



AKC-Work in Progress

Clúid Housing, Bandon, Co. Cork

Construction of two adjoining blocks comprising 37 apartments of Sheltered Accommodation with associated Daycare & Assessment Centre including Biomass boiler house and associated siteworks, began in May 2007. The €6.8 million contract at Mill Place, Bandon is designed by Reddy O'Riordan Staehli Architects and Colliswood Ltd. of Tralee are the main contractors.



Image: RORSA

The High Court delivers Judgement on Part V

The High Court judgement, in the matter of Cork County Council v Murphy Construction and Dun Laoghaire Rathdown Council v Glenkerrin Homes, was delivered by Mr Justice Clarke on 19th July 2007. A copy of the judgement can be downloaded from the www.akc.ie website in the News Section. The implications of the outcome have yet to be debated among developers and their legal advisors and it is unclear if the judgement will be appealed to the Supreme Court.

Public Private Partnership (PPP)

In our Q4 2004 Review, we wondered should more questions be asked about value, to the Irish people, of the PPP approach to infrastructure investment. We now ask if the following story should raise a red flag for the future;

Carillion goes to court over scrapped £1.2bn deal

A report in 'Building' dated 27th July 2007 states that Carillion is suing Bradford council in west Yorkshire for more than £40m in unrealised profit after a successful bid for a £1.2bn outsourcing contract was cancelled after the deal was scrapped. The action, brought in the High Court, could be a test case for contractors that have lost out after projects were abandoned. It has particular significance for PFI projects, which are increasingly at risk of being axed or scaled back.

A £711m hospital PFI project in Leicester, for instance, where a consortium made up of John Laing, Laing O'Rourke and Serco was preferred bidder, was abandoned by the client last week. It is understood that John Laing is considering legal action to recover its bid costs.

Carillion's 20-year contract, for the refurbishment and facilities management of the council's property portfolio, was withdrawn in February amid controversy over the bidding process. Carillion, which was appointed preferred bidder in 2005, is suing for the profit it believes it would have made from the deal. Alternatively, it is seeking compensation for its costs. In the writ Carillion says it has incurred substantial costs and suffered losses as a result of the council's decision not to proceed to financial close. The writ says a district auditor's report was critical of the council but made no criticism of bidders. Carillion says it is not aware of any suggestion of impropriety on its part. However, in February the council allegedly informed Carillion that the project had been abandoned on the grounds that the process was "tainted" and that it "wished to draw a line under things".

One lawyer said: "This is a fertile field for claims"

Registration of Architects, Quantity & Building Surveyors

Further to our news item in Q2 2007, the registration of the title of 'Architect', 'Quantity Surveyor' and 'Building Surveyor', will not come into operation until a commencement order has been issued by the Minister for the Environment. We understand that this is unlikely to be before the end of this year.

Development Contribution Schemes - Floor areas

It has come to our attention that the definition of Floor Area to calculate development contributions is not consistent across Local Authorities. Cork City Council defines 'gross floor area' as being determined from the **external** dimensions of the building. Both Limerick City Council and Mayo County Council define 'gross floor area' as being determined from the **internal** dimensions of the building. Other Local Authorities that we have checked are silent on the definition of 'gross floor area'. It would be preferable if all Local Authorities had a uniform definition. In our view reference should be made to the 'Measuring Practice Guidance Notes' published by SCS/IAVI in August 2006 which defines areas, which have a cost implication, as being **Gross Internal Area**.

Bord Pleanála Fees

An Bord Pleanála announced on 12 September 2007 revisions to their fee structure including the introduction of a €100,000 fee for an 'Application for strategic infrastructure development'. Full information on the revised fees is available in the General Cost Data section of our website www.akc.ie or at www.pleanala.ie

Dublin City Council increase apartment sizes.

Dublin City councillors in early September unanimously approved new guidelines that would significantly increase the size of new apartments in the capital. The proposals are likely to become compulsory for developers within two months. They would see the average new apartment increase in size by 25% with almost half of all apartment complexes being at least 80m² in size to accommodate a family unit. Detailed guidelines as to the size of kitchens, bedrooms and public space outside have also been drawn up by the council. The average height of apartment ceilings will rise from 2.3 to 2.7 m. There will now be a four-week consultation period where submissions will be invited from interested parties including developers. The final decision is likely to come at the November meeting of the council.

The draft guidelines, "Achieving Liveable, Sustainable New Apartment Homes for Dublin City", can be downloaded from the www.akc.ie website in the News Section.

Revisions to GCCC Contracts

We have been advised that the Department of Finance website page containing the various new Forms of Contract has recently been updated as follows:-

- New versions of the Construction contracts (versions dated 15 August 2007) have been posted. The new versions incorporate the adjustments included in the errata note in Section 19 of the Public Works Construction Contracts Training manual.
- Conditions of Engagement for Construction Consultants (version dated 7 December 2006) have been replaced with an updated version dated 21 May 2007. Adjustments have been made to Clauses 6.2, 6.6 and 8.10
- Public Works Contracts Model Forms (version dated 30 April 2007) has been replaced with an updated version dated 31 July 2007

You will find a link to the revised contracts, Conditions of Engagement, Model Forms etc in the Costs & Contracts section of our website www.akc.ie

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.
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	255.6	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						

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.
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	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							

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
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	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						

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
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	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						

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
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	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						

National Rental Index (Source: Daft Report)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2003	101.2	102.0	102.3	102.7	101.3	100.5	100.4	100.3	99.9	97.9	96.6	95.9
2004	95.7	94.9	94.6	95.0	95.4	95.8	96.9	97.9	98.5	98.4	97.6	97.2
2005	97.7	97.5	98.6	98.4	99.0	99.0	99.9	100.4	100.2	102.0	102.9	104.4
2006	103.3	102.6	102.8	102.9	105.0	105.8	107.1	109.4	110.4	112.4	112.5	113.0
2007	112.9	113.4	115.6	112.2	116.9	123.6	116.7					

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

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