Supplementary evidence on build costs of flats in Norwich City

Advice from Norfolk Property Services

We have firstly looked to establish an industry respected source of cost data to aid us. The two readily available sources we are aware of are,

- Spons Architects & Builders Price Books edited by Davis Langdon
- BCIS , The Building Cost Information Service a business within the Royal Institiution of Chartered Surveyors (RICS)

"Spons" does not have sufficient in depth data to provide assistance in this area. BCIS does have some useful data which is capable of being analysed to enable some guidance to be given.

Please note we have used the most current available figures, these are at a price base of 2Q/2012 with a location index adjustment for Norfolk (these supersede those in the report titled "Supplementary evidence relating to flats in Norwich City"

For Flats, the influence of the number of storeys on cost

Within the BCIS £/m2 study section, Flats are divided into the following groupings (see appendix A)

Table 1

	Mean Cost 2Q/2012
New build	
816. Flats (apartments)	
Generally	£973
1-2 storey	£935
3-5 storey	£958
6 + storey	£1327

These groupings are not explained by BCIS, but it would be reasonable to assume they are presented in this way due cost sensitivity issues.

At first sight it appears that there is a jump between the 3-5 and the 6 and above storeys. The percentage increase between these categories being 38.5%

On inspection of the 6+ category we note that from the total sample within this category (38) that ten of the samples included are 10 or more floors. This illustrates what a wide category this is, and it is likely that costs across all samples may be quite variable. The mean figure will be correct but the band width of this category is greatly different to the others (1-2, 3-5)

The BCIS data also allows the information held to be analysed on a cost per specific number of floors. This is as follows:

Table 2

Number of storeys	Mean £/m2 (2Q/2012)	Number in sample	Percentage change between storey numbers	
2	£1205	15	- 22.5%	
3	£932	73		- 1.0%
4	£923	51	+13.5%	
5	£1046	31		+22.0%
6	£1273	14	-5.0%	
7	£1208	6		-10.5%
8	£1081	2	+16.5%	
9	£1259	2		+10.0%
10	£1385	2		

Based on this data set the increase from

4 to 6 storeys is 38% (£923 to £1273) & 5 to 6 storeys is 22% (£1046 to £1273)

It should be noted that these comparisons are soley based on £/m2 cost, with individual project specifications of the schemes analysed varying.

The sample sizes are low for some categories (2,6,7,8,9,10 storeys) therefore the confidence level of the extrapolations shown can only be low.

Several other permutations can be presented. The following being an example of one of many.

Table 3

Number of storeys	Mean £/m2 (2Q/2012)	Number in sample
3 - 5	£952	157
5 – 7	£1127	51

Based on this data set the increase between these groupings is 18.5%

Conclusions

Based on the data analysed, we summarise as follows,

Table 1 does show a considerable leap between the 3-5 storey and the 6+ storey (38.5%). However as noted the 6+ storey category has a wide range which could skew the analysis.

The more detailed analysis in Table 2 does also appear to indicate cost increases between 4 and 6 storey buildings with buildings with more storeys showing a mixed picture, (the sample sizes for these being low and possibly unreliable).

Table 3 shows another permutation, this is included because a good number of samples are available for these categories. This shows an increase in cost (18.5%) between grouped projects of 3-5 storeys and 5-7 storeys.

Taking the data available and the analysis in the round it appears there is some supporting evidence that development of 5 storeys and above cost more than lower numbers of storeys on a £/m2 basis only. For developments above 6 storeys the picture is mixed and inconclusive.

This analysis has been based on readily available data from the BCIS, a nationally recognised body in this field.

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