



AKC-Work Completed New Cork City Restaurants

We are pleased to have provided construction cost management services to the latest restaurants to open in Cork City. The international Wagamama chain have opened on the ground floor at 4/5 South Main Street and Captain Americas have opened on the first floor. Design was by Tony Kelly of Kiosk Architecture and the contractors were Ridge Developments.

Across town at French Church St / Academy St. Jay Bourke and Eoin Foyle have opened Café Bar Deli in the former Mercier Press bookshop. Design was by Pierce Tynan Design of Dublin and the contractors were Beausang Construction from Midleton.



Paul McMahon joins AKC

We are delighted to announce that Paul McMahon FSCS FRICS has recently joined AKC. A Chartered Surveyor with extensive experience in Industrial, Commercial, Retail, Pharmaceutical, Microelectronics and Civil Engineering projects. Paul's career spans almost 25 years. He qualified through Patrick J. Coveney Partnership before travelling to London to work with Beard Dove & Partners and Cyril Sweett & Partners and onward to Australia where he worked with a Development & Project Management company, Chester Group Pty Ltd. Returning to Ireland in the early 1990s Paul joined E.G. Pettit & Company where he set up and headed their Cork quantity surveying department for the past 10 years.



Social and Affordable Housing

The Department of the Environment, in a letter dated 9 March 2005 to the Cork branch of the Construction Industry Federation, have clarified in the Compensation Payable Approach that the Developer may apply a profit to all building and attributable development costs. The one exception being that they do not envisage a Planning Authority agreeing to a developer applying a developer's profit to the builder's profit element of the building costs. In addition they also emphasise that all costs, including the level of developer's profit must be agreed by both parties i.e. the Developer and the Planning Authority. This is a major clarification by the DOE and should significantly ease any difficulties in reaching part V agreements with Local Authorities.

SCS Rebuilding Insurance Guide

The Society of Chartered Surveyors has recently published an updated edition of the SCS Guide to House Rebuilding Insurance. The table of costs in the guide are effective from July 2004. The guide can be downloaded from the SCS website at www.scs.ie. There is also a link to the guide on the www.akc.ie website within the Cost Data section.

Public Sector Contracts Worth at least €100 Million Being Missed

The Department of Finance in a statement dated 13 December 2004 says that Public sector contracts worth an estimated €100 million are being missed by small and large businesses in Ireland because they simply don't pitch for them. The Department of Finance hopes to change all that and has launched a marketing campaign to publicise the national e-tendering website, www.etenders.gov.ie. We say, that in tandem with their marketing campaign, that the Department of Finance should encourage Contracting Authorities to at least acknowledge the efforts of those who do make a pitch! Since the etenders website was launched in mid 2001, we are aware that many detailed submissions are not even acknowledged.

Working Hours in France

French MPs have effectively voted to relax the Socialist-era 35-hour limit on the working week, allowing private firms to increase working hours. Employers said the 35-hour week, introduced in 1998, had failed to create jobs and was uncompetitive. The new law does not scrap the 35-hour week - it still applies in France's large public sector and it will remain the standard working week in the private sector. Workers in the construction sector in Ireland, according to CSO statistics have worked an average of 45.44 hours per week over the past 4 years.

Department of Education

The Department of Education in a circular PBU/2/05 has increased the Basic Building Cost limits for both Primary and Second Level Schools for the first time since December 2000. The revised limits are as follows:

	December 2000	February 2005	% increase
Primary Schools	1,015.79	1,170.00	15.18%
Secondary Schools	1,079.28	1,170.00	8.41%

They state that the increase allows for tender inflation since December 2000 and for specification improvements to comply with the Building Regulations and with the Department's Technical Guidance Documents.

In the same period the comparative indices from the following organisations show increases of:

SCS Construction Cost Index	22.90%
DOE House Building Index	20.08%
CSO WPCM 4040	26.70%

Top Economists Predictions for '05

The Sunday Tribune in an article on Sunday 2 January 2005 published a set of predictions from some of Ireland's top economists for the year 2005. A summary of which is as follows:

	GNP	Inflation	Euro / \$	Unemployment
Dan McLaughlin - BOI	5.00%	2.6%		4.2%
Dermot O'Brien - NCB	4.75%	2.2%	1.40	4.4%
Dermot O'Leary - Goodbody	5.20%	2.0%	1.31	4.2%
Jim Power - Friends First	4.40%	2.7%	1.35	4.2%
John Beggs - AIB	5.00%	2.4%	1.33	4.5%
Niall Dunne - Ulster Bank	5.00%	2.5%	1.40	
Robbie Kelleher - Davys	4.20%	2.2%		4.2%

As a footnote to the above the ESRI, in its Spring 2005 commentary, is predicting GNP of 5% for 2005 and 5.8% for 2006. In addition they predict inflation at 2.3% for 2005 and 2.2% for 2006.

New Dwellings Completed (source DOE)

Year	Social Housing	Private	Total	Year	Social Housing	Private	Total
1993	2,090	19,301	21,391	1999	3,488	43,024	46,512
1994	3,275	23,588	26,863	2000	3,155	46,657	49,812
1995	3,971	26,604	30,575	2001	4,875	47,727	52,602
1996	3,593	30,132	33,725	2002	5,763	51,932	57,695
1997	3,388	35,454	38,842	2003	6,133	62,686	68,819
1998	3,256	39,093	42,349	2004			76,954

McCreevy announces major overhaul of services Directive

Sweeping changes will be made to the besieged services directive because "as drafted it won't fly", EU Internal Market Commissioner Charlie McCreevy has announced. Worker protection provisions will be tightened, health excluded and the country-of-origin principle reviewed, Mr. McCreevy told journalists on 3 March. The move was immediately hailed as a victory by socialist MEPs who vigorously oppose what has become known pejoratively as 'the Bolkestein directive' after the previous Internal Market Commissioner.



**SCS Construction Cost Index** (Source: Society of Chartered Surveyors)

Base Year 1985 = 100

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Yearly % Jan to Jan.
1997	160.0	160.6	161.0	162.5	162.6	162.8	164.5	165.1	165.9	166.4	166.5	166.5	4.38%
1998	167.0	167.3	168.0	168.1	169.1	169.3	171.0	170.8	171.0	171.1	171.0	170.8	2.46%
1999	171.1	171.1	171.2	176.8	176.9	177.1	179.0	179.1	182.9	183.6	183.7	183.7	8.12%
2000	185.0	185.5	186.2	186.4	187.0	187.1	187.4	187.5	188.2	210.4	210.4	210.5	14.05%
2001	211.0	211.8	213.2	215.8	215.8	215.8	220.0	227.1	227.2	232.2	232.2	232.1	10.19%
2002	232.5	232.6	231.5	231.5	231.6	231.7	237.6	237.7	237.7	237.7	237.7	237.8	2.32%
2003	237.9	238.0	238.0	242.2	242.2	242.2	242.5	242.5	242.5	242.5	242.5	242.5	3.49%
2004	246.2	247.8	249.5	251.4	252.7	253.0	255.0	255.1	255.1	257.8	257.8	258.0	5.04%
2005	258.6	258.7											

Note: January to August 2004 - revised from previously published. The listing from 1987 for this index is available on our website www.akc.ie in the indices section.**DOE House Building Cost Index** (Source: Department of the Environment)

Base Year 1991 = 100

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Yearly % Jan to Jan.
1997	118.0	118.5	118.8	119.8	119.8	119.8	120.8	121.0	121.5	122.0	122.6	122.6	4.15%
1998	122.9	123.1	123.8	123.8	124.5	124.5	125.7	125.7	126.0	126.2	126.2	126.1	2.77%
1999	126.3	126.4	126.5	130.5	130.5	130.5	131.5	131.5	134.1	134.7	134.8	134.9	7.52%
2000	135.8	136.1	136.4	136.5	136.8	136.9	137.2	137.2	137.7	153.8	153.8	153.9	13.62%
2001	154.3	154.7	155.6	157.4	157.6	157.7	161.1	165.9	166.0	169.3	169.4	169.3	10.11%
2002	169.9	170.0	169.5	169.5	169.5	167.7	173.8	173.9	173.9	173.9	174.0	174.1	2.53%
2003	174.2	174.5	174.5	177.3	177.3	177.4	177.1	177.2	177.2	177.2	177.2	177.2	2.76%
2004	179.6	179.7	179.9	179.9	180.0	180.2	182.1	182.2	182.2	183.9	184.2	184.2	2.84%
2005	184.7	184.8											

CSO Wholesale Price Index for Construction Wages & Materials (WPCM4040)

(Source: Central Statistics Office)

This index has been rebased to the year 2000, historical index figures are available on our website www.akc.ie

Base Year 2000 = 100

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Yearly % Jan to Jan
2000	96.1	96.5	96.7	97.4	97.8	98.0	98.0	98.2	98.7	107.4	107.5	107.6	12.38%
2001	108.0	108.4	108.5	110.4	110.4	110.6	112.6	115.6	115.7	117.8	117.8	117.7	9.35%
2002	118.1	118.4	118.4	119.2	119.4	119.4	121.6	121.7	121.9	122.3	122.2	122.2	2.88%
2003	121.5	121.7	121.9	123.8	123.8	123.7	123.7	123.9	123.9	124.3	124.5	124.6	3.62%
2004	125.9	127.1	128.6	130.1	131.0	131.3	132.9	133.4	133.9	135.2	135.7	136.3	8.18%
2005	136.2												

CSO Consumer Price Index (CPAM 063) (Source: Central Statistics Office)

Base Year 1996 = 100

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Yearly % Jan to Jan
1998	101.3	101.8	102.3	102.8	103.2	103.7	103.4	103.7	104.0	104.1	103.7	103.6	1.48%
1999	102.8	103.4	103.7	104.2	104.7	105.0	104.6	105.2	105.6	105.7	105.9	107.1	3.99%
2000	106.9	107.8	108.5	109.3	110.1	110.8	111.1	111.7	112.1	112.9	113.3	113.4	5.24%
2001	112.5	113.5	114.4	115.4	116.1	116.7	116.4	116.8	117.3	117.7	117.6	118.2	4.89%
2002	118.0	118.8	119.9	120.9	121.5	121.7	121.3	122.0	122.6	123.2	123.3	124.1	4.75%
2003	123.6	124.8	125.8	126.1	126.0	126.0	125.1	125.9	126.1	126.0	126.0	126.5	1.86%
2004	125.9	126.9	127.4	127.9	128.1	128.8	128.5	129.2	129.3	129.4	129.7	129.8	2.22%
2005	128.7	129.8											

Permanent TSB National House Price Index (Source: Permanent TSB)

Base Year 2003 = 100

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Yearly % Jan to Jan
1996			33.7	33.8	34.2	34.6	34.9	35.3	35.5	35.8	35.8	35.7	
1997	36.5	36.9	38.0	38.4	39.0	39.5	39.8	40.2	40.5	41.2	41.7	42.0	16.16%
1998	42.4	43.0	44.0	44.7	46.2	47.8	49.8	51.1	51.8	52.7	53.2	54.6	29.01%
1999	54.7	55.6	56.3	57.1	57.8	58.6	59.8	60.7	61.5	62.3	63.4	64.3	19.56%
2000	65.4	66.1	67.4	68.5	69.8	71.1	72.4	73.9	74.2	75.0	76.4	78.0	20.64%
2001	78.9	79.2	80.2	81.2	81.6	81.8	82.6	83.4	83.2	82.5	82.1	81.5	2.41%
2002	80.8	81.3	82.8	85.2	85.6	86.0	86.4	87.5	88.7	90.0	91.2	92.3	15.10%
2003	93.0	93.8	94.8	96.0	97.7	98.7	99.8	100.6	101.1	102.4	103.6	105.0	13.33%
2004	105.4	106.3	107.1	108.4	108.9	109.9	110.9	112.1	113.2	113.5	113.8	114.0	8.54%
2005	114.4	114.7											

HPO Tender Index (Source: Department of Health)

Construction	Q 1	Q 2	Q 3	Q 4
1997	340	355	370	380
1998	385	395	405	415
1999	420	429	438	447
2000	470	485	500	540
2001	570	580	595	605
2002	621	631	640	626
2003	628	628	628	628
2004	628	629	631	632

SCS Tender Index

(Source: Society of Chartered Surveyors)

	Jan - July	July - Dec
1998	100.0	103.8
1999	108.6	116.1
2000	121.7	130.7
2001	132.2	136.9
2002	133.9	130.1
2003	127.2	129.3
2004	135.3	