

APPENDIX 5.5

CONSTRUCTION COSTS & HOUSE PRICES INDICES

The first part of this note looks at the latest movements in building costs and house prices since the beginning of 2015. It is based on indices published by the Government (“National Statistics”) and includes the latest data up to early 2022. The second part of this note looks at the same indices over the period from the beginning of 2018 to early 2022.

PART 1: Construction costs and house prices between 2015 and early 2022

House construction costs

The Office for National Statistics (ONS) produces the official Government figures on the construction industry. The ONS Construction Output Price Indices measure inflation in the construction industry. All indices are based on 2015 = 100.

Below are indices for the series “*New Work – Housing (private and public)*” (2015 = 100).

Date	Index compared to 2015	Increase since 2015
March 2022	130.8	+31%

Source: Office for National Statistics. *Construction Output Price Indices for Great Britain*.

School building costs

ONS Construction Output Price Indices measure inflation within the construction industry by using output prices which weight together labour, material and plant and machinery costs multiplied by a mark-up for profit margin.

Below are indices for the series “*New Work – All construction*” (2015 = 100).

Date	Index compared to 2015	Increase since 2015
March 2022	125.2	+25%

The nearest proxy for school buildings is the series “*New Work – Public Sector construction (other than housing)*” (2015 = 100).

Date	Index compared to 2015	Increase since 2015
March 2022	121.4	+21%

Source: Office for National Statistics. *Construction Output Price Indices for Great Britain*.

The Government does not provide a regional breakdown for any of the construction statistics it produces.

House prices

The ONS *UK House Price Index* is compiled using data from the Land Registry. All indices are based on January 2015 = 100. It provides figures for the UK but also has regional breakdowns.

For Guildford it has the following indices (January 2015 = 100) for January 2022:

	Type of building	Index compared to January 2015	Increase since January 2015
Guildford	New build properties	146.5	+47%

Source: Office for National Statistics *UK House Price Index – Land Registry data*.

PART 2: Construction costs and house prices between 2018 and early 2022

House construction costs

Below are indices for the series “New Work – Housing (private and public)”.

	Index (2015 =100)	Increase
March 2018	110.6	
March 2022	130.8	+18%

Source: Office for National Statistics. *Construction Output Price Indices for Great Britain*.

School building costs

Below are indices for the series “New Work – All construction”.

Date	Index (2015 =100)	Increase
March 2018	108.4	
March 2022	125.2	+16%

The nearest proxy for school buildings is the series “New Work – Public Sector construction (other than housing)”.

Date	Index (2015 =100)	Increase
March 2018	108.1	
March 2022	121.4	+12%

Source: Office for National Statistics. *Construction Output Price Indices for Great Britain*.

House prices

For new build properties in Guildford it has the following indices.

	Index (January 2015 = 100)	Increase
January 2018	121.4	
January 2022	146.5	+21%

Source: Office for National Statistics *UK House Price Index – Land Registry data*.

Note: At the time these indices were constructed (June 2022) the latest data on new build house prices went up to January 2022 and on construction costs up to March 2022. For Part 2 of this analysis we have compared changes in prices and construction costs over a 4 year period (January to January for prices and March to March for construction costs) to ensure the lengths of the comparison periods were the same.