

02 / PRICE ADJUSTMENT FORMULAE FOR CONSTRUCTION

In the 12 months between November 2007 and November 2008, the 60 building work categories have recorded an average rise of 7.6%, identical to the figure four months ago. This is a combination of the 6% wage increase for building operatives at the end of June and significant price rises for some materials. In the four months since July, there has been an average rise of just 1%.

The work categories with the highest inflation over the past year have been:

	% change
Concrete: reinforcement	31.6
Metal: decking	23.1

Finishes: bitumen, resin and latex flooring	20.1
Waterproofing: liquid applied coatings	19.3
Windows and doors: steel	19.2
Piling: steel	17.8
Cladding and covering: coated steel	15.9
Waterproofing: built-up felt	15.7
Raised access floors	15.3

The highest cost rises over the past year have been for categories subject to the high cost of steel and rising oil prices. Most of the increases occurred in the first half of the year. The prices of both commodities have since fallen sharply but further increases have occurred since July:

Metal: decking	11.4
Finishes: bitumen, resin and latex flooring	9.4
Raised access floors	7.4
Cladding and covering: coated steel	6.8
Metal: miscellaneous	5.1
Pipes and accessories: spun and cast iron	5.0

There have also been price falls over the past year:

Cladding and covering: lead	-14.3
Cladding and covering: zinc	-8.1
Pipes and accessories: copper	-3.7
Cladding and covering: copper	-3.2
Windows and doors: softwood	-1.0
Softwood carcassing and structural members	-0.5