wage rates of 3.5%, the Mechanical Cost Index may remain the lowest of the construction measures for some time to come.

## Construction Output

New work output is forecast to rise by 3% in 2008 led by private commercial work, particularly offices. Retail growth will be muted, but the leisure sector will be boosted as the Olympics construction moves further forward.

## Key Materials

The Department of Trade and Industry (DTI) and The Office of National Statistics (ONS) issue data identifying the following changes to key materials since the book material prices were collated in May 2007 up to the latest published data in November 2007.

	<b>Percentage change</b>
Sawn softwood	7.7%
Windows & doors – softwood	4.6%
Fabricated structural steelwork	3.5%
Plasterboard	3.2%
Concrete reinforcing bars	2.6%
Plastic pipes – rigid	1.7%
Clay bricks	1.6%
Pre-cast concrete products	0.9%
Paints – water based	No change
Paints – non-water based	-1.0%
Sand and gravel	-1.4%
Ready-mixed concrete	-2.3%
Copper pipes	-4.4%

Lead prices doubled between June 2006 and February 2007 and rose a further 75% before peaking at £1,750 per tonne at the end of July. China has once again been leading the demand, generating a supply deficit and low stocks.

Timber work, such as doors and windows, fencing and carcassing have also seen some sharp increases this year fuelled by heavy demand from the Far East and Middle East.

## National Wage Awards between editions

Below we include a schedule indicating current wage awards and when the next reviews are expected.

<b>Agreements (in books)</b>	<b>Next review</b>	<b>Notes</b>
1. Building and Civil Engineering Industry wages ( <i>Spon's A&amp;B 2008 pp 156–158, 833–834</i> ) ( <i>Spon's CE 2008 pp 33–38</i> ) ( <i>Spon's Landscape 2008 p 377</i> )	June 2008	
2. BATJIC wages ( <i>Spon's A&amp;B 2008 p 834</i> )	June 2008	
3. The Joint Industry Board for Plumbing Mechanical Engineering Services in England and Wales ( <i>Spon's A&amp;B 2008 pp 159, 835</i> )	January 2008	Plumbing Operatives rates effective from January 2008 are included in this <i>Update</i>
4. Scottish and Northern Ireland Joint Industry Board for the Plumbing Industry ( <i>Spon's A&amp;B 2008 p 836</i> )	June 2008	
5. New wages for Agricultural workers as Order 2006 (Number 1) ( <i>Spon's Landscape 2008 pp 378–379</i> )	1 October 2007	Details of a new wage agreement are included in this <i>Update</i>
6. The Joint Conciliation Committee of the Heating, Ventilating and Domestic Engineering Industry (third and final part of a three-year agreement) ( <i>Spon's M&amp;E 2008 pp 105–109, 590–592</i> )	September 2008	The three year operative national wage agreement came into effect on Monday 6 November 2006 The January 2008 increase is included in this <i>Update</i>
7. The Joint Industry Board for the Electrical Contracting Industry ( <i>Spon's M&amp;E 2007 pp 463–465, 597–601</i> )	January 2008	The January 2008 wage award is included in this <i>Update</i>

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# SPON'S ARCHITECTS' AND BUILDERS' PRICE BOOK 2008

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## Building Costs and Tender Prices

### Building Costs

*p 43*

The table of building cost indices may be updated as follows:

Year	First quarter	Second quarter	Third quarter	Fourth quarter	Annual average
2007	703	707	730*	732**	718**
2008	737**	740**	771**	773**	755**
2009	777**	780**	807**		

\* = Provisional; \*\* = Forecast

### Tender Prices

*p 44*

The table of tender price indices may be updated as follows:

Year	First quarter	Second quarter	Third quarter	Fourth quarter	Annual average
2007	515	520	529*	534**	525**
2008	541**	549**	560**	567**	554**
2009	570**	583**	585**		

\* = Provisional; \*\* = Forecast

## Regional Variations

pp 45 to 47

The table below indicates how building prices vary around the country. The figures are averages and, inevitably, not all trades or items of work will vary exactly in line with the differences shown. The principal driving force behind the variations is differing labour rates between the regions.

The table indicates our forecast first quarter 2008 tender price index for each region, based upon an outer London forecast figure of 541 and the percentage adjustments advised to the Major Works measured rates section of *Spon's Architects' and Builders' Price Book 2008*, with an index of 550 (1976 = 100).

Region	Forecast first quarter 2008 tender price index 541*	% adjustment to Spon's Major Works section TPI = 550
Outer London	541	-1.6%
Inner London	573	4.2%
East Anglia	498	-9.5%
East Midlands	487	-11.5%
Northern	519	-5.6%
Northern Ireland	395	-28.2%
North West	481	-12.5%
Scotland	519	-5.6%
South East	498	-9.5%
South West	525	-4.5%
Wales	481	-12.5%
West Midlands	481	-12.5%
York/Humberside	498	-9.5%

\* Mid-point of forecast range from the Tender Price Forecast published November 2007.

The figures represent broad averages for the regions. Differences will occur within regions and further adjustments will be needed for city centre or isolated locations.

## Rates of Wages

### Plumbing and Mechanical Engineering Services Industry

p 835

	<b>Hourly rate</b>
	<b>£</b>
<b>Operatives</b>	
Technical Plumber and Gas Service Technician	13.46
Advanced Plumber and Gas Service Engineer	12.12
Trained Plumber and Gas Service Fitter	10.39
<b>Apprentices</b>	
1st year of training	5.04
2nd year of training	5.77
3rd year of training	6.52
3rd year of training with NVQ level 2	7.92
4th year of training	8.03
4th year of training with NVQ level 2	9.10
4th year of training with NVQ level 3	10.05
<b>Adult Trainees</b>	
1st 6 months of employment	8.11
2nd 6 months of employment	8.70
3rd 6 months of employment	9.07

These rates take effect from 7 January 2008 and represent an increase of approximately 4.5% over 2007 rates.

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# SPON'S CIVIL ENGINEERING AND HIGHWAY WORKS PRICE BOOK 2008

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## Basic Materials Prices

Reference should be made to the material prices changes notified on page 3 of this *Update*.

## Cost and Tender Prices Indices

### Price Adjustment Formulae Indices

*pp 549 to 550*

The table of Price Adjustment Formulae Indices may be supplemented as follows:

Index nr	1	2	3	4	5	6	7	9	10	11a	
Year	Q										
2007	1	1696	1131	1709	2034	1395	1967	3623	3982	1100	605
	2*	1750	1136	1662	2055	1395	1890	3650	4248	1157	633
	3*	1768	1157	1638	2072	1390	1907	3642	4388	1191	645

\* Provisional      Note: The figures published relate to the third month of each quarter.

### A Constructed Cost Index based on the Price Adjustment Formulae Indices

*p 551*

The table of the Constructed Civil Engineering Cost Index may be supplemented as follows:

Year	First quarter	Second quarter
2007	1841	1862*

\* Provisional



## The Road Construction Price Index

*p 553*

Latest figures for civil engineering tender prices as measured by the DTI 'Tender Price Index of Road Construction' are reproduced below:

Tender Price Index of Road Construction – Base 1995 = 100

Year	First Quarter	Second Quarter
2007	159*	159*

\* Provisional

Source DTI: Public Sector Construction Works  
Quarterly Building Price & Cost Indices September 2007

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# SPON'S EXTERNAL WORKS AND LANDSCAPE PRICE BOOK 2008

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## Cost Indices

### The Constructed Landscaping Cost Index

*p 22*

The Constructed Landscaping (Hard Surfacing and Planting) Cost Index may be updated as follows:

Year	First Quarter	Second Quarter	Third Quarter
2007	714	718	737*

\* Provisional

## Prices for Measured Works

### Materials Prices

Reference should be made to the material prices changes notified on page 3 of this *Update*.

### Agricultural Wages, England and Wales

*pp 378 to 379*

The Agricultural Wages Order 2007 has been published and came into force on 1 October 2007:

Grade	Weekly pay £	Hourly rate £	Overtime (£ per hour)
1	215.28	5.52	8.28
2	234.00	6.00	9.00
3	257.40	6.60	9.90
4	276.12	7.08	10.62
5	292.50	7.50	11.25
6	315.90	8.10	12.15

Full details are available from: <http://www.defra.gov.uk/farm/working/agwages/awb/index.htm>

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# SPON'S MECHANICAL AND ELECTRICAL SERVICES PRICE BOOK 2008

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## Cost Indices

*p 46*

The tables of cost indices for Mechanical Services and Electrical Services should be revised as follows:

### Mechanical Installations

Year	First quarter	Second quarter	Third quarter	Fourth quarter
2007	535	543	546*	555**
2008	559**	561**	563**	578**

### Electrical Installations

Year	First quarter	Second quarter	Third quarter	Fourth quarter
2007	665	666	668*	678**
2008	692**	693**	695**	706**

\* = Provisional; \*\* = Forecast

## Hourly Rates of Wages

*p 593*

### Operatives

	Hourly rate £
Technical Plumber and Gas Service Technician	13.46
Advanced Plumber and Gas Service Engineer	12.12
Trained Plumber and Gas Service Fitter	10.39

### Apprentices

1st year of training	5.04
2nd year of training	5.77
3rd year of training	6.52
3rd year of training with NVQ level 2	7.92
4th year of training	8.03
4th year of training with NVQ level 2	9.10
4th year of training with NVQ level 3	10.05

### Adult Trainees

1st 6 months of employment	8.11
2nd 6 months of employment	8.70
3rd 6 months of employment	9.07

These rates take effect from 7 January 2008 and represent an increase of approximately 4.5% over 2007 rates.

## LABOUR RATE – ELECTRICAL

pp 464 to 465

Wage rates rise from 7 January 2008. The gang rate can be updated as follows:

### The annual cost of a notional eleven man gang

		TECHNICIAN 1 NR	APPROVED ELECTRICIANS 4 NR	ELECTRICIANS 4 NR	LABOURERS 2 NR	SUB- TOTALS
<b>Hourly Rate from 7 January 2008</b>		16.50	14.65	13.51	10.83	
Working hours per annum per man		1,687.50	1,687.50	1,687.50	1,687.50	
<b>x hourly rate x nr of men = £ per annum</b>		<b>27,843.75</b>	<b>98,887.50</b>	<b>91,192.50</b>	<b>36,551.25</b>	<b>254,475.00</b>
Overtime Rate		24.75	21.98	20.27	16.25	
Overtime hours per annum per man		337.50	337.50	337.50	337.50	
<b>x hourly rate x nr of men = £ per annum</b>		<b>8,353.13</b>	<b>29,666.25</b>	<b>27,357.75</b>	<b>10,965.38</b>	<b>76,342.50</b>
<b>Total</b>		<b>36,196.88</b>	<b>128,553.75</b>	<b>118,550.25</b>	<b>47,516.63</b>	<b>330,817.50</b>
<b>Incentive schemes</b>	<b>5.00%</b>	<b>1,809.84</b>	<b>6,427.69</b>	<b>5,927.51</b>	<b>2,375.83</b>	<b>16,540.88</b>
Daily Travel Time Allowance (15–20 miles each way) effective from 7 January 2008		4.58	4.58	4.58	4.58	
Days per annum per man		225.00	225.00	225.00	225.00	
<b>x nr of men = £ per annum</b>		<b>1,030.50</b>	<b>4,122.00</b>	<b>4,122.00</b>	<b>2,061.00</b>	<b>11,335.50</b>
Daily Travel Allowance (15–20 miles each way) effective from 7 January 2008		3.15	3.15	3.15	3.15	
Days per annum per man		225.00	225.00	225.00	225.00	
<b>x nr of men = £ per annum</b>		<b>708.75</b>	<b>2,835.00</b>	<b>2,835.00</b>	<b>1,417.50</b>	<b>7,796.25</b>
JIB Pension Scheme @ 2.5%		<b>1,085.25</b>	<b>3,873.25</b>	<b>3,585.03</b>	<b>1,453.69</b>	<b>9,997.22</b>
JIB combined benefits scheme (nr of weeks per man)		52.00	52.00	52.00	52.00	
Benefit credit effective from 1 October 2007		<b>57.19</b>	<b>51.98</b>	<b>48.70</b>	<b>41.29</b>	
<b>x nr of men = £ per annum</b>		<b>2,973.88</b>	<b>10,811.84</b>	<b>10,129.60</b>	<b>4,294.16</b>	<b>28,209.48</b>
Holiday Top-up Funding (per week)		<b>26.90</b>	24.11	22.46	18.27	
<b>x nr of men x 52 weeks per annum = £ per annum</b>		<b>1,398.80</b>	<b>5,014.88</b>	<b>4,671.68</b>	<b>1,900.08</b>	<b>12,985.44</b>
National Insurance Contributions:						
Annual gross pay (subject to NI) each		39,745.97	141,938.44	131,434.76	53,370.96	
% of NI Contributions		12.80	12.80	12.80	12.80	
<b>£ Contributions/annum</b>		<b>4,414.62</b>	<b>15,476.66</b>	<b>14,132.19</b>	<b>5,485.75</b>	<b>39,509.23</b>
				<b>SUB-TOTAL</b>		<b>457,191.50</b>

	TRAINING (INCLUDING ANY TRADE REGISTRATIONS) – SAY	1.00%	<b>4,571.91</b>
	SEVERANCE PAY AND SUNDRY COSTS – SAY	1.50%	<b>6,926.45</b>
	EMPLOYERS LIABILITY AND THIRD PARTY INSURANCE – SAY	2.00%	<b>9,373.80</b>
	ANNUAL COST OF NOTIONAL GANG		<b>478,063.66</b>
MEN ACTUALLY WORKING =	10.5	THEREFORE ANNUAL COST PER PRODUCTIVE MAN	<b>45,529.87</b>
AVERAGE NR OF HOURS WORKED PER MAN =	2025	THEREFORE ALL IN MAN HOUR	22.48
	PRELIMINARY ITEMS – SAY	8.00%	<b>1.80</b>
	SITE AND HEAD OFFICE OVERHEADS – SAY	6.00%	<b>1.46</b>
	PROFIT – SAY	3.00%	<b>0.77</b>
	THEREFORE INCLUSIVE MAN HOUR		<b>26.51</b>

Hourly rates are effective from **7 January 2008**

The number of hours to be worked at normal rates in any one week (Monday to Friday) before any overtime premium is calculated shall be 37½ hours. Previously this was 38hrs

## Electrical Installations

### Rates of Wages

pp 597 to 601

From and including 7 January 2008 the JIB hourly rates shall be:

#### (i) National Standard Rates:

Grade	Transport Provided	Own Transport
Technician (or equivalent specialist grade)	£14.02	£14.73
Approved Electrician (or equivalent specialist grade)	£12.38	£13.08
Electrician (or equivalent specialist grade)	£11.35	£12.06
Senior Graded Electrical Trainee	£10.21	£10.86
Electrical Improver	£10.21	£10.86
Labourer	£9.01	£9.67
Adult Trainee	£9.01	£9.67

#### (ii) London Rates:

Grade	Transport Provided	Own Transport
Technician (or equivalent specialist grade)	£15.70	£16.50
Approved Electrician (or equivalent specialist grade)	£13.87	£14.65
Electrician (or equivalent specialist grade)	£12.71	£13.51
Senior Graded Electrical Trainee	£11.44	£12.16
Electrical Improver	£11.44	£12.16
Labourer	£10.09	£10.83
Adult Trainee	£10.09	£10.83

## 1999 Joint Industry Board Apprentice Training Scheme

From and including 7 January 2008 the JIB hourly rates for Job Employed apprentices shall be:

### (i) National Standard Rates:

Grade	Transport Provided	Own Transport
Stage 1	£3.96	£4.64
Stage 2	£5.84	£6.53
Stage 3	£8.46	£9.16
Stage 4	£8.95	£9.66

### (ii) London Rates:

Grade	Transport Provided	Own Transport
Stage 1	£4.44	£5.20
Stage 2	£6.54	£7.31
Stage 3	£9.48	£10.26
Stage 4	£10.02	£10.82

## Travelling Time and Travel Allowance

From and including 7 January 2008

Distance	Total Daily Travel Allowance	Total Daily Travelling Time Allowance
<b>(a) National Standard Rate</b>		
Up to 15 miles	Nil	Nil
Over 15 and up to 20 miles each way	£3.13	£4.27
Over 20 and up to 25 miles each way	£4.15	£5.41
Over 25 and up to 35 miles each way	£5.47	£6.60
Over 35 and up to 55 miles each way	£8.72	£8.72
Over 55 and up to 75 miles each way	£10.67	£10.67

Distance	Total Daily Travel Allowance	Total Daily Travelling Time Allowance
<b>(a) London Rate</b>		
Up to 15 miles	Nil	Nil
Over 15 and up to 20 miles each way	£3.15	£4.58
Over 20 and up to 25 miles each way	£4.18	£5.99
Over 25 and up to 35 miles each way	£5.51	£7.21
Over 35 and up to 55 miles each way	£8.79	£9.73
Over 55 and up to 75 miles each way	£10.75	£11.39

### Lodging Allowance

From 7 January 2008 £29.60 per night

### Erratum

#### Labour Rate – Mechanical

*p 106*

The third line from the bottom of the page should read:

Annual gross pay **and not** *Wkly gross pay*

#### Labour Rate – Ductwork

*p 108*

The seventh line from the bottom of the page should read:

Annual gross pay **and not** *Weekly gross pay*