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SPON'S 2012

PRICE BOOKS UPDATE

THREE

Publishers

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INCORPORATING CHANGES UP TO 31st MAY 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 page 4, the Civil Engineering and Highway Works Price Book on page 5, the External Works and Landscape Price Book on page 6, and the Mechanical and Electrical Services Price Book on page 7.

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

The Construction Climate

Prices in the first quarter of 2012 saw a small uptick as contractors have been faced with a barrage of materials price increases that they have found impossible to fully absorb. This is not expected to be the start of any sustained upturn in price movement, rather a further indication of the 'bumping along the bottom' that has been described for much of the last 12 to 18 months.

Private housing looks likely to be the only sector to show any increase over 2011 if forecasts are correct, however, 2013 will begin to bring some respite as private housing activity builds on growth this year and private commercial work begins to recover. But it will probably be 2014 before any significant overall improvement in workloads begins to show.

Tender price index

Tender prices edged up in the first quarter but it is a trend that is unlikely to continue. Falling workload is likely to see prices slip back as the year progresses.

Building cost index

Building costs rose 3.2% in the year to the first quarter of 2012. Employment costs are expected to rise this year, resulting in a 3.5% increase in the index over the next twelve months.

Retail prices index

Retail price inflation fell back to 3.7% in February. Further reductions are anticipated as consumer price inflation falls back towards the government target.

Labour

2012 looks like being a bleak year for operatives working in the construction industry. Plumbers in England and Wales received a 3% wage increase at the beginning of January 2012. This followed a 3% award from January 2011 which had been negotiated down from the 5% increase in RPI that was contained in the previous agreement. All other trades rates remain frozen at this point in time.

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

Over the last twelve months between April 2011 and April 2012, the 60 Building Work categories recorded an average rise of 3.3%, well down from 4.4% three months previously and 5.2% six months ago. Since the book material prices were collated in May 2011 the following changes to key materials prices have been identified:

Those works categories showing the highest increases over the last twelve months have been:

Pavings: coated macadam and asphalt	10.7%
Finishes: bitumen, resin & rubber latex flooring	7.9%
Finishes: carpets	7.4%
Finishes: flexible tiles and sheet coverings	6.1%
Boards, fittings & trims: hardwood	8.4%
Sanitary appliances	7.5%
Pipes and accessories: aluminium	7.2%
Waterproofing: liquid applied coatings	5.9%

Those categories showing the smallest increases or in some cases decreases are:

Cladding and covering: aluminium	-1.2%
Cladding and covering: lead	-0.7%
Cladding and covering: fibre cement	0.4%
Softwood carcassing and structural members	0.5%
Cladding and covering: zinc	0.6%

Source: BIS May 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	824	827	819
2012	833 (P)	837 (F)	844	854	842
2013	861	865	878	879	871
2014	884	888	903	904	895

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	444	446
2012	446 (P)	445	445	444	445
2013	446	447	448	448	447
2014	451	454	458	461	456

P = Provisional; F = Forecast thereafter

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*

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	1916	1305	2003	2262	1677	2621	5388	8030	1476	804
2012	1 (P)	1916	1306	2027	2318	1743	2532	5721	8240	1486	1458

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	2490	2449
2012	2552 (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	169 (P)	175	179	175 (P)

P = Provisional

Prices for Measured Works

Materials Prices

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Rates of Wages

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

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	825	835	845	852	839
2012	858 (P)	860			

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*.

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	607	607	605
2012	605 (P)	608 (F)	610	626
2013	629	631	633	642

P = Provisional; F = Forecast thereafter

Electrical Installations

Year	First quarter	Second quarter	Third quarter	Fourth quarter
2011	777	780	778	782
2012	777 (P)	777 (F)	778	793
2013	801	803	806	814

P = Provisional; F = Forecast thereafter

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*.