

Editors
Davis Langdon, An AECOM Company
MidCity Place
71 High Holborn
London WC1V 6QS
Tel: +44 (0) 20 7061 7000
Fax: +44 (0) 20 7061 7061
e-mail: spons@davislangdon.com
www.davislangdon.com
www.aecom.com

SPON'S 2012 PRICE BOOKS UPDATE TWO

Publishers
Taylor & Francis
2 Park Square
Milton Park, Abingdon
Oxon OX14 4RN
Tel: +44 (0) 207 017 6000
Fax: +44 (0) 207 017 6699
www.taylorandfrancis.com



INCORPORATING CHANGES UP TO 28th FEBRUARY 2012

This Update covers the 2012 editions of 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 appears on pages 4 to 9, the Civil Engineering and Highway Works Price Book on page 10, the External Works and Landscape Price Book on page 11, and the Mechanical and Electrical Services Price Book on pages 12 and 13.

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

Spon's 2013 Price Books are planned to be published in September 2012.

The Construction Climate

The *Architects' and Builders' Price Book 2012* has a tender price index of 454. We are currently forecasting a tender price index of 446 for the first quarter of 2012 – an inferred fall of approximately 1.8%.

Statistics show that construction activity picked up in some areas, particularly infrastructure, it was not enough to cause any rebound in construction prices and prices continue to bump along the bottom. Overall the prices at the end of 2011 were 1% lower than at the end of 2010.

Tender price index

Tender prices have moved little all year, but may have slipped backwards slightly in the last quarter as prospects for 2012 deteriorated. The outlook remains gloomy except for those in the infrastructure sector.

Building cost index

Building costs rose 3.8% over the year to the fourth quarter 2011 as materials prices continued to be a concern. Materials prices are expected to be more subdued in 2012, but the input of labour costs is expected to result in overall inflation of approximately 3%.

Retail prices index

Retail price inflation eased to 4.8% in December. Annual percentage inflation for the Retail Prices Index and the Consumer Prices Index are expected to fall sharply as the V.A.T. increase falls out in January, utilities prices ease and the price of imported goods drops.

Labour

Building and civil engineering operatives secured a 1.5% wage increase from 5 September 2011 and will be looking for a further rise from their normal anniversary date at the end of June 2012. September's rise may have been the first for three years but, with further reductions in workload anticipated this year, any increase agreed is likely to be no greater than last year's. January normally heralds in wage rises for plumbers, electricians and steel erectors. Plumbers benefitted from an agreement made in October 2010 and received a 3% wage increase from 2 January 2012. Electricians and steel erectors look likely to have to endure a wage freeze this year.

Employers of all operatives will nevertheless have to endure a significant extra cost this year. From November 2012, all holiday pay will be subject to National Insurance contributions as the government withdraws the concession that has exempted holiday pay paid through holiday pay schemes since the 1960s.

National Wage Awards between editions

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

Agreements (in books)	Next review	Notes
Building and Civil Engineering Industry wages	June 2012	
The Joint Industry Board for Plumbing Mechanical Engineering Services in England and Wales	January 2013	
Scottish and Northern Ireland Joint Industry Board for the Plumbing Industry	June 2012	
The Joint Conciliation Committee of the Heating, Ventilating and Domestic Engineering	Uncertain	
The Joint Industry Board for the Electrical Contracting Industry	Uncertain	Wages remain frozen

Materials

At the beginning of 2011, manufacturers were hit with sharply rising steel prices that fed their way into construction products such as ducting, partition components and cladding, as well as structural steelwork and reinforcing bars. Fabricated steel prices rose 14% in the first five months of 2011 as the Australian floods caused a shortage of raw materials, pushing up prices, which steel producers were partly successful in passing on. But prices have since drifted down as world steel prices have fallen due to subdued demand. Reinforcement prices rose 19% during 2011 and only started to fall back in the last quarter.

Rising steel prices were a feature of the construction industry in 2004, 2006, 2007, 2008, 2010 and 2011, in large part due to China's rapid industrialisation and its effect on the supply and price of raw steel making materials. No similar spike in prices is expected in 2012 as China has taken steps to cool its economy. Prices for iron ore, scrap and coal all seem relatively stable and demand remains subdued. There is some talk of rising scrap metal prices, which particularly impacts reinforcement costs rather than structural steel prices in the UK, but there was little sign of it at the end of 2011 when scrap prices ended up 10-15% lower than when the year started. Some moderate price inflation may occur in the first half of 2012 as some restocking occurs, but end of 2012 prices are expected to be little higher than they are now.

Since the book material prices were collated in May 2011 the following changes to key materials prices have been identified:

	Percentage change May 2011 to December 2011
Doors & windows - metal	9.8
Kitchen furniture	6.2
Insulating materials (thermal or acoustic)	5.8
Particle Board	4.3
Paint (non-aqueous)	4.0
Sand & gravel	3.2
Doors & windows - plastic	2.2
Pipes and fittings (rigid)	1.6
Concrete reinforcing bars	1.3
Pipes and fittings (flexible)	1.3
Builders woodwork	1.1
Cement	0.9
Crushed rock	0.7
Sanitaryware	0.4
Blocks, bricks, tiles & flagstones	-0.2
Imported plywood	-0.3
Pre-cast concrete products	-0.3
Ready-mixed concrete	-0.6
Imported sawn or planed wood	-0.8
Sawn wood	-1.0
Fabricated structural steel	-7.4

Source: BIS February 2012

SPON'S ARCHITECTS' AND BUILDERS' PRICE BOOK 2012

Costs and Tender Prices Indices

Building Costs Indices

p 42

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

Year	First quarter	Second quarter	Third quarter	Fourth quarter	Annual average
2011	807	818	825	827 (P)	819
2012	830 (P)	833 (F)	840	853	839
2013	858	862	876	879	869

P = Provisional; F = Forecast thereafter

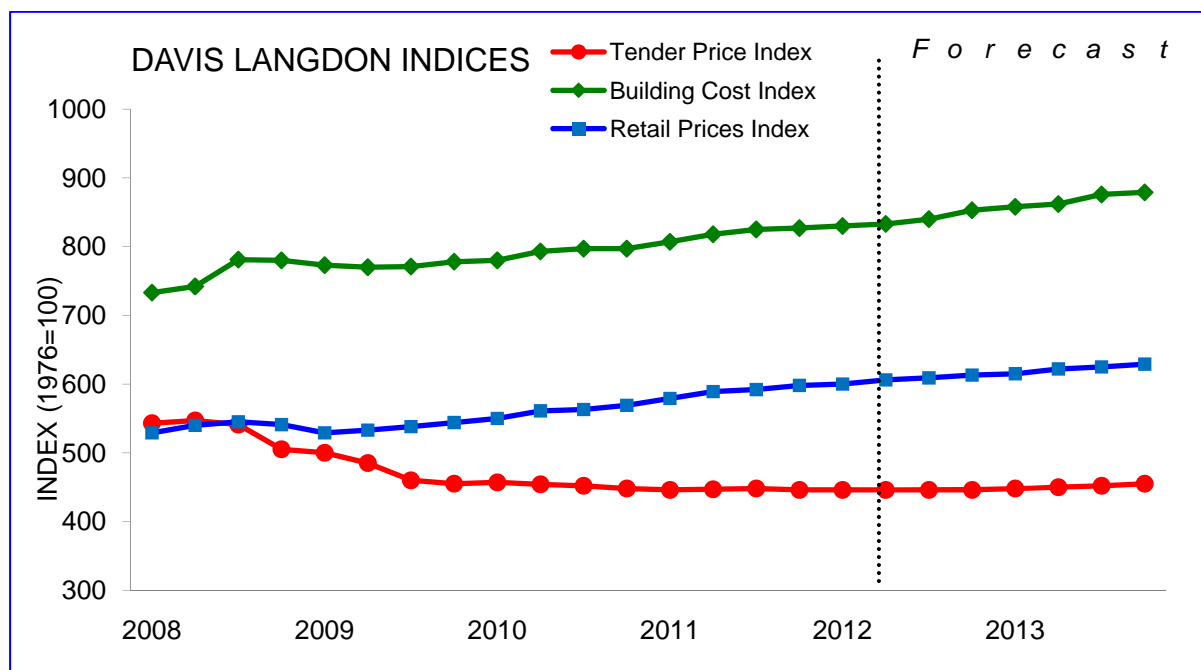
Tender Prices Indices

p 42

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

Year	First quarter	Second quarter	Third quarter	Fourth quarter	Annual average
2011	446	447	448	446 (P)	447
2012	446 (P)	446 (F)	446	446	446
2013	448	450	452	455	451

P = Provisional; F = Forecast thereafter



Regional Variations

p 44

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 provisional first quarter 2012 tender price index for each region, based upon an outer London forecast figure of 446, and the percentage adjustments advised to the Measured Works section of *Spon's Architects' and Builders' Price Book 2012*, with an index 454.

Region	Forecast first quarter 2012 Tender Index = 446	% adjustment to Spon's 2012 Tender Index = 454
Outer London	446	-2
Inner London	490	+8
East Anglia	431	-5
East Midlands	395	-13
Northern	381	-16
Northern Ireland	250	-45
North West	390	-14
Scotland	409	-10
South East	445	-2
South West	431	-5
Wales	381	-16
West Midlands	386	-15
York and Humberside	400	-12

* Mid-point of forecast range from the Davis Langdon Tender Price Forecast published January 2012.

Rates of Wages

The CIJC following basic rates of pay came into effect from 5 September 2011.

The table on p 65 can be updated as follows:

	Rate per 39-hour week (£)	Rate per hour (£)
Craft Rate	407.94	10.46
Skill Rate 1	388.83	9.97
Skill Rate 2	374.40	9.60
Skill Rate 3	350.22	8.98
Skill Rate 4	330.72	8.48
General operative	306.93	7.87

Trainee rates

The table on p 66 can be updated as follows:

	Rate per 39-hour week (£)	Rate per hour (£)
Year 1	169.65	4.35
Year 2	219.18	5.62
Year 3 without NVQ2	256.62	6.58
Year 3 with NVQ2	326.04	8.36
Year 3 with NVQ3	407.94	10.46
On Completion of Apprenticeship with NVQ2	407.94	10.46

Labour Rate Calculations

Building craft operatives and labourers

With effect from 5 September 2011 the guaranteed minimum weekly earnings in the London area for craft operatives and general operatives, rates of £407.94 and £306.93 will apply respectively; to these rates have been added allowances for the items below in accordance with the recommended procedure of the Chartered Institute of Building in its Code of Estimating Practice. The resultant hourly rates on which the Prices for Measured Work have generally been based are £13.73 and £10.23 for craft operatives and labourers, respectively.

The table on p 70 can be updated as follows:

		Craft £	Operatives £	General £	Operatives £
Wages at standard basic rate					
Productive time	44.10 weeks	407.94	17,990.15	306.93	13,535.61
Lost time allowance	0.9 weeks	407.94	367.15	306.93	276.24
Overtime	0 weeks	0	0	0	0
			18,357.30		13,811.85
Extra payments under National Working Rules	45.2 weeks				
Sick Pay	1 week				
CITB Allowance (0.50% of payroll)	1 year		104.02		78.27
Holiday pay	4.20 weeks	407.94	1,713.35	306.93	1,289.11
Public Holiday pay	1.80 weeks	407.94	734.29	306.93	552.47
Employer's contribution to:					
EasyBuild Stakeholder Pension	52 weeks	5.00	260.00	5.00	260.00
National Insurance (average weekly payment)	48 weeks	34.01	1,632.48	20.94	1,005.12
			22,801.44		16,996.82
Severance pay and sundry costs	Plus 1.5%		342.02		254.95
			23,143.46		17,251.77
Employer's Liability and Third Party Insurance	Plus 2.0%		462.87		345.04
Total cost per annum			£23,606.33		£17,596.81
Total cost per hour			£13.73		£10.23

The table on pp 71 – 72 can be updated as follows:

Gang	Total Gang rate £/hour	Productive unit rate £/hour	Alternative labour rates £/hour			
			Normal	+10%	+20%	+30%
Groundwork Gang 1 Ganger 6 Labourers	1 x 11.05 = 11.05 6 x 10.23 = 61.38 <hr/> 72.43	÷ 6.5 =	11.14	12.30	13.45	14.62
Concreting Gang 1 Foreman 4 Skilled Labourers	1 x 14.55 = 14.55 4 x 11.05 = 44.20 <hr/> 58.75	÷ 4.5 =	13.06	14.41	15.76	17.11
Steelfixing Gang 1 Foreman 4 Steelfixers	1 x 14.55 = 14.55 4 x 13.73 = 54.92 <hr/> 69.47	÷ 4.5 =	15.44	17.02	18.61	20.19
Formwork Gang 1 Foreman 10 Carpenters 1 Labourer	1 x 14.32 = 14.55 10 x 13.73 = 137.30 1 x 10.07 = 10.23 <hr/> 162.08	÷ 10.5 =	15.44	17.02	18.61	20.20
Bricklaying/Light Blockwork Gang 1 Foreman 6 Bricklayers 3 Labourers	1 x 14.55 = 14.55 6 x 13.73 = 82.38 3 x 10.23 = 30.69 <hr/> 127.62	÷ 6.5 =	19.63	21.65	23.68	25.70
Dense Blockwork Gang 1 Foreman 6 Bricklayers 4 Labourers	1 x 14.55 = 14.55 6 x 13.73 = 82.38 4 x 10.23 = 40.92 <hr/> 137.85	÷ 6.5 =	21.21	23.39	25.58	27.76
Carpentry/Joinery Gang 1 Foreman 5 Carpenters 1 Labourer	1 x 14.55 = 14.55 5 x 13.73 = 68.65 1 x 10.23 = 10.23 <hr/> 93.43	÷ 5.5 =	16.99	18.73	20.48	22.23
Craft Operative (Painter, Slater, etc.)	1 x 13.73 = 13.73		13.73	15.14	16.55	17.96
1 and 1 Gang 1 Craft Operative 1 Skilled Labourer	1 x 13.73 = 13.73 1 x 11.05 = 11.05 <hr/> 24.78	÷ 1 =	24.78	27.34	29.89	32.45
2 and 1 Gang 2 Craft Operatives 1 Skilled Labourer	2 x 13.73 = 27.46 1 x 11.05 = 11.05 <hr/> 38.51	÷ 2 =	19.26	21.24	23.22	25.21
Small Labouring Gang (making good) 1 Foreman 4 Skilled Labourers	1 x 14.55 = 14.55 4 x 11.05 = 44.20 <hr/> 58.75	÷ 4.5 =	13.06	14.41	15.76	17.11
Drain Laying Gang/Clayware 2 Skilled Labourers	2 x 11.05 = 22.10	÷ 2 =	11.05	12.20	13.34	14.49

Prices for Measured Works

Materials Prices

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

Rates of Wages

Reference should be made to the labour rates changes notified on page 2 of this *Update*

Errata

p xxviii

The example should be:

	PC £	Labour hours	Labour £	Material £	Unit	Total Rate £
100 mm Thermalite Turbo blocks	6.43	0.41	9.02	7.48	m ²	16.50
100 mm Hanson Conbloc standard blocks	6.70					
Calculation: (PC) £6.70-£6.43 = £0.27 +2.5% (OHP) = £0.28 (add to materials rate of £7.48 = £7.76)						
Therefore, 100 mm Hanson Conbloc price	6.70	0.41	9.02	7.76	m ²	16.78

p xxx

Total Order of Cost Estimate should be **£23,459,000**

p 26, 4th paragraph from bottom should read:

The effect of this Directive has been to dramatically reduce the hazardous disposal capacity post July 2004, resulting in a **SIGNIFICANT** increase in remediation costs. There are now approximately 20 commercial landfills licensed to accept hazardous waste as a direct result of the implementation of the Directive. There is one site in Scotland, none in Wales and only limited capacity in the South of England. This has significantly increased travelling distance and cost for disposal to landfill. The increase in operating expenses incurred by the landfill operators has also resulted in higher tipping costs.

p 29, the first row of the table should read:

Indicative costs of land remediation techniques for 2011 (excluding general items, testing, landfill tax and backfilling)		
Remediation technique	Unit	Rate (£/unit)
Removal – non-hazardous	disposed material (m ³)	30 – 60 (<i>not 50 – 80</i>)

Final bullet point on *p 29* should be August 2011 (*not May 2011*)

p 31

First table date reference should be 2011 (*not 2010*)

Landfill tax, increased on 1 April 2011 to £56 a tonne for active waste (*not £48 a tonne*)

p 35

Second bullet point: All other taxable waste should be £56 per tonne (*not £48 per tonne*)

pp 44 – 46

All references to *Spon's A&B 2011* should be *Spon's A&B 2012*

Errata cont

pp 44 – 46

The two calculation examples should read:

A	Estimated value of items priced using Spon's A&B 2012 i.e. Tender Price Index = 454	£ 1,564,000
B	Adjustment to reduce value of A to forecast price level for second quarter 2012 i.e. Forecast Tender Price Index 447 (447- 454) / 454 x 100 = say -1.54% x £1,564,000	-24,086
		1,539,914
C	Value of items priced using competitive quotations that reflect the market conditions in the second quarter 2012	725,000
		2,264,914
D	Allowance for preliminaries @ 11%	249,141
E	Total value of estimate at second quarter 2012 price levels £	2,514,055

Alternatively, for a similar estimate in Scotland:

A	Value of items priced using Spon's A&B 2012 i.e. Tender Price Index 454	£ 1,564,000
B	Adjustment to reduce value of A to forecast price level for second quarter 2011 for Scotland (from regional variation table) i.e. Tender Price Index 393 (393 – 454) / 454 x 100 = -13.44% x £1,564,000	-210,202
		1,353,798
C	Value of items priced using competitive quotations that reflect the market conditions in the second quarter 2012	725,000
		2,078,798
D	Allowance for preliminaries @ 11%	228,668
E	Total value of estimate at second quarter 2012 price levels	2,307,466

pp 230 – 231 should be:

	Unit	Total rate £
Disposal load lorry by machine active non-hazardous waste off site; to tip not exceeding 13 km (using lorries); including Landfill Tax	m ³	Should be £126.86 (not £80.68)
Disposal load lorry by hand active non-hazardous waste off site; to tip not exceeding 13 km (using lorries); including Landfill Tax	m ³	Should be £140.24 (not £29.05)

SPON'S CIVIL ENGINEERING AND HIGHWAY WORKS PRICE BOOK 2012

Cost and Tender Price Indices

Price Adjustment Formula Indices

p 62

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

Year	Q	1	2	3	4	5	6	7	9	10	11a
2011	2	1876	1282	1952	2242	1673	2634	5277	7766	1504	808
	3	1913	1303	1994	2278	1672	2634	5362	7856	1514	828
	4 (P)	1916	1302	1991	2251	1678	2614	5401	8022	1476	804

P = Provisional

Note: The indices shown relate to the third month of each quarter.

A Constructed Cost Index based on the Price Adjustment Formula Indices

p 63

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

Year	First quarter	Second quarter	Third quarter	Fourth quarter	Annual average
2011	2396	2443	2467	2488 (P)	2449 (P)

P = Provisional

The Road Construction Tender Price Index

p 64

The table may be supplemented as follows:

Year	First quarter	Second quarter	Third quarter	Fourth quarter	Annual average
2011	175 (P)	169 (P)	173 (P)		172 (P)

P = Provisional

Prices for Measured Works

Materials Prices

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

Rates of Wages

Reference should be made to the labour rates changes notified on page 2 of this *Update*.

Errata

UNIT COSTS – LABOUR RATE ERROR

An incorrect labour rate was used in the compilation of Unit Costs – Civil Engineering Works and Highway Works

The average error is approximately a 2% increase in the Labour £ column. A revised Adobe Acrobat pdf of both book sections is available from Taylor & Francis. Please email Tony.Moore@tandf.co.uk for details of how to obtain the file.

p 47

All other taxable waste should be £56 per tonne (*not £48 per tonne*)

SPON'S EXTERNAL WORKS AND LANDSCAPE PRICE BOOK 2012

Cost Indices

The Constructed Landscaping Cost Index

p 20

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

Year	First quarter	Second quarter	Third quarter	Fourth quarter	Annual Average
2011	819	828	839	845 (P)	833 (P)
2012	844 (P)				

P = Provisional

Regional Variations

p 21

The table may be updated as follows:

Region	% Adjustment factor
Outer London	0.98
Inner London	1.19
East Anglia	0.86
East Midlands	0.73
Northern	0.71
Northern Ireland	0.30
North West	0.76
Scotland	0.79
South East	0.94
South West	0.90
Wales	0.71
West Midlands	0.75
Yorkshire and Humberside	0.77
Channel Islands	1.15

Prices for Measured Works

Materials Prices

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

Rates of Wages

Reference should be made to the labour rates changes notified on page 2 of this *Update*.

Erratum

p 107

The lake measurement unit should be 1000m² (not 1000m)

SPON'S MECHANICAL AND ELECTRICAL SERVICES PRICE BOOK 2012

Cost Indices

p 84

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

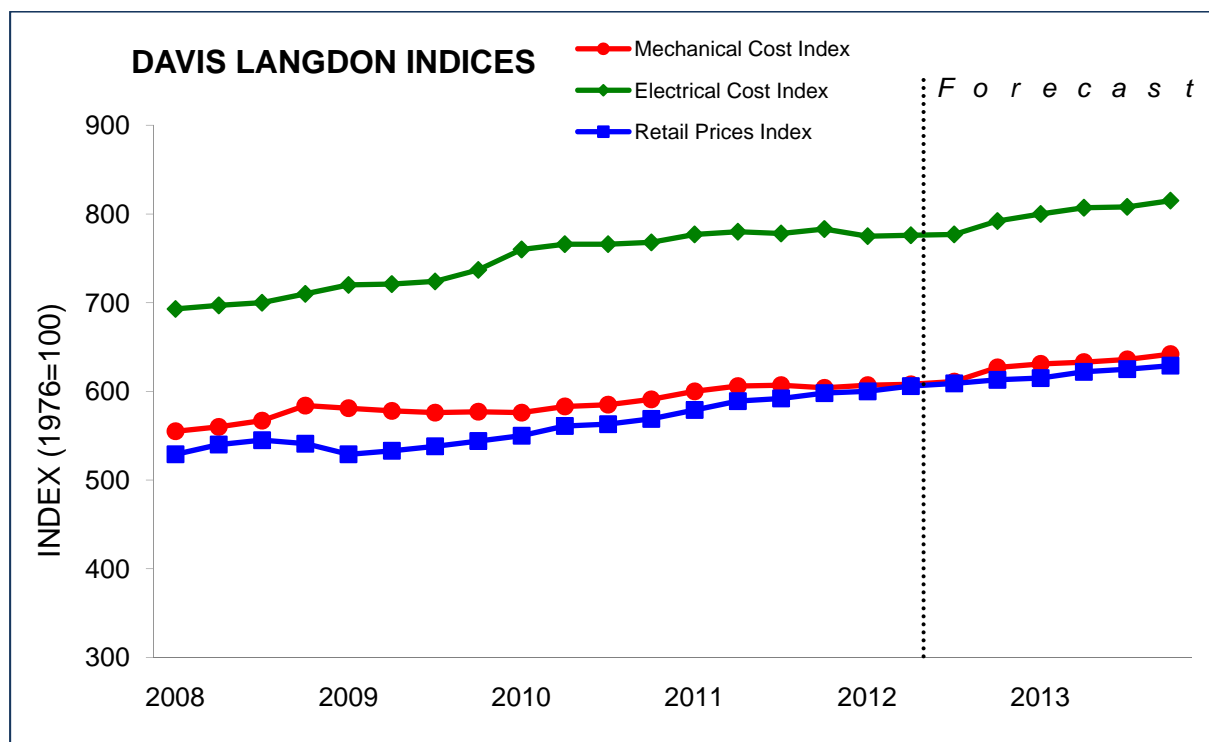
Mechanical Installations

Year	First quarter	Second quarter	Third quarter	Fourth quarter
2011	600	606	607	604
2012	607	608	611	627
2013	631	633	636	642

Electrical Installations

Year	First quarter	Second quarter	Third quarter	Fourth quarter
2011	777	780	778	783
2012	775	776	777	792
2013	800	807	808	815

P = Provisional; F = Forecast thereafter



Regional Variations

p 85

The table may be updated as follows:

Region	Adjustment factor
Greater London	1.11
East Anglia	0.88
East Midlands	0.77
Northern Ireland	0.56
North West	0.79
Scotland	0.83
South East	0.95
South West	0.92
Wales	0.76
West Midlands	0.78
Yorkshire and Humberside	0.80
Channel Islands	1.15

Prices for Measured Works

Materials Prices

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

Rates of Wages

Reference should be made to the labour rates changes notified on page 2 of this *Update*.

January normally heralds in wage rises for plumbers, electricians and steel erectors. Plumbers benefitted from an agreement made in October 2010 and received a 3% wage increase from January 2012. Electricians look likely to have to endure a wage freeze this year.