



## AKC-Work Complete

### Quinn Direct, EastGate

Recently completed at Island Plaza, EastGate in Cork is the 4 storey, 6,285 m<sup>2</sup> purpose built new home for Quinn Direct Insurance. The building has been designed for a projected occupancy of 700 people. Design by Dennehy & Dennehy Designs Architects and construction by O'Flynn Construction.



## Supplementary Budget 2009 and Property

- Capital Gains Tax increased from 22% to 25% with effect from midnight on 7<sup>th</sup> April 2009.
- The capital acquisitions tax rate is being increased from 22% to 25% in respect of gifts or inheritances made from midnight on 7 April 2009. The thresholds are also being reduced by 20%.
- Termination of Capital Allowances Scheme for Private Hospitals and Nursing homes
- Mortgage interest relief will be discontinued for any mortgage over 7 years from 1 May 2009.
- The level at which interest re-payments can be claimed against tax for residential rental properties is being reduced from the existing 100% to 75%. This measure will apply to both new and existing mortgages. Commercial properties are not affected.
- Establishment of a Stamp Duty "trade-in" scheme, under which no stamp duty is payable by a person who accepts a traded-in property in exchange or part exchange for a new house/apartment
- €200 million savings, principally arising in the areas of Social Housing and Water Services Infrastructure as well as other programmes.
- €54 million savings, mainly in the Primary and Post-Primary School Building
- A National Asset Management Agency (NAMA) will be established under the aegis of the National Treasury Management Agency

## Peter Sutherland reminds us that the basic strengths of the Irish economy remain formidable

In a recent article in the Financial Times and subsequent radio interview on RTE, Peter Sutherland notes:

- Even after an anticipated 8% fall this year, its GDP per capita, in terms of purchasing power, will remain significantly higher than that of the UK or Germany.
- While unemployment has risen, there are still 80 per cent more jobs in Ireland today than 15 years ago.
- Ireland's economic success has been driven by exports in IT, pharmaceuticals and private sector services and this has resulted in a far stronger basic Irish economy than the one that existed in the 1980s. The drop in exports anticipated for this year is estimated to be only 5.9%. The corresponding OECD figure for Germany is 16.5%, France, 11.4%, and Great Britain, 9.8%. Some others are considerably worse, such as Japan, forecast at 26.4%.
- The latest data suggests there has already been an 8% drop in private sector wages and salaries and, via the "pension levy", there has also been in effect a 7-8% fall in public sector pay. It is hard to imagine wages in other economies displaying such flexibility. If these figures are maintained or even supplemented, the Irish economy should emerge from the recession in a highly competitive position.

Mr. Sutherland concludes his article as follows "While I do not want to trivialise the difficulties that Ireland faces, its problems are acute in nature rather than chronic. Once Ireland overcomes this short-term panic – and I believe the recent Supplementary Budget, whatever its alleged deficiencies, was a vital step in this process – the basic strengths of the Irish economy remain formidable".

## QS Rules of Measurement

In a world dominated by the downturn, billion-pound bailouts and quantitative easing, let nobody argue that today's QS is anything less than fully engaged in helping find solutions to the woes of our industry. The greatest example of this is the advent of the latest QS Rules of Measurement – something that I am reliably informed will have a similar impact on the world of the cost manager as the discovery of penicillin had for clinicians.

The current rules of measurement date back to a time when the nearest you got to a hard disk was a 78 rpm record. But now even the super-conservative world of quantity surveying has finally realised that it was about time for a complete rewrite. Hence the task of sorting out the problem was given to the accurately, if not imaginatively, named "RICS Quantity Surveying and Construction Professional Group 'Measurement Initiative' Steering Group" or to use its more snappy abbreviated form, the RICSQSCPMISG.

The **RICS new rules of measurement** have been written to provide a standard set of measurement rules that are understandable by all those involved in a construction project. They provide advice and best practice guidance to RICS members involved in the cost management of construction projects worldwide. This volume: Order of cost estimating and elemental cost planning, provides fundamental guidance on the quantification of building works for the purpose of preparing cost estimates and cost plans. Direction on how to quantify other items forming part of the cost of a construction project, but which are not reflected in the measurable building work items, is also provided - i.e. preliminaries, overheads and profit, project team and design team fees, risk allowances, inflation, and other development and project costs.

Although written primarily for the preparation of order of cost estimates and cost plans, the rules will be invaluable when preparing approximate estimates. In addition, the rules can be used as a basis for capturing historical cost data in the form required for order of cost estimates and elemental cost plans, thereby completing the 'cost management cycle'.

The RICS new rules of measurement are based on UK practice but the requirements for a coordinated set of rules and underlying philosophy behind each section have worldwide application.

A hard copy of the RICS New rules of measurement can be purchased from RICS Books.com or downloaded from [www.rics.org](http://www.rics.org).

*Source: Building 27 March 2009*

## In Brief

### SCS and IAVI to merge ??

At a recent meeting, the Council of the Society of Chartered Surveyors (SCS) approved a proposal that the organisation, jointly with the IAVI, examine the issues involved in the establishment of a single professional body for the property and construction sectors in the Republic of Ireland to represent the combined SCS and IAVI membership of circa 5,000 professionals.

### RIAI blue Form of Contract

Readers may be interested in the recent Supreme Court decision setting aside an earlier High Court decision. The issue revolves around the RIAI blue Form of Contract and the use of descriptions in a schedule of rates, including preliminaries. While it is case specific, it may be of considerable general interest. The judgement may be downloaded from the Supreme Court's website.

### Croke Park wins RIAI Gold Medal

The designers of Croke Park Stadium, Gilroy McMahon, were recently presented with the RIAI Gold Medal.

The indices shown overleaf are updated regularly on our website. Further copies of this review are available on our website to download as an Acrobat PDF file.

**AKC Chartered Surveyors**  
chartered quantity surveyors | building economists  
Heron House, Blackpool Park, Blackpool, Cork  
[t] 021 4228900 [f] 021 4228989 [e] info@akc.ie [w] www.akc.ie



**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.
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	255.6	255.9	258.6	259.2	259.8	5.61%
2005	260.0	260.1	260.2	262.4	262.7	262.8	263.6	264.0	264.6	268.7	268.6	268.7	3.50%
2006	269.1	269.8	270.6	275.9	276.3	276.9	277.3	277.3	278.5	282.5	282.9	283.3	5.66%
2007	284.4	284.4	284.7	286.8	287.4	288.0	291.3	292.1	292.3	292.4	292.8	293.3	4.43%
2008	297.0	298.2	298.7	300.2	301.3	302.0	303.1	303.7	303.7	303.7	303.5	302.0	1.08%
2009	300.2	298.5											

**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.
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	184.9	186.5	186.6	186.6	186.7	186.9	186.9	189.5	189.4	189.7	2.82%
2006	189.9	190.1	190.6	194.0	194.2	194.3	194.4	194.5	194.6	197.7	198.0	198.1	4.69%
2007	198.8	198.8	199.4	200.0	200.1	200.3	203.7	203.6	203.7	203.8	203.8	204.2	4.33%
2008	207.4	208.2	208.6	208.9	209.4	209.9	210.4	210.4	210.5	210.1	209.9	209.3	0.29%
2009	209.0	207.3											

**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](http://www.akc.ie)

Base Year 2000 = 100

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Yearly % Jan to Jan
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	136.0	135.9	137.1	137.4	137.5	137.7	137.8	138.0	140.1	140.6	140.8	3.82%
2006	141.4	142.5	143.4	146.6	147.7	147.6	147.9	148.6	148.9	151.0	151.3	151.4	7.14%
2007	151.5	151.6	152.3	153.3	153.4	153.7	155.5	155.4	155.6	155.6	155.7	156.0	4.03%
2008	157.6	158.5	159.0	159.3	159.9	160.5	161.0	161.0	161.1	160.5	160.3	159.6	0.38%
2009	158.2	157.3	156.8										

**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
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	130.1	130.7	131.2	131.6	131.6	132.1	133.2	133.3	133.1	133.0	3.03%
2006	132.6	134.0	134.6	135.7	136.3	136.6	137.1	138.1	138.5	138.5	139.0	139.5	5.05%
2007	139.3	140.5	141.5	142.6	143.1	143.5	143.9	144.5	145.0	145.2	145.9	146.1	4.31%
2008	145.3	147.2	148.6	148.8	149.8	150.6	150.2	150.9	151.2	150.9	149.6	147.7	0.00%
2009	145.3	144.7	144.7										

**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
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	115.1	115.5	116.1	116.8	117.8	119.0	120.2	121.7	123.1	124.6	10.23%
2006	126.1	127.4	129.0	130.8	132.9	134.5	136.0	137.3	138.2	139.0	139.2	139.3	10.63%
2007	139.5	139.5	138.6	137.5	136.4	135.7	135.1	134.7	134.3	132.5	131.0	129.1	-8.10%
2008	128.2	127.2	126.3	124.9	123.4	122.6	122.4	121.3	120.0	119.0	118.4	117.3	-9.75%
2009	115.7	114.8	113.7										

**National Rental Index** (Source: Daft Report)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2005	82.8	82.7	83.6	83.4	83.9	83.8	84.5	85.0	84.9	86.0	86.8	87.9
2006	87.0	86.7	86.7	87.8	88.9	90.5	91.6	93.6	94.4	96.1	96.3	96.7
2007	96.6	97.0	98.9	96.0	100.0	105.8	99.8	100.8	102.2	102.5	101.8	98.6
2008	101.7	100.8	101.1	100.5	99.3	98.4	97.9	97.6	96.6	94.6	91.2	89.0
2009	88.5	87.2	85.3	84.0								

**SCS Tender Index**

(Source: Society of Chartered Surveyors)

	Jan - July	July - Dec
2002	133.9	130.1
2003	127.2	129.3
2004	135.3	139.4
2005	142.6	144.7
2006	146.7	151.7
2007	152.0	145.2
2008	140.7	130.0

**Note**

Due to space constraints only the most recent years of the above indices have been shown here. The full listing of the above and other indices are available on our website at [www.akc.ie](http://www.akc.ie)