



## AKC-Work in Progress

### Bank of Ireland, 32 South Mall, Cork

This prominent Bank of Ireland building on the corner of the South Mall and Parliament Street is getting its long overdue face lift! The elevations facing South Mall and Parliament Street are getting a mixture of limestone cladding, planar glazing and curtain walling with integrated Brise Soleil. Staff that don't have a view of the South Mall will overlook a new grassed green roof to the internal courtyard. Internally all floors are being upgraded with new floor finishes, decoration, heating, air conditioning and ventilation.



## It is time to 'take out the long sword'

The year 2008 commenced benignly enough with little indication that economic life as we had come to know it would disappear with such a blinding speed. It was as if 'World economics' was put into the Google search engine, downloaded and then dumped in the trash can.

The future is not just uncertain but has overnight become a frightening place. Celtic Tiger Ireland brought many benefits to the majority of Irish people and brought a standard of living undreamed of in earlier decades and for the first time since the famine our population increased bringing with it enormous social, cultural, and economic benefits.

The Tiger did not, of course, solve all our problems and it had many vulgar excesses and obscene salaries and bonuses but, by and large, it has left us with many advantages, including a level of wealth and education which, in spite of everything that took place this year is greater than at any time in our history.

And this is why we must refuse to allow ourselves to be talked into believing that the apocalypse is arriving in 2009. The world financial markets will recover, bright sensible people will rise to the top as they always do in crisis, new inspirational leadership in America will recognise that the crisis which began in America represents the moral failure of a system based on debt and at the heart of the moral failure is the worship of growth for its own sake, rather than as a way to achieve a good and decent life for all.

The, now newly revered, economist John Maynard Keynes believed that material wellbeing is a necessary condition for a good life, but beyond a certain standard of comfort its pursuit can produce corruption, both for the individual and for society.



So, let us not be, as President Lyndon Johnson once humorously said: "...just like a jackass in a hailstorm where there is nothing to do but to stand there and take it" but, let us pull ourselves together, put fatalism behind us, 'take out our long sword' and without a backward glance look forward to the future with the same energy and enthusiasm that we have brought to so many endeavours in our history.

Robert Andrews

## Minister O'Keeffe unveils plan for 7 new schools

Seven new schools providing accommodation for over 4,800 pupils are to be built under a new phase of the Department of Education's public-private partnership (PPP) programme. Six are post-primary schools and one is a primary school. They are located in counties Donegal, Leitrim, Galway, Wexford, Waterford and Westmeath. They are expected to be ready by 2012.

Under the PPP model, the private contractors build and fund the projects over the 25-years. A report from the Comptroller and Auditor General found that schools provided under the PPP route can cost the taxpayer more. But the department maintains the PPP model is the most cost efficient way of building new schools. *Source: Irish Times 17 December 2008*

## Public Private Partnership.

Our readers will be aware that we have made comments on PPP in the past (see Q4 2004, Q3 2007). Further PPP procured schools have recently been announced by the Minister for Education (see above story). In a comment reported in the Irish Examiner on 17 December 2008, Ruairi Quinn of the Labour Party stated "using PPPs was probably the most expensive way to build schools as they involve interest rates to private companies which are much higher than ECB rates. With the massive downturn in the construction industry, one would have to question if reversion to this expensive off-balance sheet borrowing is the best way to go, given the need for the State to get value for money in a falling market". And in a recent leading article in the Sydney Morning Herald the writer, while acknowledging previous support for the PPP model, now is of the view that the State would be better returning to building public infrastructure with State funds and ownership, a model that worked well for two centuries. The article was prompted by the recent news that by the time the Sydney Harbour Tunnel reverts to state ownership in 13 years, it will have cost the taxpayers of New South Wales \$1.8 billion for a asset that cost \$550 million to build.

## Draft Agreement on Wages

We published the draft agreement on wages in our Q3 review. It hardly comes as a surprise that the Construction Industry Federation (CIF) has rejected the national pay deal and has sought a 10 per cent pay cut across the sector. CIF director-general Tom Parlon said the deal, negotiated by the social partners in September, "ignores the reality of where the Irish economy and the construction industry are today". *Source: Irish Times 26 November 2008*

## Yorkshire firm's 'incredible' material

Recycled plastic can pass for steel, cement or wood. A West Yorkshire company said it has perfected the blend to make the ultimate recycled building material. The Halifax-based i-plas claims its material, also called i-plas, is a direct replacement for concrete, steel and wood. But that's not all. The firm also says its product, which is made from recycled plastic, will not chip or splinter, is vandal resistant, requires no varnish and does not easily burn. Howard Waghorn, MD of i-plas, said: "It's an incredible material. We are already using it to replace timber in bridges, footpaths and park benches, but we believe the construction industry could use i-plas as a direct replacement for concrete in new projects. It performs better and has no environmental impact." *Source: Building*

## Is this the future ?

### Taylor Wimpey firm imposes 20% payment cut on sub contractors

A Taylor Wimpey subsidiary company has sent letters to its subcontractors demanding they cut costs on existing orders by 20%. The letter from George Wimpey Bristol warns that without the reductions, work will stop completely. Commercial director Jason Wren writes: "Every build release and site start must be supported by cost reductions, and our requirement is 20% off all current orders. *Source: Building*

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.
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	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				

**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.
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	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		

**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
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	155.4	155.6	155.6	155.7	156.0	
2008	157.6	158.5	159.0	159.3	159.9	160.5	161.0	161.0	161.1	160.5	160.3		

**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
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	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	

**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
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	134.7	134.3	132.5	131.0	129.1	-8.1%
2008	128.2	127.2	126.3	124.9	123.4	122.6	122.4	121.3	120.0	119.0	118.4		

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2004	81.1	80.4	80.2	80.5	80.8	81.2	82.1	83.0	83.5	83.4	82.7	82.4
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	100.9	100.1	99.6	98.6	97.7	96.6	96.3	95.4	93.4		

**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	

**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)