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<p>Publishers  <b>Taylor &amp; Francis</b>  2 Park Square  Milton Park, Abingdon  Oxon OX14 4RN  Tel: +44 (0) 207 017 6000  <a href="http://www.taylorandfrancis.com">www.taylorandfrancis.com</a></p>	
<p><b>INCORPORATING CHANGES UP TO 30 NOVEMBER 2016</b></p>	

This *Update* covers the 2017 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 3 and 4, the *Civil Engineering and Highway Works Price Book* on pages 5 and 6, the *External Works and Landscape Price Book* on page 7, and the *Mechanical and Electrical Services Price Book* on pages 8.

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

**Spon's 2018 Price Books are planned to be published in September 2017.**

# The Construction Climate

## Construction activity trends

UK construction activity confounded many, especially post-EU referendum, and maintained its steady momentum well into the autumn. This residual activity is expected to continue over the near-term, although likely to post moderate ongoing growth rates. This assumes the absence of any major fiscal stimulus from the government.

Brexit has created split views on confidence – different housebuilders perspectives on housing for example. Generally, there remains plenty of talk of possible future projects but prevailing uncertainty is resulting in some hiatus in decision-making.

## Tender price index

Tender prices increased in Q3 2016 by 7% provisionally versus the same time a year earlier. Risks to the outlook are now clearly to the downside through 2017 and into 2018.

## Building cost index

A composite measure of building costs increased over the last 12 months by 2% at Q3 2016. Labour costs are still rising albeit at a slightly lower rate, and materials cost inflation is now also increasing their contribution to the overall increase.

## Materials

The Department for Business Energy & Industrial Strategy, (BEIS) headline 'All Work' material price index increased by 2.6% in the 12 months to October 2016, and increased by 0.9% between September and October. Housing-related materials increased by 3.1% over the 12 months to October. Non-housing materials prices also show a small increase over the same period, increasing by 2.2%. All mechanical and electrical categories posted small increases.

Since the book prices were compiled in May 2016 the materials experiencing the largest price increases and decreases are:

	<b>Percentage change May 2016–October 2016</b>
<b>Increases</b>	
<i>Imported plywood</i>	+12%
<i>Imported sawn or planed wood</i>	+9%
<i>Fabricated structural steel</i>	+8%
<i>Sanitary ware</i>	+4%
<b>Decreases</b>	
<i>Paint (aqueous and non-aqueous)</i>	-1%
<i>Builders ironmongery</i>	-1%
<i>All bricks</i>	-3%
<i>Concrete reinforcement bars (steel)</i>	-6%

Source: BEIS

## Labour

Data from the Office of National Statistics (ONS) indicate that average weekly earnings (total pay including bonuses) in construction rose to £615 in September 2016, from £605 a month earlier. Annually, total earnings increased 3.4% in September on a single-month basis, and 3.7% annually on a 3-month average basis (values for the three months ending in September compared with the same period a year earlier). Regular pay (excluding bonuses and arrears) increased to £592 per week in September, with annual rates of 4.4% on a single-month basis and 3.6% using a three-month average.

# SPON'S ARCHITECTS' AND BUILDERS' PRICE BOOK 2017

## Costs and Tender Prices Indices

### Building Costs Indices

p 39

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

Year	
2015	110
2016	112 (F)
2017	116

(F) = Forecast thereafter

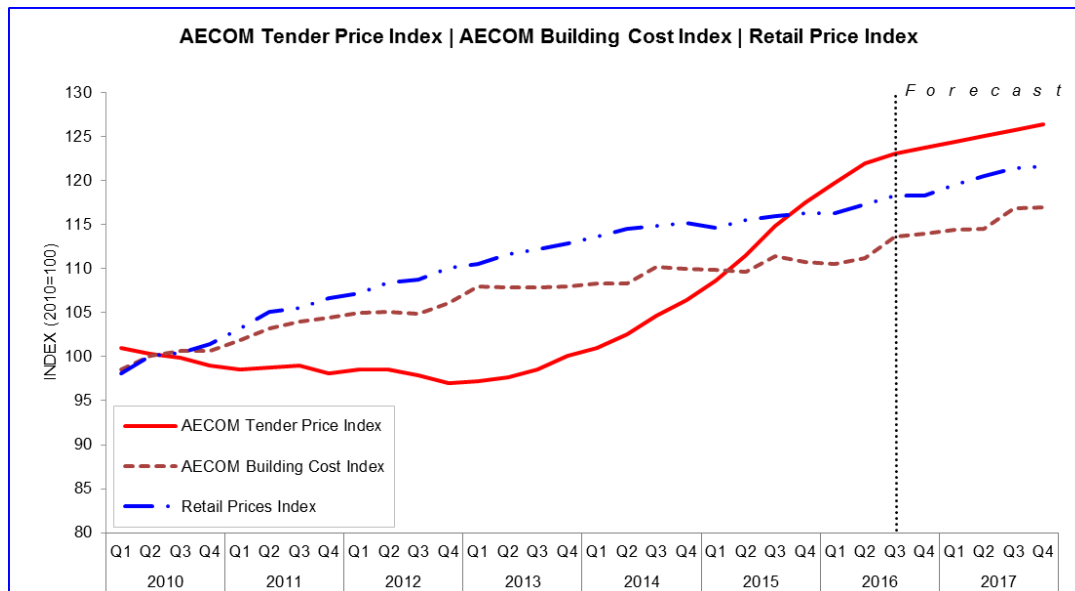
### Tender Prices Indices

p 40

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

Year	First quarter	Second quarter	Third quarter	Fourth quarter	Annual average
2015	492	505	520	432	512
2016	542	552	557 (P)	560 (F)	553
2017	563	566	569	572	568

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



## 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**

#### ***Construction Industry Joint Council***

Following negotiations between the parties to CIJC, the council has agreed a two-year agreement on pay and other conditions. Hourly pay rates will increase by 2.5% from 25th July 2016 and then by a further 2.75% in June 2017. Industry sick pay and subsistence allowance will also increase in line with the basic pay rate increases. Workers will receive an extra day's holiday from 1st January 2017, which is worth an additional 0.4%. For more details on apprentice rates, daily fare and travelling allowance and other rates refer to CIJC document IR.2016.19.

Rates in the book were based on an assumption that a 3% increase would be awarded from June 2016. The actual increase is 2.9% overall and we would suggest that users continue to use the published rates rather than amend the labour rates.

# SPON'S CIVIL ENGINEERING AND HIGHWAY WORKS PRICE BOOK 2017

## Cost and Tender Price Indices

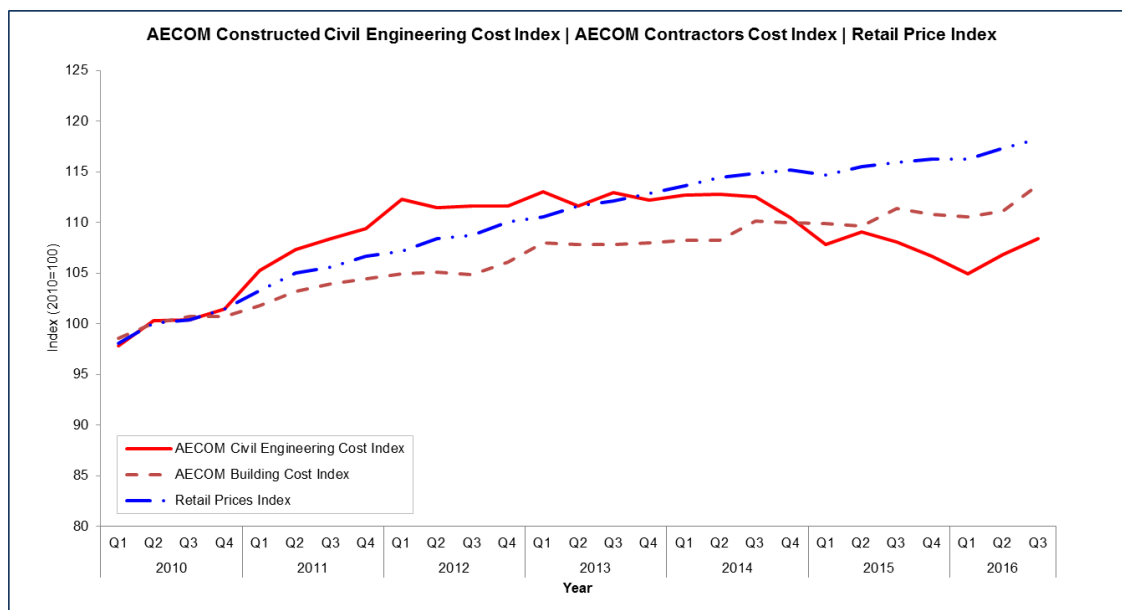
### A Constructed Cost Index based on the Price Adjustment Formula Indices

p 57

The table and chart for the Constructed Civil Engineering Cost Index may be supplemented as follows:

Year	First quarter	Second quarter	Third quarter	Fourth quarter	Annual average
2014	113	113	113	111	112
2015	108	109	108	107	108
2016	105	107	108 (P)		107

(P) = Provisional



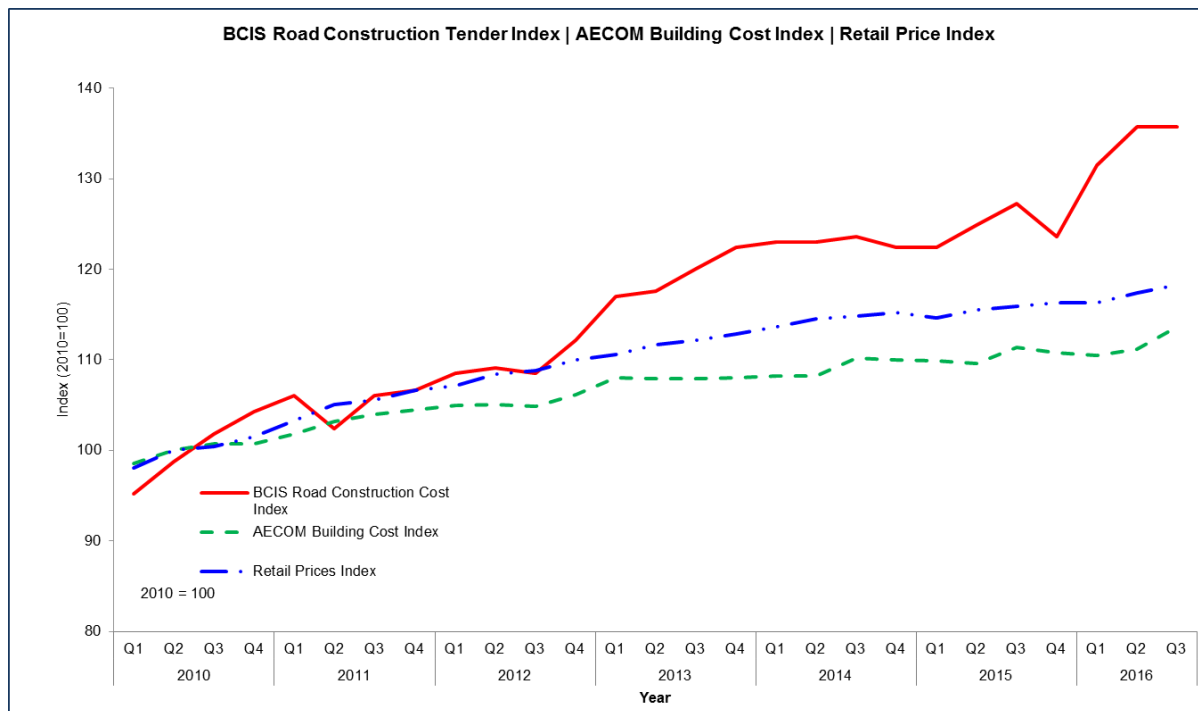
## The Road Construction Tender Price Index

p 58

The table and chart may be supplemented as follows:

Year	First quarter	Second quarter	Third quarter	Fourth quarter	Annual average
2014	123	123	124	123	123
2015	122	122	127	124	125
2016	132	136	136 (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 material prices changes notified on page 2 of this *Update*.

### Erratum

Page 439, item 7 should be

Contraction joints; 260 mm deep concrete; Labour £1.92; Plant £26.49; Materials £21.30; Total £49.71

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# SPON'S EXTERNAL WORKS AND LANDSCAPE PRICE BOOK 2017

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## Cost Indices

### The Constructed Landscaping Cost Index

p 24

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

<b>Year</b>	<b>First quarter</b>	<b>Second quarter</b>	<b>Third quarter</b>	<b>Fourth quarter</b>	<b>Annual Average</b>
2014	878	880	890	886	884
2015	881	889	897	894	890
2016	891	898	911 (P)		900

(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 material prices changes notified on page 2 of this *Update*.

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# SPON'S MECHANICAL AND ELECTRICAL SERVICES PRICE BOOK 2017

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## Cost Indices

*p 106*

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
2014	621	620	620	630
2015	629	628	625	636
2016	636	642	646	655
2017	657	658	660	670

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

### Electrical Services

Year	First quarter	Second quarter	Third quarter	Fourth quarter
2014	797	795	795	795
2015	812	811	809	808
2016	828	830	831 (P)	831 (F)
2017	845	846	847	848

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

## 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

#### Joint Council Committee of the Heating, Ventilating and Domestic Engineering Industry

A two-phase agreement has been agreed between BESA and Unite trade unions. Phase 1 includes 2.0% and 2.50% increases in the hourly wage rate effective from 3 October 2016 and 2 October 2017 respectively. Phase 2 covers the periods 2018/2019 and 2019/2020 involving increases in index and other benefits agreed in July 2016. It is understood that 2018 and 2019 hourly wage rate discussions will take place towards the end of 2016. Introduction of calculating daily fare and travel allowances has been changed from kilometres to miles. Workers annual holiday to increase from 23 to 24 days effective from February 2020. For more information on agreement, refer to JCC letter 117 of BESA.

#### The Joint Industry Board for the Electrical Contracting Industry

The electrical contracting industry has agreed a four-year wage deal, effective from January 2017. Hourly wage increases of 2% in 2017, 2.50% in 2018, 2.75% in 2019 and 3.0% in 2020. Introduction of a new mileage allowance and rate to replace travel allowance and travel time also comes into effect. Annual holidays increase to 23 days in 2019 and 24 days in 2020. For more information on the agreement, refer to the electricals' and Unite wage agreement document – July 2016.