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The Value of Price Data for Quantity Surveying Professionals

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Grant-funded research to review/improve published cost data

- Nonprofit professional institution
- Published since 1971 with few improvement to the methodology
- Updated quarterly by a paid consultant and volunteers

Published Price Indices

Provider Type	Data produced	Data source	Provider Examples
National Statistics Agencies	Official statistics used by government for guiding economic policy	National surveys of industry.	Australian Bureau of Statistics Office of National Statistics, UK. US Bureau of census, USA
Professional Societies and Institutes	Cost and price data of interest to clients and industry players	Building prices and Forecasts based sentiment surveys	Australian Institute of Quantity Surveyors (AIQS) Building Cost Information services (BCIS) , UK
Industry Associations	Cost and price data of interest to clients and industry players	Forecasts of official governments statistics, eg ABS	Australian Construction Industry forum,
Subscription-based Providers	Comprehensive data information service providers comprising Building Unit costs, Cost per area by building type and Price Indices,	Internal database from network of QS professional offices	Rawlinsons (Aus) RS Means (USA) Marshal and Swift (USA)
Marketing-based providers	Cost and price data of general interest to clients and general public	Internal database from network of QS professional offices	Rider Levett Bucknal (Internation Consultants) Turner and Townsend (International consultants)

Examples

- RS Means
- Engineering News-Record Construction Cost Index
- Marshall & Swift
- Leland Saylor Associates
- Richardsons
- United States Bureau of Labor Statistics (PPI, CPI)
- Davis Langdon

Focus group

Is the information considered trustworthy and reliable?

- Good reputation
- Accepted by the Courts as a valid source of data

What is the use of Unit Price, Square Metre Rate, and Building Cost Index data?

- Supplements existing information and fills gaps
 - Historic pricing, supplier quotes, online pricing, major published guides
- Compare against vendor proposal
- Cross-check / validation of estimate

Question: What is the use of:	Positive Response	Negative Response
Building Cost Index	Respondent A: its of great interest because people always want to know about the direction of the market, even if the markets is flat. People want to know if is going to stay flat, or likely to tick down, or tick up”	Respondent J: a standard cost model using “bottom up” approach is more robust than the current (sentiment) approach it has the advantage of showing how prices vary between building types, and across geographical locations.
BQ Unit Price	Respondent B: when uncommon work came up outside what was in their internal database, the unit rates as a useful guide.	Respondent B: due to the large volume of data, it was difficult to find volunteers to review the prices on a regular basis.
\$/m2/Area Cost by Building Type	Respondent N: It is useful as a ballpark figure to get an understanding of the feasibility to proceed with a project.	Respondent A: We very rarely use it because we’ve got our own internal data.

Discussion

Perceived Challenges

- Updating vast quantities of data is time-consuming
- Data needs to be quality and current
- Validation of the rates by volunteers is inconsistent
- Some prices were escalated by a uniform percentage
- Strong competition from other providers, especially for-profit
 - Other providers also offer the data electronically
 - Other providers' catalogue is more comprehensive
- No commentary provided to explain price movements
- The basis might not be not well understood by users
- Escalation and market conditions constantly change

Alternate approaches

- Reduce the population of items priced
- Simplify the mathematical model (building sf)
- Identify and explain trends, but do not quantify
- Expand forecast to 2-5 years

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