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<p>Publishers</p> <p>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</p>	
<p>INCORPORATING CHANGES UP TO 30th NOVEMBER 2012</p>	

This *Update* covers the 2013 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 8, the *Civil Engineering and Highway Works Price Book* on page 9, the *External Works and Landscape Price Book* on page 10, and the *Mechanical and Electrical Services Price Book* on pages 11 and 12.

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

Spon's 2014 Price Books are planned to be published in September 2013.

The Construction Climate

Construction output has been falling throughout the year and is forecast to fall further next year as the latest set of new orders figures reveal the lowest level of new activity since 1980. Separately, recent official figures showed that people employed in construction fell below two million for the first time since 2001. In those circumstances it is unsurprising that many contractors have weak forward order books and continue to look for an ever more competitive edge.

The outlook for prices is muted. Competition will remain or even increase for the dwindling volume of work that is expected to be let over the next year. The continuing Eurozone crisis and a weak global economy are likely to keep a lid on commodity prices. Construction prices in London may harden if more of the office and residential pipeline comes through but prices are expected to move only in the range of -1% to +0.5% over the following twelve months. During the year after that, more schemes may get under way if finance becomes easier and prices may rise in the range of 1% to 2.5%. Outside of London, however, conditions look set to remain tougher for longer and more money may still be squeezed out of tenders as contractors fight for what work there is. Prices outside of London over the next twelve months may move in the range of -1.5% to 0% and, in the second year, are unlikely to rise by more than 1% in most locations.

Tender price index

Softening materials prices and intensifying competition push prices down further and the short term outlook remains negative.

The Architects' and Builders' Price Book has a tender price index of 466. We are currently forecasting a tender price index of 442 for the fourth quarter of 2012 which indicates current tender price levels 5% below the book guide prices

Building cost index

Materials price continue to fall during the summer of 2012 and wage rates remained frozen. The movement in input costs for industry show that three consecutive monthly rises have pushed the index up by 1.3% in the three months to October.

Retail prices index

Consumer price inflation fell steadily to 2.2% in September but rose in October up to 2.7%. The Retail Price Index jumped similarly from 2.6% in September to 3.2% in October

Materials

Overall construction materials prices for the construction industry rose by 0.5% over the year, with most of this increase occurring in the first quarter of 2012. Since the books were collated there has been a slight decrease of 0.7%.

Although material prices have generally been benign during 2012 there have been a number of materials which have seen significant rises while others have fallen sharply.

Since the book material prices were collated in May 2012 the following changes to key materials have been identified:

	Percentage change May 2012 – September 2012
Sand and gravel	3%
Insulating materials	2%
Timber doors and windows	1%
Bricks	0%
Cement	0%
Pre-cast concrete products	0%
Paint	0%
Imported plywood	-1%
Ready-mixed concrete	-1%
Imported sawn or planed wood	-1%
Fabricated structural steel	-2%

Coated roadstone	-2%
Crushed rock	-6%

Source BIS

Labour

Wage rates for building and civil engineering operatives employed under the auspices of the Construction Industry Joint Council (CIJC) remain unchanged throughout 2012, although agreement has been reached that will see a 2% increase in basic pay from 7 January 2013.

Electricians' wage rates have been frozen since 2010, but basic rates will increase by 1.5% from 7 January 2013.

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	January 2013	CIJC rates will rise 2% BATJIC negotiating
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	Uncertain	Due June 2012 but no further agreement
The Joint Conciliation Committee of the Heating, Ventilating and Domestic Engineering	Uncertain	Wage rates remain frozen at 2010 rates
The Joint Industry Board for the Electrical Contracting Industry	January 2013	Rates will rise 1.5%

SPON'S ARCHITECTS' AND BUILDERS' PRICE BOOK 2013

Costs and Tender Prices Indices

Building Costs Indices

p 41

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

Year	First quarter	Second quarter	Third quarter	Fourth quarter	Annual average
2012	833	834 (P)	831 (P)	841 (F)	835
2013	855	857	860	860	858
2014	870	873	874	875	873

P = Provisional; F = Forecast thereafter

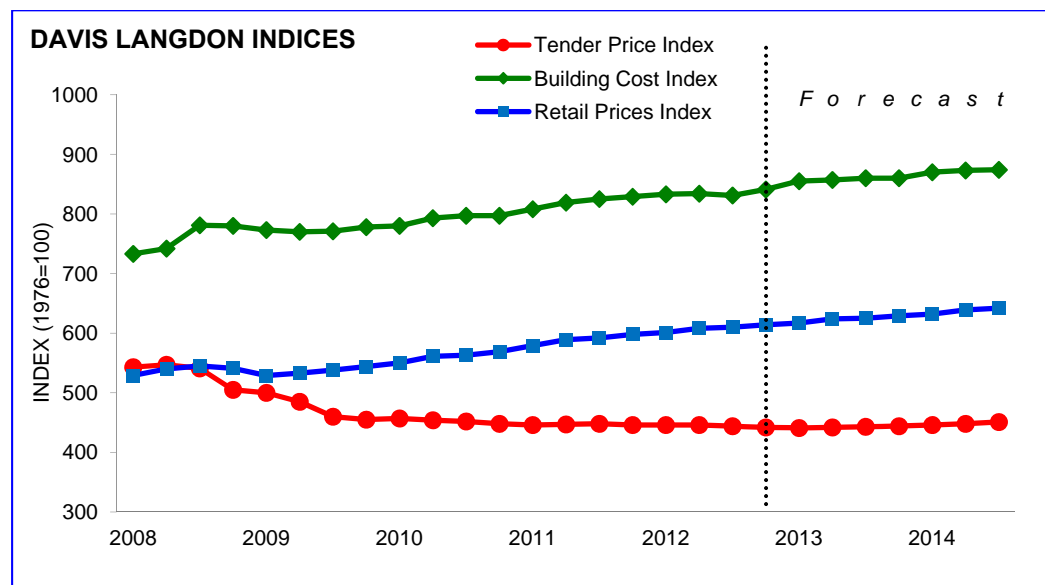
Tender Prices Indices

p 42

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

Year	First quarter	Second quarter	Third quarter	Fourth quarter	Annual average
2012	446	446	444 (P)	442 (F)	445
2013	441	442	443	444	443
2014	446	448	451	454	450

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 fourth quarter 2012 tender price index for each region, based upon an outer London forecast figure of 442, and the percentage adjustments advised to the Measured Works section of *Spon's Architects' and Builders' Price Book 2013*, with an index 466.

Region	% adjustment to Spon's A&B 2013 Tender Index = 466
Outer London	-0.90%
Inner London	-1.81%
South East	2.08%
South West	0.15%
East Anglia	1.13%
East Midlands	-0.90%
West Midlands	-0.90%
Northern	-2.04%
North West	1.46%
Yorkshire and Humberside	-0.90%
Wales	2.52%
Scotland	-0.90%
Northern Ireland	2.77%
Channel Islands (EWL)	-2.71%

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

Rates of Wages

The CIJC following basic rates of pay come into effect from 7 January 2013.

The tables on p 49 can be updated as follows:

Classification	Rate per 39- hour week (£)	Rate per hour (£)
Craft Rate	416.13	10.67
Skill Rate 1	396.63	10.17
Skill Rate 2	381.81	9.79
Skill Rate 3	357.24	9.16
Skill Rate 4	337.35	8.65
General operative	313.17	8.03

Apprentices/Trainee rates

Stage of Training	Rate per 39- hour week (£)	Rate per hour (£)
Year 1	173.16	4.44
Year 2	223.47	5.73
Year 3 without NVQ2	261.69	6.71
Year 3 with NVQ2	332.67	8.53
Year 3 with NVQ3	416.13	10.67
On Completion of Apprenticeship with NVQ2	416.13	10.67

Labour Rate Calculations

Building craft operatives and labourers

The table on p 54 can be updated as follows:

		Craft Operatives		General Operatives	
		£/week	£/annum	£/week	£/annum
Wages at standard basic rate					
Productive time	44.3 weeks	416.13	18434.56	313.17	13873.43
Lost time allowance	0.9 weeks	416.13	374.52	313.17	281.85
Overtime	0 weeks	0	0	0	0
		18809.08		14155.28	
Extra payments under National Working Rules	45 weeks				
Sick Pay	1 week				
CITB Allowance (0.50% of payroll)	1 year		106.11		79.86
Holiday pay	4.20 weeks	416.13	1747.75	313.17	1315.31
Public Holiday pay	1.60 weeks	416.13	665.81	313.17	501.07
Employer's contribution to:					
EasyBuild Stakeholder Pension	52 weeks	5.00	260.00	5.00	260.00
National Insurance (average weekly payment)	48 weeks	36.45	1895.40	22.51	1170.52
		23484.15		17482.04	
Severance pay and sundry costs	Plus 1.5%		352.26		262.23
		26836.41		17744.27	
Employer's Liability and Third Party Insurance	Plus 2.0%		476.73		354.89
		24313.14		18099.16	
Total cost per annum		24313.14		18099.16	
Total cost per hour		14.07		10.48	

The table on pp 55 – 56 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 skilled labourer (ganger) 6 labourers	1 x 11.32 = 11.32 6 x 10.48 = 61.38 <hr/> 74.20	÷ 6.5 =	11.42	12.60	13.80	14.99
Concreting Gang 1 foreman 4 skilled labourers	1 x 14.92 = 14.92 4 x 11.32 = 45.28 <hr/> 60.20	÷ 4.5 =	13.38	14.77	16.16	17.55
Steelfixing Gang 1 foreman 4 steelfixers	1 x 14.92 = 14.92 4 x 14.07 = 56.28 <hr/> 71.20	÷ 4.5 =	15.82	17.46	19.09	20.73
Formwork Gang 1 foreman 10 carpenters 1 labourer	1 x 14.92 = 14.92 10 x 14.07 = 140.70 1 x 10.48 = 10.48 <hr/> 166.10	÷ 10.5 =	15.82	17.46	19.09	20.73
Bricklaying/Light Blockwork Gang 1 foreman 6 bricklayers 1 labourers	1 x 14.92 = 14.92 6 x 14.07 = 84.42 1 x 10.48 = 10.48 <hr/> 109.82	÷ 6.5 =	16.90	18.65	20.39	22.14
Dense Blockwork Gang 1 foreman 6 bricklayers 1 labourers	1 x 14.92 = 14.92 6 x 14.07 = 84.42 1 x 10.48 = 10.48 <hr/> 109.82	÷ 6.5 =	16.90	18.58	20.27	21.96
Carpentry/Joinery Gang 1 foreman 5 carpenters 1 labourer	1 x 14.92 = 14.92 5 x 14.07 = 70.35 1 x 10.48 = 10.48 <hr/> 95.75	÷ 5.5 =	17.41	19.21	21.01	22.82
Craft operative (painter, slater, etc.)	1 x 14.07 = 14.07	÷ 1 =	14.07	15.53	16.98	18.44
1 and 1 Gang 1 craft operative 1 skilled labourer	1 x 14.07 = 14.07 1 x 11.32 = 11.32 <hr/> 25.39	÷ 1 =	25.39	28.03	30.66	33.30
2 and 1 Gang 2 craft operatives 1 skilled labourer	2 x 14.07 = 28.14 1 x 11.32 = 11.32 <hr/> 39.46	÷ 2 =	19.73	21.78	23.82	25.87
Small Labouring Gang (making good) 1 foreman 4 skilled labourers	1 x 14.92 = 14.92 4 x 11.32 = 45.28 <hr/> 60.20	÷ 4.5 =	13.38	14.77	16.16	17.55
Drain Laying Gang/Clayware 2 skilled labourers	2 x 11.32 = 22.64	÷ 2 =	11.32	12.50	13.68	14.86

Prices for Measured Works

Materials Prices

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

Rates of Wages

Reference should be made to the labour rates changes notified on page 3 of this *Update*

Erratum

p 35

The first paragraph should read:

The Landfill tax came into operation on 1 October 1996. It is levied on operators of licensed landfill sites at the following rates with effect from 1 April 2012 (*not 2011*)

SPON'S CIVIL ENGINEERING AND HIGHWAY WORKS PRICE BOOK 2013

Cost and Tender Price Indices

Price Adjustment Formula Indices

p 72

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

Year	Quarter	1	2	3	4	5	6	7	9	10	11a
2012	1	1916	1307	2045	2331	1755	2532	5763	8497	1461	810
	2	1913	1305	2026	2351	1793	2532	5704	7360	1466	774
	3 (P)	1919	1308	1956	2367	1788	2532	5700	8335	1456	740

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 73

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
2012	2555	2536	2544 (P)	2559 (P)	2549 (P)

P = Provisional

The Road Construction Tender Price Index

p 74

The table may be supplemented as follows:

Year	First quarter	Second quarter	Third quarter	Fourth quarter	Annual average
2011	175	169	175	176 (P)	174
2012	181 (P)				

P = Provisional

Prices for Measured Works

Materials Prices

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

Rates of Wages

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

Erratum

p 407

The last two entries on the page should be:

Inactive or inert material – Total rate £2.50 per tonne (*not m³*)

Other material – Total rate £64.00 per tonne (*not m³*)

SPON'S EXTERNAL WORKS AND LANDSCAPE PRICE BOOK 2013

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	Fourth quarter	Annual Average
2011	819	828	839	845	833
2012	850	849	852	853 (P)	851 (P)

P = Provisional

Regional Variations

p 23

The table may be updated as follows:

Region	Adjustment factor
Outer London	1.00
Inner London	1.09
South East	1.03
South West	0.96
East Midlands	0.92
West Midlands	0.92
East Anglia	1.00
Yorkshire and Humberside	0.92
Northern	0.86
North West	0.86
Scotland	0.91
Wales	0.90
Northern Ireland	0.56
Channel Islands	1.61

Prices for Measured Works

Materials Prices

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

Rates of Wages

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

SPON'S MECHANICAL AND ELECTRICAL SERVICES PRICE BOOK 2013

Cost Indices

p 90

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

Mechanical Installations

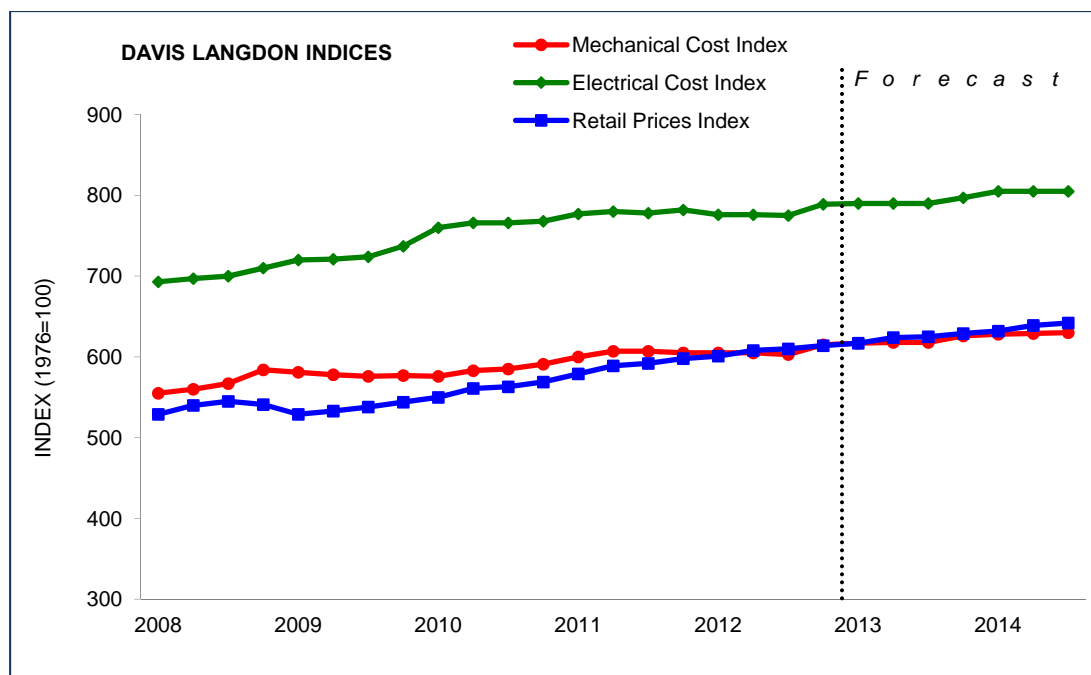
Year	First quarter	Second quarter	Third quarter	Fourth quarter
2012	605	605	603 (P)	615 (F)
2013	617	618	618	626

P = Provisional; F = Forecast thereafter

Electrical Installations

Year	First quarter	Second quarter	Third quarter	Fourth quarter
2012	776	776	775 (P)	789 (F)
2013	790	790	790	797

P = Provisional; F = Forecast thereafter



Regional Variations

p 91

The table may be updated as follows:

Region	Adjustment factor
Greater London	1.04
South East	1.03
South West	0.96
East Midlands	0.92
West Midlands	0.92
East Anglia	1.00
Yorkshire and Humberside	0.92
Northern	0.86
North West	0.86
Scotland	0.91
Wales	0.90
Northern Ireland	0.56

Prices for Measured Works

Materials Prices

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

Prices for non-housing mechanical services installations for housing have declined steadily over the last year, while non-housing mechanical services work have been generally flat.

Prices for electrical materials have declined slightly over the last six months.

Rates of Wages

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

1. Heating and ventilating operatives

The current wage rates for heating and ventilating operatives have been in force since October 2010. It is understood that talks are in progress to review these rates.

2. Electricians

Electricians' wage rates have been frozen for three years, but will increase by 1.5% from 7 January 2013. The agreement also provides for a further increase of 2% from 6 January 2014..