

RICS construction market survey United Kingdom

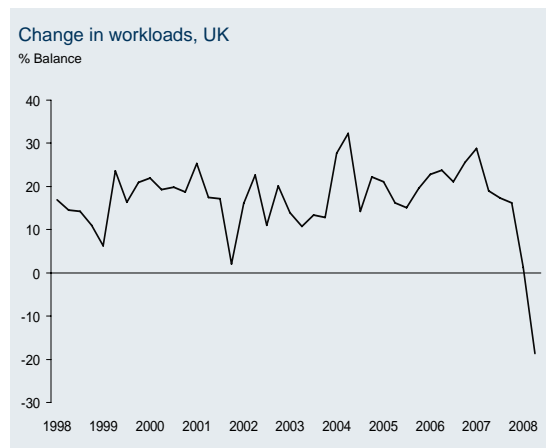
Credit crunch takes toll on construction sector

Workloads broke more than eleven years of uninterrupted growth to decline at the fastest pace since Q3 1995 as the lack of availability of debt finance takes its toll on developers. Across every region in the survey workloads are now falling, with the sharpest falls taking place in Northern Ireland. The least heavy falls are taking place in the North, where the pace of decline has moderated in contrast to all other regions in the survey. From a country perspective, England clearly outperformed the rest of the UK, followed by Scotland, Wales and then Northern Ireland.

From a sectoral perspective, the best performing area in the survey was the private industrial sector, which saw positive though moderate growth in workloads overall. However, this was not evenly distributed across the UK, with a pick up taking place in the South of England, London and the Midlands, while falls took place in the North, Scotland, Wales and Northern Ireland. The only other sector in the survey where workloads did not fall was the infrastructure sector. Here, workloads were more or less stable at the national level, and this was more or less the case at the regional level as well. The only exceptions were Northern Ireland and Scotland, where workloads declined.

The worst performing area, by far, was the private housing sector. Workloads declined at the fastest pace in the survey's history (Q2 1994), reflecting the nationwide downturn in housing market activity. Although there was some variation across the regions, this overall pattern of very sharp declines was evident throughout the whole of the UK. The best performing regions in this sector were London and the South East, and the North, while the worst performing regions were Wales, Scotland and Northern Ireland.

In terms of the outlook over the next twelve months, workload and employment expectations turned negative for the first time since Q4 2001 and Q4 1998 respectively. Confidence in workloads reached the lowest level in the survey's history and the only region where



confidence in this area did not turn negative was the North, although it still dropped sharply. The employment outlook deteriorated across all regions in the survey. However, confidence remained positive in London and the South East and Scotland, it remained neutral in Wales and the North, while it turned negative in South West and Wales, the Midlands and Scotland. Profit expectations turned increasingly negative, reaching the lowest level since this series was first included in the survey (Q4 1998). This sharply deteriorating picture pattern was visible across all areas in the survey, with confidence reaching the lowest level in the survey's history for each region except for Wales. Skills shortages eased for the second consecutive quarter, to the lowest level in the surveys history.

	Proportion of surveyors reporting a rise, fall or no change in construction workloads for quarter				Expected change over the next quarter - % balance*		% of surveyors reporting recruitment difficulties
	Rise %	Same %	Fall %	Balance*	Workloads	Employment	
-----Not Seasonally Adjusted-----							
2006 Q3	31	60	10	21	48	42	29
Q4	34	58	8	26	58	47	32
2007 Q1	36	56	7	29	57	54	33
Q2	31	58	12	19	55	45	34
Q3	26	65	9	17	45	34	34
Q4	27	63	11	16	44	35	34
2008 Q1	22	58	20	1	30	31	28
Q2	14	45	32	-19	-15	-1	20

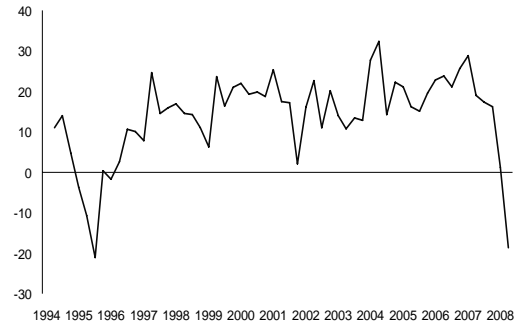
* Balance = Proportion of surveyors reporting a rise in workloads minus those reporting a fall
Please note that data for workload, employment, profit margin expectations and skill shortages are now weighted by region and have been revised.
Total contribution to the survey was 166 forms.

National workloads

Total workloads

- Workloads declined at the fastest pace since Q3 1995.
- This acceleration in the pace of decline is visible across all regions in the survey except the North, where the pace of decline moderated.
- The sharpest falls in workloads took place in Northern Ireland and Wales, and the least sharpest falls took place in the North and London and the South East.

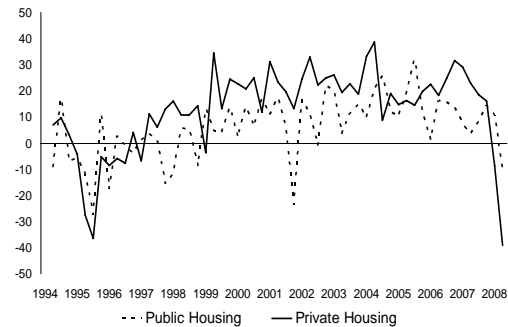
Change in total workloads
% Balance



Private/public housing

- Public housing workloads fell at the fastest pace since Q4 2001, but they grew in Wales and the South West. The net balance was most negative in Northern Ireland.
- Private housing workloads declined at the fastest pace in the survey's history. They fell across all regions and sharply, but the net balance was most negative in Wales, Northern Ireland and Scotland.

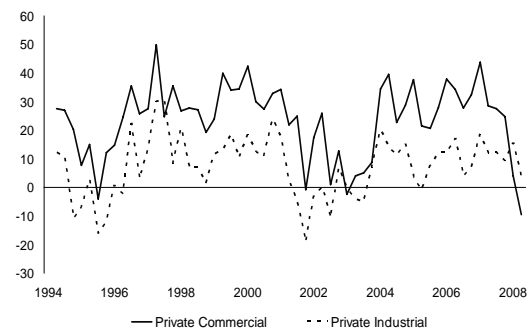
Change in private/public housing workloads
% Balance



Private commercial/industrial

- Workloads in the private commercial sector fell at the fastest pace in the survey's history, whilst workload growth in the industrial sector also slowed though it remains positive.
- In the private commercial sector, workload growth was positive in the North and static in Scotland, but fell across all other regions. The net balance was most negative in Northern Ireland.
- In the industrial sector, although workload growth remained positive overall, the picture is mixed from a regional perspective. A pick in workloads took place in the South of England, London and the Midlands, while falls took place in the North, Scotland, Wales and Northern Ireland.

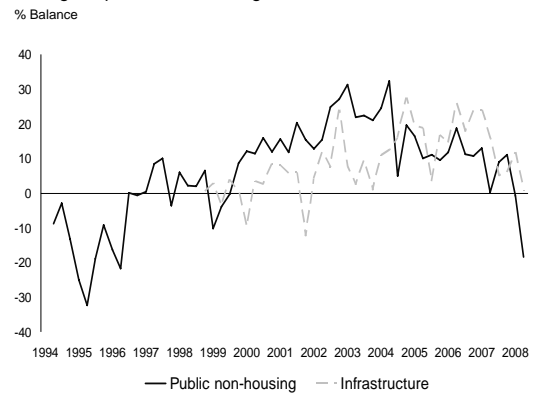
Change in private commercial workloads
% Balance



Public non-housing and infrastructure

- Public non-housing workloads fell at the fastest pace since Q2 1996, and across all regions in the survey. The net balances for Scotland and Northern Ireland were the most negative in the survey's history. The net balances for the South West and the Midlands were the least negative.
- Infrastructure workload growth slowed, though it remains marginally positive. This was driven by modest growth in the Midlands. In Scotland and Northern Ireland workloads fell sharply, but there were stable across all other regions.

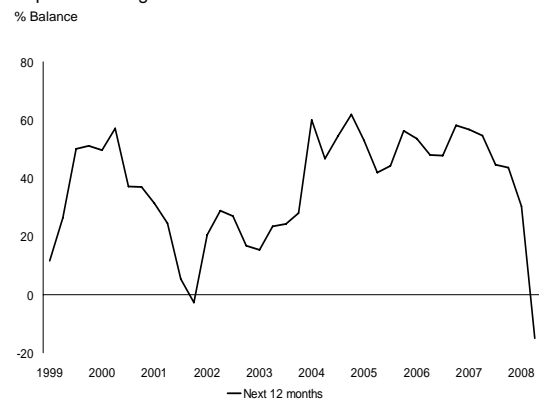
Change in public non-housing/infrastructure workloads



Expected workloads

- Confidence in future workloads fell sharply, reaching the lowest level in the survey's history.
- Expectations turned negative across all regions in the survey except for the North, where still they remain positive, albeit marginally.
- Respondents in Northern Ireland were the most downbeat.

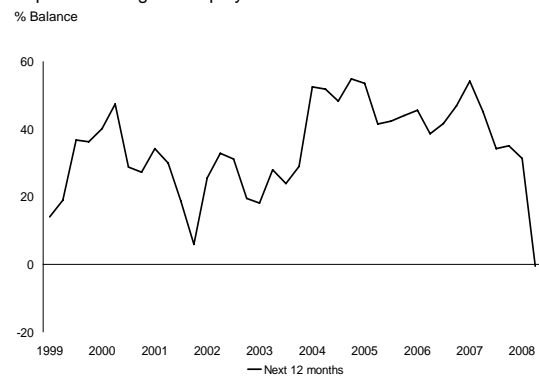
Expected change in workloads



Expected employment

- Employment expectations fell sharply reaching the lowest level in the survey's history, although they are still only marginally negative.
- Respondents from Northern Ireland and the South East are the most optimistic in the survey.
- Respondents in Scotland and the South West are the most pessimistic.

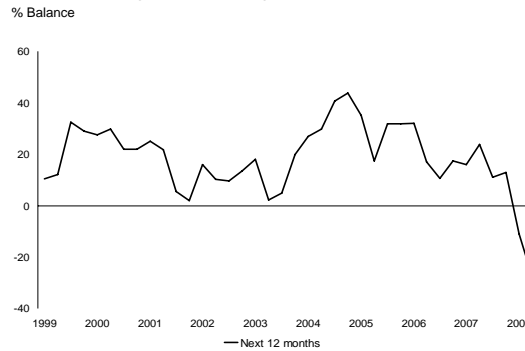
Expected change in employment



Expected profit margins

- Respondents in all regions expected profit margins to fall, with profit expectations the lowest in the survey's history.
- Expectations were most depressed in Northern Ireland and London and the South East.
- Though still negative overall, profit expectations were least depressed in Wales and the Midlands.

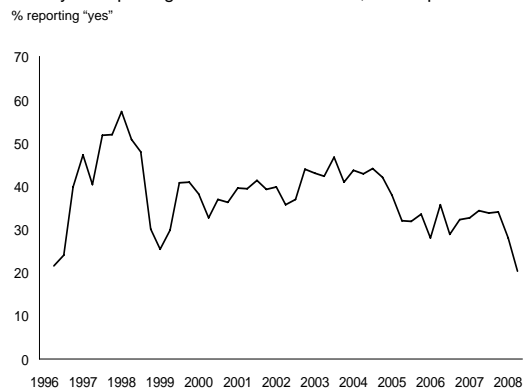
Expected change in profit margins



Labour availability

- The proportion of respondents reporting skills shortages fell for the second quarter in succession and to the lowest rate in the survey's history.
- Skill shortages remain highest in the North and Scotland.
- London, continues to enjoy exceptionally low levels of skills shortages which, along side Northern Ireland and the Midlands, reached their lowest respective levels in the survey's history.

Surveyors reporting recruitment difficulties, trades persons

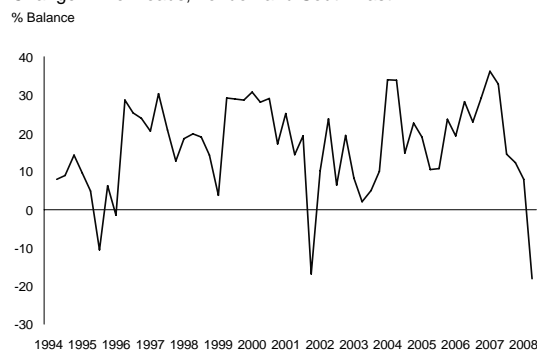


Regional information

London and South East

- Workloads declined at the fastest pace in the survey's history. Workload growth in the private industrial sector slowed. Infrastructure workloads were static. Private housing workloads fell at the fastest pace in the survey's history.
- Profit expectations and workload expectations fell to the lowest levels in the survey's history, but employment expectations remained positive, albeit at the lowest level since Q4 2001.
- Skill shortages declined slightly, reaching the lowest level since Q1 2006.

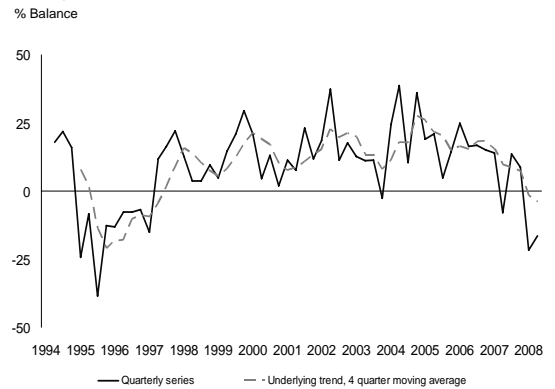
Change in workloads, London and South East



North

- Workloads continued to decline, but at a slower pace. In the public housing, other public works and private industrial sectors, workloads fell. Infrastructure workloads were static, while in the private commercial sector, workloads picked up slightly.
- Respondents profits expectations fell to the lowest level in the survey's history. Employment expectations fell back into neutral territory.
- Skills shortages fell to the lowest level since Q1 2006.

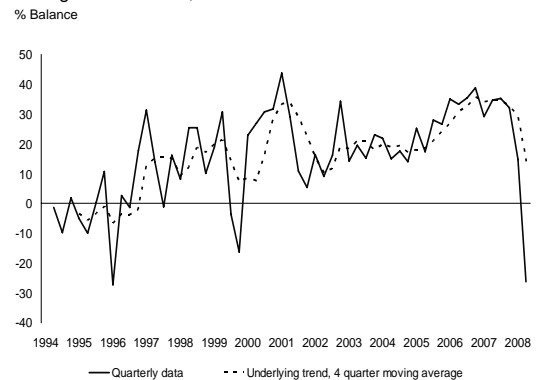
Change in workloads, North



Scotland

- Scottish workloads fell at the fastest pace since Q1 1996. Public housing workloads fell at the fastest pace since Q4 2001. Private housing workloads fell at the fastest pace since Q1 1996. Other public works fell at the fastest pace in the survey's history.
- Profit, workload and employment expectations are the most pessimistic in the survey's history.
- Skill shortages fell to the lowest level since Q3 2002.

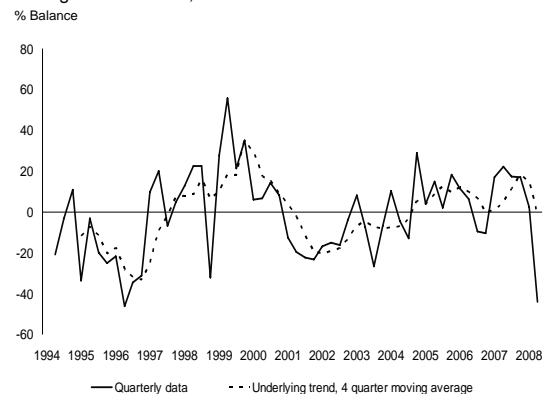
Change in workloads, Scotland



Northern Ireland

- Workloads declined at the fastest rate since Q2 1996. Public non-housing workloads fell at the fastest pace since Q3 1995. Private housing fell at the fastest pace since Q2 1996. Private commercial workloads fell at the fastest pace since Q1 1995, while private industrial workloads fell at the fastest pace since Q2 2002.
- Profit expectations fell to the lowest level in the survey's history. Workload expectations are the lowest since Q4 2001. Employment expectations fell to the lowest level since Q4 2001, but they are still the optimistic in the survey.
- Skill shortages fell to the lowest level in the survey's history.

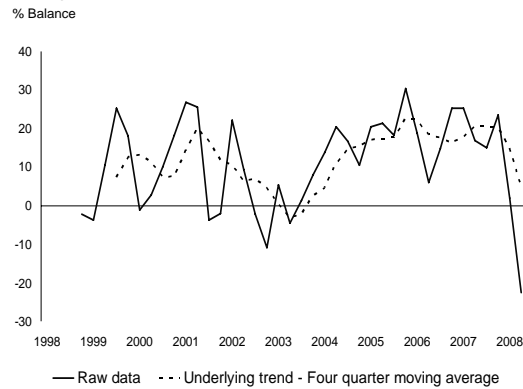
Change in workloads, Northern Ireland



South West

- Workloads declined at the fastest pace in the survey's history. Public sector housing workloads picked up slightly, while private housing and private commercial workloads fell at the fastest pace in the survey's history. Private industrial workloads rose for the third successive quarter. Workloads in the infrastructure sector remain unchanged. The pace of decline in other public sector workloads moderated.
- Respondents' workload, profit and employment expectations fell sharply, to their lowest respective levels in the survey's history.
- Skills shortages fell to the lowest level since Q2 2007.

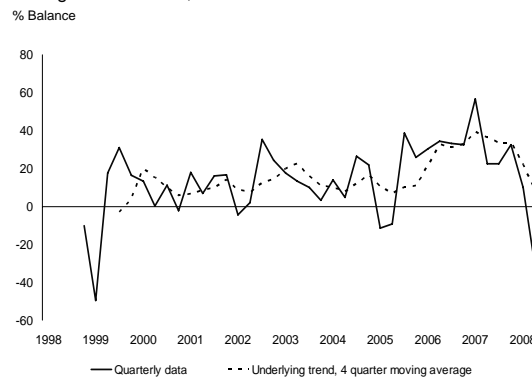
Change in workloads, South West



Wales

- Workloads fell at the fastest pace since Q1 1999. Public housing workloads recovered, but workloads in the private housing, private commercial, private industrial and other public non-housing sectors fell. Infrastructure workloads were unchanged.
- Workload and profit expectations fell to the lowest level since Q4 1998. Having risen for two successive quarters, employment expectations fell back into neutral territory.
- Skills shortages fell quite sharply, reaching the lowest level since Q4 2006.

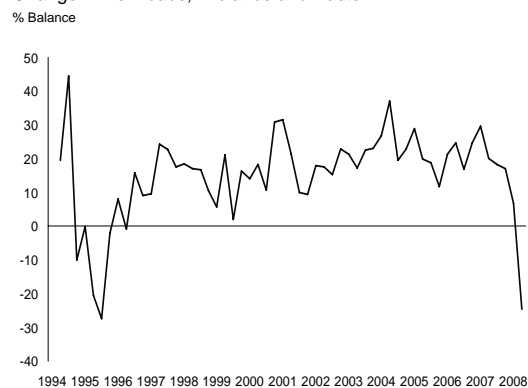
Change in workloads, Wales



Midlands and Eastern

- Workloads declined at the fastest pace since Q3 1995. Private housing workloads fell at the sharpest pace in the survey's history. Workloads in the public housing and other public building sectors declined slightly, as did private commercial workloads. Private industrial workloads continued to grow but at a slower pace. Infrastructure workloads continued to grow very moderately.
- Profit and workload expectations fell to the lowest level in the survey's history. Employment expectations fell to the lowest level since Q4 1998.
- Skill shortages reached the lowest level in the survey's history.

Change in workloads, Midlands and Eastern



Chartered Surveyor market comments

East Midlands

Michael Armonson FRICS

Armonson & Partners
"The credit crunch and increased fuel prices are starting to affect local construction scene."

Simon Holden MRICS

A. E. Thornton-Firkin & Partners
"The general feeling within the construction sector seems to be one of nervousness about the current economic situation. All parties are more concerned about future workload and activity than last quarter. Contractors are talking of reduced enquiries, developments are being delayed and a lot of parties seem to be taking stock. Some sectors remain buoyant and staff remain hard to find."

Alan Jones FRICS

Edmond Shipway
"Housing is virtually on stop. Early trade sub-contractors, eg. piling and ground works are reporting significant reductions in workload. Labour costs are moderating across the board and many schemes are being held back - all the signs of a significant recession in construction is in the offing"

Ian McKinlay FRICS

Gleeds
"Competition is higher than ever, with Contractor's having one eye on the general economy and one eye on their order books, and with some projects starting to slip back. The next 3 - 6 months will be crucial to the construction industry as a whole."

Robert Quincey FRICS

QMP
"There has been a noticeable increase in construction professionals looking for employment."

Alan Robinson FRICS

Tompkins Robinson Surveyors
"Uncertainty pervades not just the construction industry, but the economy as a whole - with that, confidence is waning. However, all seems relatively normal at the moment with new enquiries still arriving, albeit slightly less regularly, and few current jobs being put on hold. "Steady" is the word."

Robert Spencer FRICS

Sir William Baird & Partners
"There seems to be a lot less confidence in the immediate future."

Eastern

Brian Austin FRICS

Haden Young Limited
"There is difficulty in estimating fixed price additions due to erratic movements in base metal prices that are thought to be a result of demand from China for similar materials. As a result, fixed price additions are having to increase compared with the recent past."

Raymond Burch BSc MSc FRICS APA

BDB Surveying Services
"Funding is beginning to affect projects as banks become more cautious."

Robert Dales BSc Hons FRICS

Daniel Connal Partnership
"Contractors advise that more labour is coming into the market place with house builders slowing up, but no effect on tender prices is seen at this stage."

Michael Harris MRICS

Philip Pank & Partners
"The determination of the media to kill off the housing sector is working, but to date this is having no effect on the commercial sector."

London

Bola Abisogun BSc (Hons) MRICS

Accessible Advice - City
"The current fall-out from the OFT investigation has caused a drastic decline in the volume of work undertaken within the Decent Homes sector - in the most part caused by initial client response to same."

Andrew Martin FRICS

Rider Hunt
"Massive reduction in commercial confidence over the last few weeks is causing some schemes to slow down."

Bruce McAra MRICS

Turner & Townsend Cost Management
"A number of organisations are still paying salaries over the market rate for projects such as the Olympics"

W H M McEvoy MRICS

Summers Inman
"Private housing projects are being delayed while developers await clarity on mortgage market."

Ailsa McGregor BSc(Hons) MRICS MRSH

McGregor Consultancy
"The uncertainty in the financial sector and the credit crunch is slowing down the market and starting to impact on the demand for new projects (housing, commercial offices, etc.) This trend is likely to continue."

North East

Ailsa McGregor BSc(Hons) MRICS MRSH

McGregor Consultancy
"Availability of skilled labour."

North West

I. G. Backhouse FRICS

Design Group Chester
"A large increase in the cost of aluminium has been noted. It is too soon to feel the effect of current fuel shortages/costs on labour/materials. There is no discernable effect, as yet, on the work currently forming the portfolio of this practice."

G D Clark FRICS MoPS

Johnstons
"The credit crunch seems to be hitting the smaller local builders hardest with some having to lay off personnel."

R. S. Hayward FRICS

Hayward Associates (Cumbria) Ltd
"Loss of confidence across the sector, especially in housing, is having an effect on the ability to fund and provide the much needed social housing in the area"

David Latham MRICS

Davis Langdon & Everest
"The global uncertainty in the money markets along with the credit crunch is bringing uncertainty to the industry - problems ahead are envisaged, but when and where these will materialise is not known."

C H Nixon BSc FRICS

Thorner & Walker
"New enquiries, Residential apart, are at a very high level in all sectors."

Andrew Webster FRICS

Calvert & Webster
"Site managers are reporting a vast increase in the number of workers visiting sites seeking employment. This is due to the downturn in the private residential development market."

Brian Williams MRICS

Fletcher McNeill
"The market has shown signs of slowdown in the first two quarters, but is also showing signs of improvement in the final two quarters albeit with a greater emphasis on lower costs."

Northern Ireland

Hugh N Samuel McGurk MRICS

Williamson Johnson Partnership
"Obviously, fuel and energy costs and the cost of borrowing have risen dramatically, but this does not yet seem to have fed through to tender prices."

George Williamson MRICS

Brian Canavan Associates
"Planning decisions are taking much longer than anticipated even for those projects providing long term employment."

Scotland

J. H. Atkinson LLM, FRICS, MAPM, MAICA

Atkinson Partnerships
"Credit crunch and changes in policies relative to social housing is causing alarm in Scotland due to funding restrictions emanating from the Scottish Executive. Hard times are coming."

Neil Cameron FRICS

Tulloch Homes Ltd
"The credit crunch is severely restricting new mortgage approvals and causing a dramatic slowdown in new house building activity."

D. W. Campbell FRICS

Campbell Martin Associates
"Labour resource shortages within the industry should reduce by the next quarter due to the reduced activity within the private residential sector and the number of PFI/PPP projects diminishing."

Brian Donaldson MRICS

Thomas & Adamson
"The credit crunch is impacting on the residential construction market, in terms of both mortgage and funding availability. Tender prices are still increasing, but there is a hint of a tightening in the contracting market."

Hamish Harris FRICS

Northcroft
"Construction managers and general labour are becoming available due to depletion of major housing developments."

Adrian Howard MSc MRICS

Pentarq
"The construction market is being affected by a change in the procurement method for centrally funded social housing."

Gilbert Lawrie Dip BS MRICS

Houston Property Consultancy
"The credit crunch has had an impact on residential development with mortgages increasingly difficult to acquire. Some residential scheme developments are slowing down or being shelved."

Ian McBroom MRICS

Brownriggs
"We have not yet seen the effects of the credit crunch and forward orders are holding up well"

T McQuade MRICS BSc

Brotham & Brotham
"Private house building is slowing down as borrowing gets harder to secure. The cost of Insulation is rising."

John Meechan FRICS

Gardiner & Theobald
"The general economic malaise is affecting house builders and some commercial clients are also feeling the effects due to the availability of finance, etc."

David Taylor FRICS

CBA
"Projects are now being delayed due to funding restrictions and this could have a detrimental effect on our industry if it is not resolved shortly."

South East

Kevin Dougall MRICS

The Andrews Partnership
"The effects of the credit crisis are now being felt, not only in the housing market which is almost at a complete standstill, but in the economy as a whole where there has been a significant and relatively sudden downturn off the back of rapidly falling consumer confidence. That points towards a marked downturn in development activity and thereafter a fall in construction activity. The question now is not so much 'Will there be a recession?', but rather 'How deep will it be and how long will it last?'"

Robin Goddard BSc MRICS

Brodie Plant Goddard
"Although everyone is very busy, there does seem to have been a cooling in the market over the last two months with a reduction in the number of enquiries, although, work through frameworks remains good."

Anthony Green MRICS

Hadland Manning Bullock & Partners
"There has been a noticeable downturn in enquiry levels in certain sectors, particularly private housing and private commercial. However, health and education enquiries have increased."

Graham Harvey-Browne BSc FRICS

CM Parker Browne
"There is definitely less work about compared with six months ago - mainly due to contracts being deferred."

Philip Jones FRICS

Ridge and Partners LLP
"Early signs of contractors actively seeking new enquiries are now materialising. Increased environmental requirements and waste management legislation are now impacting upon new developments."

Peter Kent FRICS

F T Allen & Partners
"Some contractors have indicated they are prepared to reduce margins to be more competitive. This would indicate a desire to secure work/turnover against a possible looming recession."

James Le May MRICS

Le May & Co
"Overall workload is still high due to the large volume of work from the end of last year. There is a noticeable hiatus at the moment and it is difficult to predict the next few months."

David Metcalf FRICS

Calford Seaden Partnership
"The business downturn is affecting the level of instructions."

Graham Moore FRICS

MS Associates
"The private housing market is suffering severely as a result of the sub-prime problems of the financial sector."

Tony Sumners FRICS

King Sumners Partnership
"Confidence is taking a knock and, whilst we have not had any projects put on hold at present, clients are reviewing their positions and we expect some private clients/developers to delay commencement until a clearer economic position is apparent."

Andrew Wainwright FRICS

John Smith Projects
"The level of enquiries has fallen in the past two months. However, we have a strong order book and good prospects for this year."

South West**Richard Harvey FRICS**

Gleeds
"There is a significant slowdown in housing and retail projects."

Simon Large BSc FRICS MAPM

Magna Partnership Ltd
"There has been a fall off in numbers of new enquiries, particularly at the smaller end of the market, but large scale projects tend to have their own momentum. In the current uncertain economic climate, there is a need to sharpen pencils all round. Contractors are still trying to pass on increased costs from key suppliers such as steelwork. This will inevitably be reflected in a slow downward spiral of workload later this year and into next year."

Bruce McAra MRICS

Turner & Townsend Cost Management
"There is a draw on labour from further afield, ie. London and the far south west."

David Perry MRICS

Wm G Weller & Son Ltd.
"A lack of confidence in the economy has led to a number of private residential and commercial schemes being placed on hold for the immediate future. A long awaited realignment has started across the sector."

Nicholas Trolley MRICS

Dickson-Powell Partnership
"There have been oil price increases which will in turn be reflected in material cost increases."

Martyn Stubbs MRICS

Nixey Powell Partnership
"The funding situation is affecting private housing development and, although other areas of construction remain active, it is difficult to see any increased levels which will take up any overall shortfall within the next six months."

B. J. Tipling FRICS

Jenkins Hansford & Partnership
"Mortgage costs and availability are causing small scale developers in housing and flats developments and alteration/refurbishment to hold back on schemes in the pipeline."

Nicholas Trolley MRICS

Dickson-Powell Partnership
"There have been oil price increases which will in turn be reflected in material cost increases."

Christopher Varey FRICS FFB

Beaufort Ellis Associates
"Tender prices are generally being kept down due to the housing slump."

J A West FRICS

Denley King Construction Consultants Ltd
"There is lack of confidence due to the credit squeeze. Also, developers are delaying housing starts thereby slowing Section 106 affordable housing provision."

Wales**Geraint Morgan MRICS**

Watkins Jones & Sons Ltd
"The slowdown in housing sales is resulting in housing projects being mothballed."

John Peel MRICS

J O Peel & Associates
"The continuing charges and demands of the Building Regulations are driving up the cost of building. However, we would expect some of these extra costs to be offset by the availability of cheaper labour as contractors are continuing to lay off tradesmen due to the drop in demand for new housing."

Nicholas Soady BSc MRICS

RPA Chartered Quantity Surveyors
"The residential (private) sector is now being hit very hard and most new projects are being shelved. Commercial is also slow with little speculative work progressing."

Neil Taylor FRICS BSc

ChandlerKBS
"Some nervousness is being displayed by private commercial developers."

West Midlands**Sara Boonham BSc LLB MRICS**

Gardiner & Theobald
"Clients are expecting to see reduced estimates given the economic climate, but costs are still rising."

Bruce McAra MRICS

Turner & Townsend Cost Managements
"Lack of quality construction professionals in the local market remains a challenge in terms of achieving our recruitment targets."

A. H. Millward MRICS

Allan Reynolds Partnership
"The uncertain economic climate is a key factor."

Yorkshire & Humberside**Gary Cheeseman MRICS**

Stace
"The recent downturn in the residential market is causing city centre residential block schemes to be put on hold or shelved."

Bob Macgregor FRICS

GVA Grimley
"We are slightly different in that we undertake bank lending reviews and insolvency work and an "increase" in our workload is not necessarily a reflection of an actual increase in demand or output in the building industry - in fact quite the reverse."

Jonathan Park MRICS

Appleyard & Trew
"There is a particular decline in residential work and hesitancy in some private sector developments."

PRESSURE POINTS IN THE CONSTRUCTION INDUSTRY**East Midlands****Michael Armson FRICS**

Armson & Partners
"Labour costs and availability being distorted by large shopping precinct development in East Midlands."

Simon Holden MRICS

A. E. Thornton-Firkin & Partners
"Steelwork prices have/will increase, leading to cost uncertainty, the same is true of mechanical services materials."

Alan Jones FRICS

Edmond Shipway
"No schemes are causing distortions locally. Copper and steel prices are still increasing due to worldwide demand"

Ian McKinlay FRICS

Gleeds
"With the South Reef project in Nottingham suffering from the demise of Thomas Fish & Sons, several professional CVs are now being circulated."

Alan Robinson FRICS

Tompkins Robinson Surveyors
"North Northamptonshire is identified by government for large scale housing development (plus related works)."

Eastern**Brian Austin FRICS**

Haden Young Limited
"Prices of steel and copper based materials and products have risen dramatically."

John Button FRICS FFB

Castons
"The credit crunch."

Graeme Hadden MRICS

V B Johnson LLP
"There is considerable tension in the industry. The costs of the credit crunch and oil price rises are hurting. There is considerable fear of a recession, and a reluctance to pass on costs, but this will become unavoidable."

Michael Harris MRICS

Philip Pank & Partners
"All metals, i.e. steel, copper, lead, zinc, etc. are continuing to rise above the level of inflation."

London**Bola Abisogun BSc (Hons) MRICS**

Accessible Advice - City
"It would appear, given the current market sentiment, that labour resources, at least at trade level, have in fact leveled out; there appear to be notable surpluses within a significant number of geographic locations."

Colin Bateman BSc MRICS

George Corderoy & Co.
"Weakness of £/€ and soaring commodity prices are fuelling material price inflation."

Andrew Halstead BSc FRICS FONS

Donald Halstead Associates
"The Olympic site is distorting labour costs/availability."

Bruce McAra MRICS

Turner & Townsend Cost Management
"Infrastructure projects and major projects are impacting on labour costs/availability."

Ailsa McGregor BSc(Hons) MRICS MRSH

McGregor Consultancy
"The impact of the credit crunch is starting to affect other sectors. There is still a shortage of skilled labour in key trades and some professional areas."

North East**Ailsa McGregor BSc(Hons) MRICS MRSH**

McGregor Consultancy
"The credit crunch is starting to have an impact beyond the housing market."

North West**I. G. Backhouse FRICS**

Design Group Chester
"A large increase in the cost of aluminium has been noted. It is too soon to feel the effect of current fuel shortages/costs on labour/materials."

R. S. Hayward FRICS

Hayward Associates (Cumbria) Ltd
"Funding for new projects has suffered a hiccup"

David Latham MRICS

Davis Langdon & Everest
"The Olympic Games - it is still not known what the impact will be on other projects being undertaken at the same time."

C H Nixon BSc FRICS

Thornber & Walker
"Material prices keep rising, particularly steel and copper, but fears of the credit crunch biting are subduing tenders."

Brian Williams MRICS

Fletcher McNeill
"There is no distortion of labour costs in this area, but the prices of copper and steel continue to rise."

Northern Ireland**W.H.M McEvoy FRICS**

W. H. McEvoy Limited
"Labour is freely available and prices for labour are static. Oil based materials costs have increased significantly which is keeping overall prices static even in this economic downturn."

Scotland**J. H. Atkinson LLM, FRICS, MAPM, MAICA**

Atkinson Partnerships
"Olympics projects, PFT and PPP projects are affecting labour resources and prices of materials. There is volatility in fuel and raw materials prices."

D. W. Campbell FRICS

Campbell Martin Associates
"Glass, metal and steel products are increasing in price."

Brian Donaldson MRICS

Thomas & Adamson
"The prices of steel reinforcement, steel fencing and steel generally are rising."

John Fletcher FRICS

John Fletcher Associates
"Labour shortages and material cost increases."

Hamish Harris FRICS

Northcroft
"Depletion of major housing developments by larger organisations."

Gilbert Lawrie Dip BS MRICS

Houston Property Consultancy
"The continually rising fuel costs are now being passed on by logistic companies and are impacting on both goods and services costs"

T McQuade MRICS BSc

Morham & Brothie
"Housing association budgets for 2008/2009 have been dramatically cut. This has resulted in a slowdown in house construction for rent in Argyll. Insulation prices are still rising very fast. New SAP calculations/building control standards are causing difficulty. Electric heating no longer conforms to new building control standards. This is causing huge difficulty with passing SAP calculations. This is in an area where renewable hydroelectric generation is the norm."

John Meechan FRICS

Gardiner & Theobald
"Structural steel costs are rising at an alarming rate."

A. S. Millar FRICS

Millar Surveying Services
"Material goods - oil & energy related goods continuing to increase."

David Miller BSc FRICS MAPS

McGown Miller Partnership
"The steel price increases are the most notable, however, all material prices are rising."

South East**Richard Colston FRICS**

Nigel Rose and Partners
"The impact of significant redundancies by commercial house builders remains to be assessed."

Philip Jones FRICS

Ridge and Partners LLP
"The impact of fuel price rises and steel price increases are feeding through into construction costs."

Bruce McAra MRICS

Turner & Townsend Cost Management
"Major projects are pulling resources to the London marketplace"

Michael Morter BSc MRICS

Abacus Project Services Ltd
"Competition with London is distorting labour costs and availability."

Peter Read FRICS

Christopher Smith Associates
"Oil price increases continue to impact on oil derivative products and transport costs."

South West**Douglas Cawley BSc MRICS**

Douglas Cawley & Associates
"Falling house/flat values are causing distortions, as are increased material costs (including the dramatic rise in cost of fuel), and more stringent lending criteria and repossession."

Richard Harvey FRICS

Gleeds
"Material increases e.g. steelwork, cement."

Simon Large BSc FRICS MAPM

Magna Partnership Ltd
"Steelwork prices are rising rapidly. The effects of the rise in fuel costs have yet to be reflected in increased tender prices."

Bruce McAra MRICS

Turner & Townsend Cost Management
"A number of large projects coming to an end, e.g. Broadmead redevelopment, is causing more contract staff to be available."

Roger Pepper FRICS

McNaughts
"Steel and lead prices increases."

Nicholas Trolley MRICS

Dickson-Powell Partnership
"Many private housing sites are delaying construction which in turn results in trade redundancies and the possible holding back of labour costs."

Christopher Varey FRICS FFB

Beaufort Ellis Associates
"The housing slump keeps prices for non-housing contracts down. Undertaking big projects is not a problem in Swindon, but there is some pressure in Oxford."

J A West FRICS

Denley King Construction Consultants Ltd
"There are no special factors or issues affecting the construction market in this area."

Wales**Julian Gauregui BSc(Hons) LLB MRICS**

HCD Management Ltd
"The costs of steel and steel reinforcement continues to rise."

Geraint Morgan MRICS

Watkins Jones & Sons Ltd
"Steel prices rose at end of March with increases due end of June and July, at circa £60-£90 per rise, totals £270/tonne. Materials/fuel prices are now increasing continuously."

Alun Owen MRICS

Hills
"Steelwork continues to fluctuate and cement based products are increasing in cost."

John Peel MRICS

J O Peel & Associates
"The high cost of insulation."

Nicholas Soady BSc MRICS

RPA Chartered Quantity Surveyors
"Steel, concrete and plasterboard prices are increasing above inflation."

West Midlands**Adrian Aston FRICS MAPM**

Wakemans Ltd
"Steel, copper cement and plasterboard are all continuing to rise together with increasing disposal costs putting pressure on end values."

Sara Boonham BSc LLB MRICS

Gardiner & Theobald
"Material increases in rebar/steel, glass and copper. Numerous large retail led mixed use schemes in last three years have impacted upon the competitiveness of bids given limited tenderers."

Robert Cox FRICS

Holbrow Brookes LLP
"PFI hospitals at QE, Birmingham & Walsall."

A. H. Millward MRICS

Allan Reynolds Partnership
"Financing new projects is now very difficult and clients are far more cautious."

Malcolm Sales MRICS

Malcolm Sales
"Steelwork increases"

Yorkshire & Humberside**David Bishop MRICS**

DBA Management Ltd
"The dramatic slowdown in the private sector housing market will, we believe, have an impact of slowing, if not reversing, house building cost inflation. However, the Code for Sustainable Homes is driving the base price upwards – big issues on future affordable housing supply are anticipated."

Gary Cheeseman MRICS

Stace
"No one particular project is affecting labour in our area. However, the slowdown in the residential market will increase the availability of labour for projects in other sectors. Regarding materials prices: the price of steel is directly affecting structural steel and reinforcement prices, and glass is also increasing in price."

Paul Mackie MRICS

Rex Procter & Partners
"Availability of funding and lack of confidence generally across the property sector is having a negative affect throughout the industry"

Jonathan Park MRICS

Appleyard & Trew
"All metal based materials are increasing and final costs will certainly impact in the longer term."

Contributor details

East Midlands

Diane Anstey BSc (Hons) MRICS
Anstey & Associates
01604 890299

Michael Armonson FRICS
Armonson & Partners
01332 558935

Anthony Barnes BSc MRICS
Simons Estates Ltd
08082 023991

David Gwynne FRICS
David J Gwynne
01604 637612

T Hartley BSc FRICS
Faithful & Gould
01159574800

Simon Holden MRICS
A. E. Thornton-Firkin & Partners
01522 537466

Alan Jones FRICS
Edmond Shipway
0115 975 8595

Ian McKinlay FRICS
Gleeds
0115 977 8000

Nicholas Porter FRICS
Nicholas Porter Associates
01636 674585

Robert Quincey FRICS
QMP
01604 880808

Alan Robinson FRICS
Tompkins Robinson Surveyors
01933 223307

Robert Spencer FRICS
Sir William Baird & Partners
01332 347203

Eastern

Brian Austin FRICS
Haden Young Limited
01923 295087

Chris Brooks FRICS
Davis Langdon
01733 362000

Raymond Burch BSc MSc
FRICS APA
BDB Surveying Services
01799 531251

John Button FRICS FFB
Castons
01473 257586

Robert Dales BSc Hons
FRICS
Daniel Connal Partnership
01603 629421

Kevin Gill FRICS
Gill Associates
01473 214646

Graeme Hadden MRICS
V B Johnson LLP
01923 227236

Michael Harris MRICS
Philip Pank & Partners
01603 625 158

Robert Muir MRICS
Robert K Muir
Chartered Building Surveyors
01279 441911

Mark O'Neill BSc MRICS
Davis Langdon & Everest
01908 304700

Mark O'Neill BSc MRICS
Davis Langdon & Everest
01908 304700

B. H. Smith MRICS
Brian H. Smith & Associates
01603 700000

Robert Walton BSc
FRICS
NPS Group
Consultants
01603 706156

Matthew Whitehead
MRICS
Stace
01992 565565

John Wilson MRICS
John Wilson & Co
01582 584336

London

Bola Abisogun BSc
(Hons) MRICS
Accessible Advice - City
020 7608 0600

Colin Bateman BSc
MRICS
George Corderoy & Co.
02070 151920

Andrew Halstead BSc
FRICS FonsE
Donald Halstead Associates
0208 445 7721

Stephen Jackson FRICS
BSc
W S Jackson & Associate
020 8349 8131

Tim Jupp MRICS
De Leeuw Jupp
0207 902 0110

Andrew Martin FRICS
Rider Hunt
020 7236 4548

Bruce McAra MRICS
Turner & Townsend Cost Management
0121 262 1100

W H M McEvoy MRICS
Summers Inman
020 7242 9152

Ailsa McGregor BSc(Hons)
MRICS MRSH
McGregor
Consultancy
07971 694956

Michael Morter BSc MRICS
Abacus Project
Services Ltd
01277 234984

Peter Read FRICS
Christopher Smith
Associates
020 8943 2157

North East

Stephen Box MRICS
RNJ Partnership
0191 286 0707

Mark Casey MRICS
Storeys SSP
01642 230800

Alan Dunn BSc MRICS
Hall & Partners
0191 275 1600

Colin McFadden BSc
MRICS
McLeod & Aitken Ltd
0113 246 9669

Ailsa McGregor BSc(Hons)
MRICS MRSH
McGregor Consultancy
07971 694956

Richard Neal MRICS
Balfour Beatty
Management
01642 356688

George Penrice
MCI Arb FRICS
Sanderson Weatherall
0191 261 2681

Martin Round DipSurv
MRICS
Faithful & Gould
0191 233 4413

North West

I. G. Backhouse FRICS
Design Group
Chester
01244 320543

John Bridge FRICS
J P Jelly & Partners
01260 224022

G D Clark FRICS MoPS
Johnstons
01228 520137

E. T. Cookson MRICS
Eamonn T. Cookson & Co.
01704 537 411

Colin Eldridge BSc MRICS
Davis Langdon
0161 819 7600

M. D. Evans FRICS
Tweeds
0151 236 4502

Stephen Gittins BSc (Hons)
MBA MRICS
Walfords
0151 236 0946

R. S. Hayward FRICS
Hayward Associates
(Cumbria) Ltd
01900 825781

David Latham MRICS
Davis Langdon & Everest
0161 819 7600

M. I. Lomas FRICS
John Gibbs Partnership
01606 551498

Bruce McAra MRICS
Turner & Townsend Cost Management
0121 262 1100

C H Nixon BSc FRICS
Thornber & Walker
01772 722288

C J Taylor FRICS
Taylor Hutchinson & Partner
0151 708 5939

John Wardlaw FRICS
Wardlaw
Surveyors
01768 891821

Andrew Webster FRICS
Calvert & Webster
01706 344826

Brian Williams MRICS
Fletcher McNeill
0161 881 5216

Northern Ireland

Peter Carson FRICS
V B Evans & Co
02890 457000

John H Dowse MRICS
Moore McDade Dowse
02890 661903

Robert J Irvine MRICS
Robert J Irvine
028 6638 7780

W.H.M McEvoy FRICS
W. H. McEvoy
Limited
02890 669541

Hugh N Samuel McGurk
MRICS
Williamson Johnson
Partnership
02891 813354

Alex Murton MRICS
Hood McGowan Kirk
028 9066 7932

Stephen Nelson FRICS
Ferris Craig & Moore
02890 455188

John O'Neill FRICS
John D. O'Neill
028 7035 5155

James Perry FRICS
Moore MacDonald & Partners
02890 426586

John Reid MRICS
K S & P
02890 650009

J. M. P. Sammon
FRICS
James Sammon & Company
028 7127 1323

P. Watson MRICS
Ian Kirkpatrick & Associates
028 9127 1118

George Williamson
MRICS
Brian Canavan Associates
028 703 58484

Scotland

J H Atkinson LLM,
FRICS, MAPM, MAICA
Atkinson
Partnerships
01292 445542

B. J. Byrne MRICS
Bryan Byrne
Consultants
0141 848 7201

Neil Cameron FRICS
Tulloch Homes Ltd
01463229300

D. W. Campbell FRICS
Campbell Martin Associates
0141 332 6699

Brian Donaldson
MRICS
Thomas & Adamson
0131 225 4072

John Fletcher FRICS
John Fletcher Associates
01324 873042

Hamish Harris FRICS
Northcroft
0131 226 1677

G G Houston Esq
KLM Partnership
01382 739511

Adrian Howard MSc
MRICS
Pentarq
01856 872022

Gilbert Lawrie Dip BS
MRICS
Houston Property
Consultancy
01505 382006

Donald MacDonald
MRICS
Ogilvie Construction Ltd
01786 812273

John Macdonald
MRICS
Macdonald Alexander
0131 558 1978

Ian McBroom MRICS
Brownriggs
01786 464998

Alistair McCracken BSc
FRICS
Reid Associates
0141 248 6545

Colin McFadden BSc
MRICS
McLeod & Aitken Ltd
0113 246 9669

Ailsa McGregor BSc
(Hons) MRICS MRSH
McGregor
Consultancy
07971 694956

T McQuade MRICS
BSc
Morham & Brotchie
01631 563721

John Meechan FRICS
Gardiner & Theobald
0141 568 7300

A. S. Millar FRICS
Millar Surveying
Services
01475 745555

David Miller BSc FRICS
MAPS
McGown Miller
Partnership
01387 254 283

Keith Milne FRICS
David Adamson
0131 229 7351

Danny Nisbet BSc
MRICS
Elim Construction Ltd
01505 612713

Bruce Rae FRICS
D. I. Burchell & Partners
01382 202712

Alan Smith MRICS
Walfords
0131 226 2791

J B Sneddon FRICS
Summers Inman
0131 556 9464

John Strachan MRICS
HJG Samuel & Partners
01903 743231

David Taylor FRICS
CBA
0141 248 5802

South East

Richard Colston FRICS
Nigel Rose and Partners
0118 977 4702

Bill Dixon FRICS
Shambrooks Ltd
01892 540399

Kevin Dougall MRICS
The Andrews
Partnership
01344 460100

Robin Goddard BSc
MRICS
Brodie Plant Goddard
01306 887070

Anthony Green MRICS Hadland Manning Bullock & Partners 01295 253521	Douglas Cawley BSc MRICS Douglas Cawley & Associ- ates 01736 798200	Alun Owen MRICS Hills 02920 220438	G. C. Smith FRICS Townsend & Renaudon 01782 744888
Michael Gulliford FRICS Gulliford & Smith 020 8941 6850	Peter Churchill MRICS W T Hills 01392 218010	John Peel MRICS J O Peel & Associates 01970 625355	Clive Stanway FRICS Cyril Orchard & Partners 01952 608445
Graham Harvey-Browne BSc FRICS CM Parker Browne 020 7928 1066	M. E. Hallam MRICS Croot & Partners 01305 788 666	Peter Rice FRICS Cyril Sweett 02920 388147	Yorkshire & Humberside
Philip Jones FRICS Ridge and Partners LLP 01993 815000	Richard Harvey FRICS Gleeds 0117 317 3200	Nicholas Soady BSc MRICS RPA Chartered Quantity Surveyors 02920 226846	David Bishop MRICS DBA Management Ltd 01302 719919
Peter Kent FRICS F T Allen & Partners 01903 708950	Andrew Kennedy BSc FRICS Goynes Adams 01202 208000	Neil Taylor FRICS BSc ChandlerKBS 0292035 2300	Robert Boyle FRICS MAPM V B Johnson & Partners 01924 897373
James Le May MRICS Le May & Co 020 8893 3341	Simon Large BSc FRICS MAPM Magna Partnership Ltd 01285 640460	Wyn Walters MRICS WRW Construction Ltd 01554 779922	Gary Cheeseman MRICS Stace 0113 244 2865
Andrew Martin MRICS PDD Surveyors 01908 690630	Bruce McAra MRICS Turner & Townsend Cost Management 0121 262 1100	West Midlands	G. E. Firth FRICS Firth Partnership 01226 206021
Bruce McAra MRICS Turner & Townsend Cost Management 0121 262 1100	Roger Pepper FRICS McNaughts 01202 681464	Adrian Aston FRICS MAPM Wakemans Ltd 0121 454 4581	Bob Macgregor FRICS GVA Grimley 0870 900 89 90
David Metcalf FRICS Calford Seaden Partner- ship 01689 888222	David Perry MRICS Wm G Weller & Son Ltd 01209 215621	Paul Beeston BSc(Hons) MRICS Rider Levett Bucknall 0121 503 1500	Paul Mackie MRICS Rex Procter & Partners 01274 693622
Paul Moore BSc MRICS EBM 01702 557447	Martyn Stubbs MRICS Nixey Powell Partnership 01225 424213	Sara Boonham BSc LLB MRICS Gardiner & Theobald 0121 234 9000	Jonathan Park MRICS Appleyard & Trew 01423 871471
Graham Moore FRICS MS Associates 01243 539378	B. J. Tipling FRICS Jenkins Hansford & Part- nership 01278 785090	Tony Clewett FRICS Osbornes (Quantity Survey- ors) Ltd 024 7656 1510	
Michael Morter BSc MRICS Abacus Project Services Ltd 01277 234984	Nicholas Trolley MRICS Dickson-Powell Partnership 0117 973 2431	Robert Cox FRICS Holbrow Brookes LLP 0121 423 4000	
Peter Read FRICS Christopher Smith Associates 020 8943 2157	Christopher Varey FRICS FFB Beaufort Ellis Associates 01793 542324	Susan Fullard FRICS AMRSH Fullard Rosier 01564 779262	
Tony Sumners FRICS King Sumners Partnership 01489 578811	J A West FRICS Denley King Construction Consultants Ltd 01202 715300	P. S. Griffin MRICS Nicol Thomas Limited 0121 643 4571	
Andrew Wainwright FRICS John Smith Projects 01962 861688	Wales	Mark Janssens BSc(Hons) FRICS Faithful and Gould 0121 483 5483	
South West	Julian Gauregui BSc(Hons) LLB MRICS HCD Management Ltd 02920 817878	Bruce McAra MRICS Turner & Townsend Cost Managements 0121 262 1100	
Roger Adams FRICS DBK Goynes Adams 01202 208000	Geraint Morgan MRICS Watkins Jones & Sons Ltd 01248 362516	A. H. Millward MRICS Allan Reynolds Partnership 01902 771802	
Phillip Baker FRICS Baker Ruff Partnership 01823 251356	Leonard Morley FRICS Tweeds 01352 756161	Bob Pattern BSc Hons FRICS Franklin & Andrews 07798 854306	
Paul Bridges MRICS BSc (Hons) Leslie Clark Construction Consultants 0117 973 8195	D. H. Nurcombe FRICS Nurcombe Yates & Part- ners 02920 451065	Malcolm Sales MRICS Malcolm Sales 01538 757233	

RICS contacts

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The Royal Institution of
Chartered Surveyors
12 Great George Street
Parliament Square
London SW1P 3AD

T +44 (0)20 7222 7000
F +44 (0)20 7334 3795

economics@rics.org.uk
www.rics.org