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<p>Publishers</p> <p><b>Taylor &amp; Francis</b></p> <p>2 Park Square Milton Park, Abingdon Oxon OX14 4RN Tel: +44 (0) 207 017 6000 Fax: +44 (0) 207 017 6699 <a href="http://www.taylorandfrancis.com">www.taylorandfrancis.com</a></p>	
<p>INCORPORATING CHANGES UP TO <b>31 MAY 2014</b></p>	

This *Update* covers the 2014 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 2 to 3, the *Civil Engineering and Highway Works Price Book* on page 4, the *External Works and Landscape Price Book* on page 5, and the *Mechanical and Electrical Services Price Book* on pages 6 and 7.

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

**Spon's 2015 Price Books are planned to be published in September 2014.**

# The Construction Climate

## Construction activity trends

- Construction output increased by 5.4% (£1.50 billion) between 2013Q1 and 2014Q1, with new work contributing £1 billion to this increase.
- Construction output for 2014Q1 rose by 0.6% over the previous quarter.
- House building continues to lead the increase in construction activity but is being well supported by increased commercial and infrastructure works.
- UK construction output is recovering rapidly as the economy improves despite a surprise fall in output in November 2013 which was offset by a 2% rise in December 2013.
- Construction materials prices show a small increase during the first half of 2014 with bricks and blocks showing large increases on the back of the increase in house building.
- Consumer price index rose to 1.8% in the year to April, up from 1.6% in March; the first increase in 9 months.

## Tender price index

Prices moved up at a quicker rate in the fourth quarter as a result of higher output and new orders. Future price increases are becoming customary with many observers.

The *Architects' and Builders' Price Book 2014* has a Tender Price Index of 453. We are currently forecasting a tender price index of 460 for 2014Q2 which indicates current tender prices are slightly lower at 1% below the book guide prices.

The previous 12 months from 2013Q2 to 2014Q2 indicate an increase of 4% in tender prices.

## Building cost index

The building cost index reflects costs to the contractor or sub-contractor.

There has been a 0.7% increase in the index over the last 12 months.

## Materials

Since the book prices were collated in May 2013 the following changes to key materials have been identified:

	Percentage change May 2013 – Apr 2014
Sand and gravel	+9%
Sawn wood	7%
Bricks	7%
Fabricated steel	-6%
Imported plywood	-8%

Source BIS

Construction material prices have been relatively stable since July 2011 with continuing low month-to-month fluctuations.

## Labour

### WAGE AGREEMENTS

BATJIC agreed new wage rates which came into effect on 17 June 2013 and run to 15 June 2014.

The 2013/14 agreement involves a 2% increase in pay. The rise is across the board except for the hourly rate for the Adult General Operative which increases by 3% from £7.96 to £8.20 per hour.

CIJC rates will increase from 30 June 2014 when the hourly rate for a General Operative will be £8.27 per hour (£322.53 per 39 hour week). Travel and fare allowances will also increase from June 2014.

### Joint Industry Board

JIB rates increased by 2% on 6 January 2014.

Spon's 2014 **Price Books Update**: Three

# SPON'S ARCHITECTS' AND BUILDERS' PRICE BOOK 2014

## Costs and Tender Prices Indices

### Building cost indices

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

Year	First quarter	Second quarter	Third quarter	Fourth quarter	Annual average
2013	857	856	857	857 (P)	857
2014	860 (F)	863	882	884	872
2015	887	891	910	912	900

(P) = Provisional; (F) = Forecast thereafter

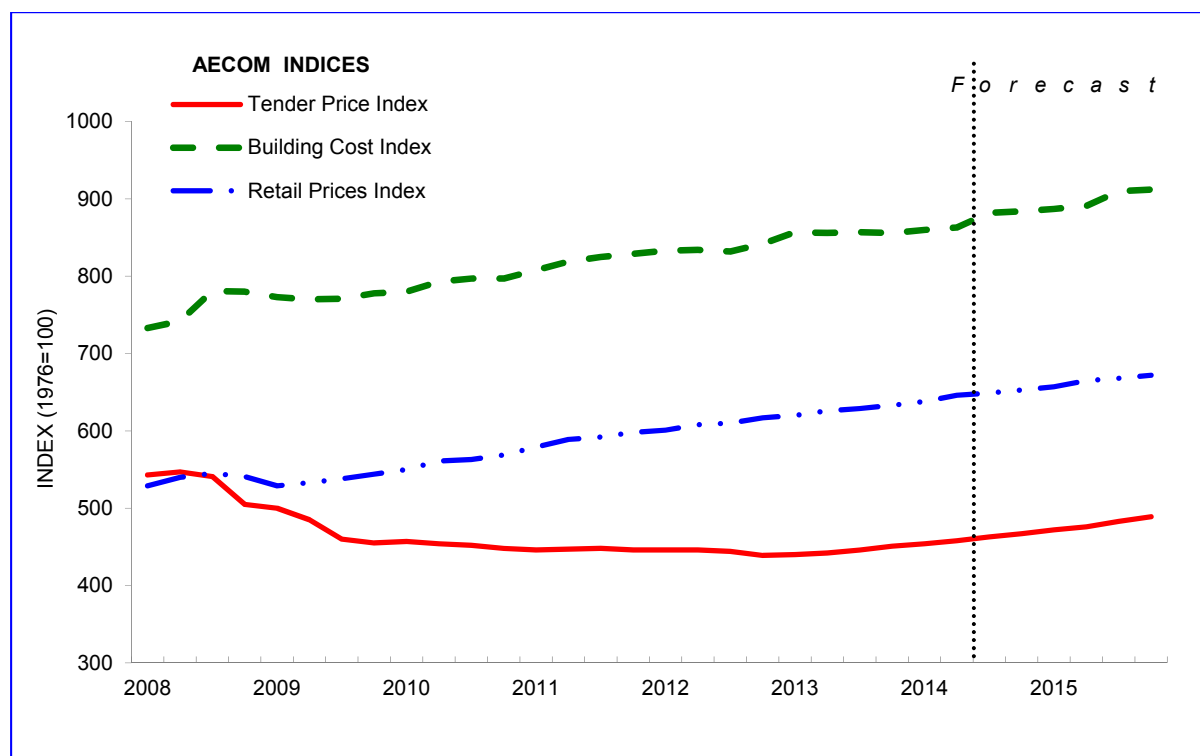
### Tender price indices

p 40 – 41

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

Year	First quarter	Second quarter	Third quarter	Fourth quarter	Annual average
2013	440	442	446	452	445
2014	456 (P)	460 (F)	465	469	462
2015	475	481	487	493	484

(P) = Provisional; (F) = Forecast thereafter



## Regional variations

p 42

The following table 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, for each region the percentage adjustments advised to the Measured Works section of *Spon's Architects' and Builders' Price Book 2014*.

Region	Adjustment to Measured Works Section
Outer London	-1%
Inner London	5%
South East	-4%
South West	-5%
East Anglia	-8%
East Midlands	-12%
West Midlands	-11%
Northern	-15%
Northern Ireland	-33%
North West	-13%
Yorkshire and Humberside	-11%
Wales	-9%
Scotland	-10%

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.

## Prices for Measured Works

### Materials prices

Reference should be made to the material prices changes notified on page 1 of this *Update*.

### Rates of wages

Reference should be made to the labour rates changes notified on page 1 of this *Update*.

# SPON'S CIVIL ENGINEERING AND HIGHWAY WORKS PRICE BOOK 2014

## Cost and Tender Price Indices

### Price Adjustment Formula Indices

p 56

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

Year	Quarter	1	2	3	4	5	6	7	9	10	11a
2013	4	1965	1319	1985	2413	1790	2453	5847	7784	1509	731
2014	1 (P)	1972	1329	1998	2570	1836	2453	5956	7427	1503	734

(P) = Provisional thereafter

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

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

p 57

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
2013	2572	2542	2571	2551 (P)	2560
2014	2564				

(P) = Provisional thereafter

### The Road Construction Tender Price Index

p 58

The table may be supplemented as follows:

Year	First quarter	Second quarter	Third quarter	Fourth quarter	Annual average
2013	193	194 (P)	198	198	196
2014	248 (F)				

(P) = Provisional; (F) = Forecast thereafter

### Prices for Measured Works

#### Materials prices

Reference should be made to the material prices changes notified on page 1 of this *Update*.

#### Rates of wages

Reference should be made to the labour rates changes notified on page 1 of this *Update*.

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# SPON'S EXTERNAL WORKS AND LANDSCAPE PRICE BOOK 2014

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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	Fourth quarter	Annual Average
2013	874	873	874	874 (P)	874
2014	878				

(P) = Provisional thereafter

### Regional Variations

p 23

The table may be updated as follows:

Region	Adjustment factor
Outer London	1.00
Inner London	1.09
South East	0.96
South West	0.96
East Midlands	0.89
West Midlands	0.90
East Anglia	0.93
Yorkshire and Humberside	0.90
Northern	0.86
North West	0.88
Scotland	0.91
Wales	0.92
Northern Ireland	0.68
Channel Islands	1.24

## Prices for Measured Works

### Materials prices

Reference should be made to the material prices changes notified on page 1 of this *Update*.

### Rates of wages

Reference should be made to the labour rates changes notified on page 1 of this *Update*.

# SPON'S MECHANICAL AND ELECTRICAL SERVICES PRICE BOOK 2014

## Cost Indices

p 90 – 91

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

### Mechanical Services

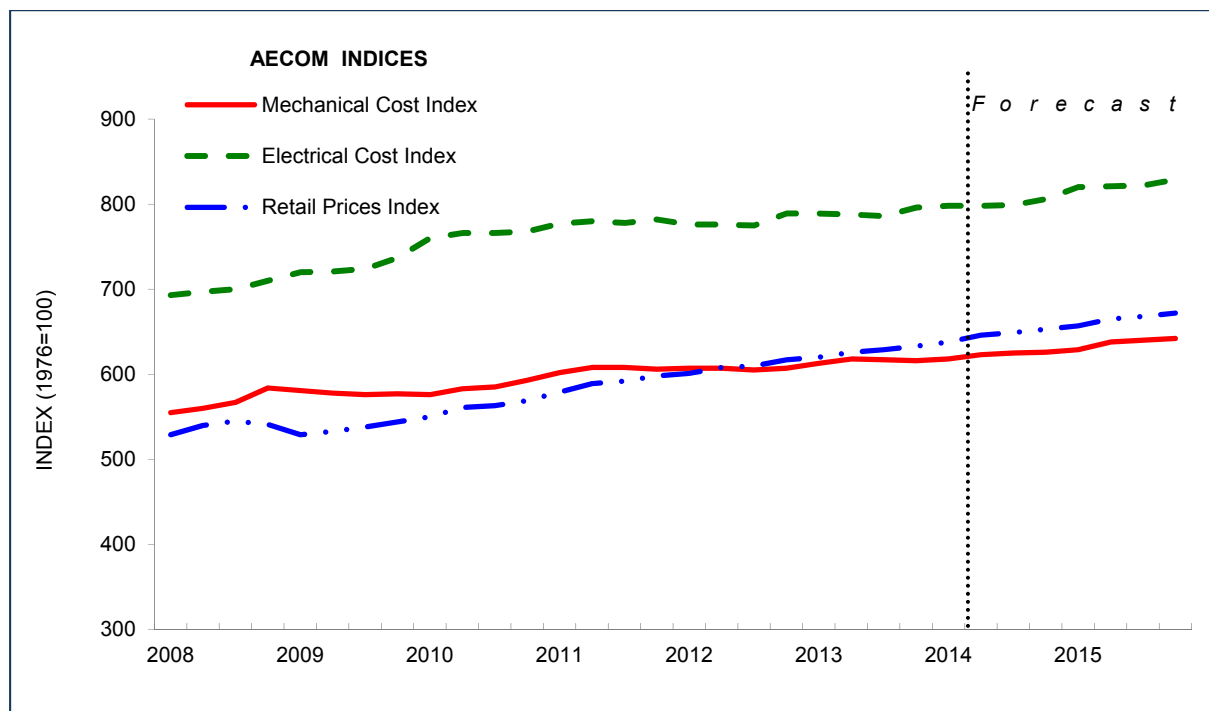
Year	First quarter	Second quarter	Third quarter	Fourth quarter
2013	613	618	617	619 (P)
2014	620 (F)	622	624	635

(P) = Provisional; (F) = Forecast thereafter

### Electrical Services

Year	First quarter	Second quarter	Third quarter	Fourth quarter
2013	789	788	786	797
2014	798 (P)	798 (F)	799	807

(P) = Provisional; (F) = Forecast thereafter



## Regional Variations

p 92

The table may be updated as follows:

Region	Adjustment factor
Greater London	1.03
South East	0.97
South West	0.96
East Midlands	0.89
West Midlands	0.90
East Anglia	0.93
Yorkshire and Humberside	0.90
Northern	0.86
North West	0.88
Scotland	0.91
Wales	0.92
Northern Ireland	0.68

## Prices for Measured Works

### Materials prices

Reference should be made to the material prices changes notified on page 1 of this *Update*.

### Rates of wages

Reference should be made to the labour rates changes notified on page 1 of this *Update*.