

‘This is the price now — it might have changed by the time you call back’

Lockdowns, Brexit and the war in Ukraine mean the costs of building and decorating are soaring. By Carol Lewis

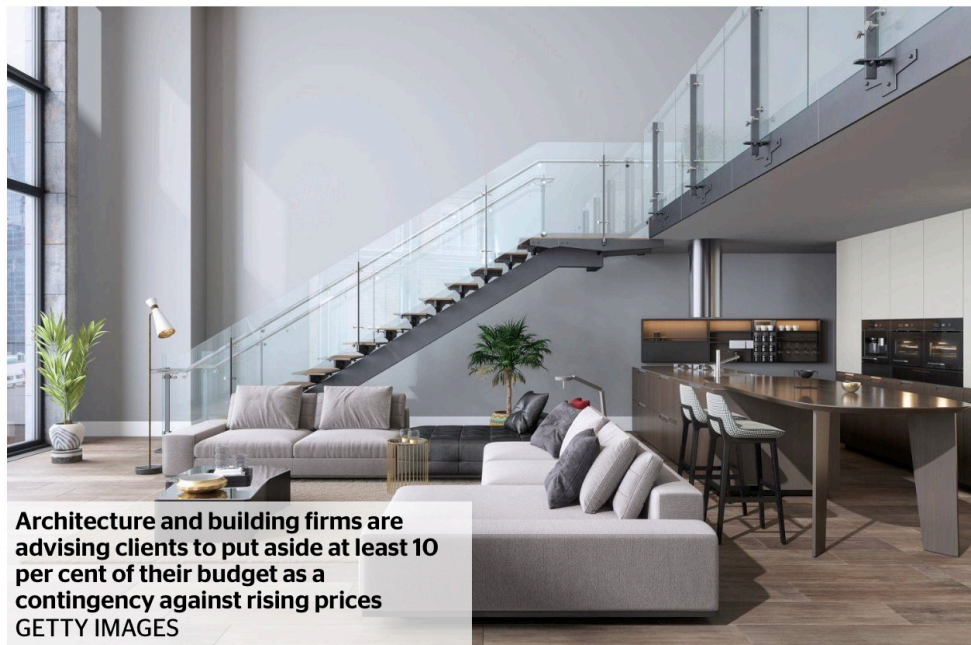
“Everything has gone up in price: sand, cement, plaster, timber, even foil-backed insulation — and you need a lot of that. It’s been hugely expensive,” says Peter Symonds. His home-build project has stalled while he and his wife, Zoe, get together the funds to finish it.

The Symonds bought a “really grotty two-bedroom bungalow in a lovely location” near Caterham, Surrey, in 2016 for £585,000 with the intention of extending and adding a top floor to create a four-bedroom house. Six years and £75,000 later they are three quarters of the way through, but the project has been put on pause several times while the couple saved money.

“If we’d employed a builder we’d be looking at the sharp end of £100,000 [expenditure],” says Symonds, 57, who runs a heating and ventilation company and has been doing the build himself.

“It might have been more cost-effective to knock it down and start again, but we needed somewhere to live while we did it,” he adds. “We haven’t really budgeted, we have just bought what we need as we go along, stopping and starting depending on the money.

“The kitchen [which cost



Architecture and building firms are advising clients to put aside at least 10 per cent of their budget as a contingency against rising prices
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£22,000] wiped us out — it was far more expensive than we were expecting. There was no way we could afford the one we wanted so we had to go for a lower specification.

“Now I need to concentrate on my business to bring in more money to finish the utility room, downstairs bathroom, patio and garden.”

Symonds’s situation is not unique. Tales of people hit by price increases part-way through building and renovating projects are commonplace. Clive Holland, a radio presenter on BBC and Fix Radio, a station for the construction industry, says: “Last week someone called in and said: ‘My builder has just

come back to me halfway through the job and said the cost of my loft conversion has gone up by £18,000.’

“The problem is the price increases we have had over the past year mean that quotes don’t hold water. You can give an estimate but you have to make sure the client realises that it only holds for 30 days.”

Even 30 days may be optimistic. Richard Groom, head of core data products at the Royal Institution of Chartered Surveyors (RICS), says: “Some contractors will only hold prices for 24 hours.”

Charlie Avara, the managing director of All Done, a building design company in London, says





Zoe and Peter Symonds' Surrey house build has stalled due to rising costs

quotes from suppliers are often valid only for the minutes that she is on the phone. "I will call and ask for quotes and they will say: 'This is the price now — it might have changed by the time you call back,'" she says. "I am advising clients to buy things like kitchens and bathroomware now and store them until we can fit them because the price will have gone up in the next three to four weeks.

"We used to provide a quote and the price would be good for six months. Maybe you'd need a 5-10 per cent contingency fund

in case of price rises, but now it is month to month, and if people come back to me after thinking about a quote for three to six months I need to recheck all the prices."

Architecture and building firms are advising clients to put aside at least 10 per cent of their budget as a contingency against rising prices during a project.

A combination of lockdowns, Brexit and the war in Ukraine have meant that the costs of decorating, renovating, extending and building have soared over the past two years.

The price of construction materials reached a 40-year high at the end of last year, according to the Building Cost Information Service (BCIS). The spiralling costs have rendered lists of average build prices and online calculators useless.

What is more, costs vary depending on the complexity of a job and its location. According to the BCIS, a building tender will cost 21 per cent above the UK average in London compared with 9 per cent below the average in Scotland and 8 per cent below in the northeast



of England.

In the latest report from the Construction Leadership Council's product availability group, the co-chairmen John Newcomb, chief executive of the Builders Merchants Federation, and Peter Caplehorn, chief executive of the Construction Products Association, wrote: "Price inflation remains the major concern. There are reports that some suppliers are only willing to hold quotes for tender prices for 24 hours. The resulting uncertainty is leading some contractors to pause before entering fixed-price or long-term contracts.

"The volatility of energy prices has begun impacting the market. Some manufacturers of energy-intensive products are now warning of surcharges

linked to energy costs."

The latest lockdown in China combined with the war in Ukraine have led to a shortage of supplies and price increases for MDF (medium-density fibreboard), used in kitchens and bathrooms, as well as boilers, paint, ceramic tiles and sanitaryware.

Alan Muse, global director of the built environment at RICS, says: "The post-Covid bounce has created an increase in demand, and now there is the added complexity of energy input, with most building materials having a substantial energy input, whether it's concrete or steel."

Last week British Steel raised the price of the "structural sections" used in housebuilding and extensions by £100 a tonne

with immediate effect, citing rising manufacturing costs and international trade disruption.

"You just realise how interconnected we are with China, Russia and Europe," says Lizzie Fraher, co-founder of Fraher & Findlay, a London-based architectural firm. She tells of how an Italian brick manufacturer told her it couldn't afford to fire up the kilns because the cost of energy had increased by 600 per cent. She advised those beginning a project to get three quotes and never go for the cheapest. "There is usually a reason they're the cheapest," she says. "It is always worth getting a quantity surveyor to lock down detailed costs as much as possible, and build in a contingency fund." ■