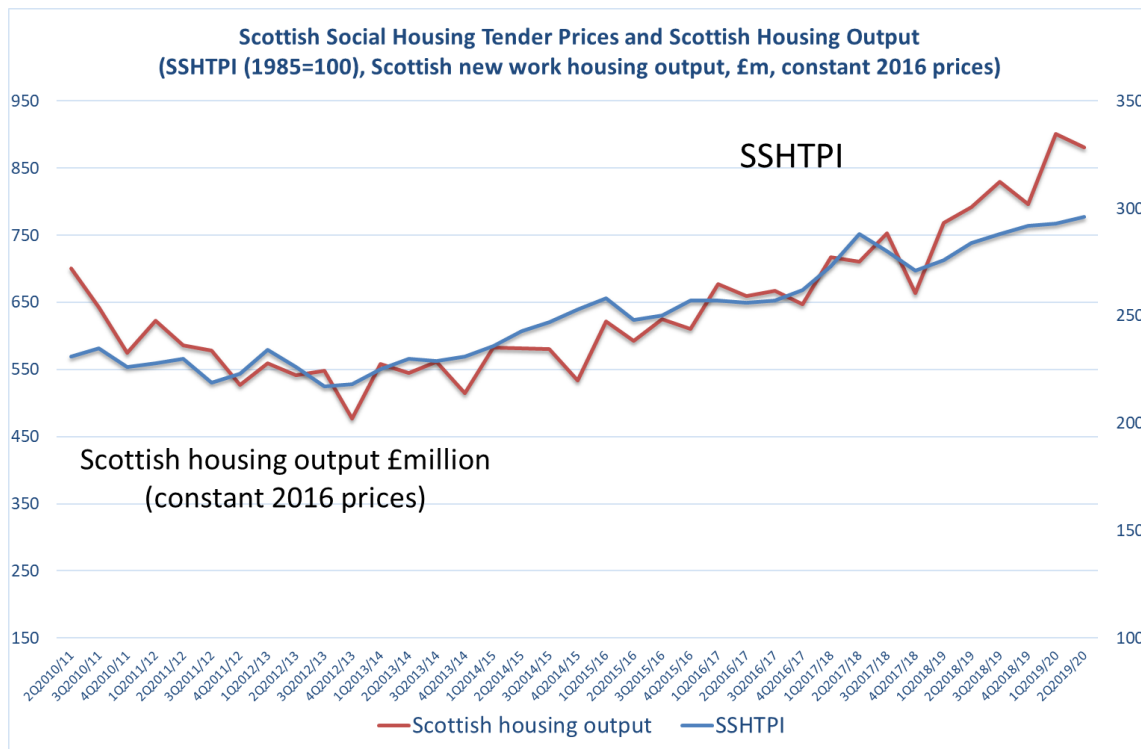


## 2nd Quarter 2019/20 Index<sup>1</sup>

- Tender prices for social housing in Scotland in 2Q19/20 are up on previous quarter and have been rising steadily over the past year. They are 4.2% up on the same quarter a year earlier.
- The price movement should be seen against a background of growing output in the Scottish construction sector, as a whole, and increased output from the Scottish housing sector in particular.
- The index for the latest quarter is based on a sample of 19 projects and is likely to be subject to revision as more projects are included.

**Figure 1: SSHTPI and construction housing output**



Source: Scottish Government, Office for National Statistics output adjusted to constant prices using the UK deflators by BCIS

## Background

- Tender prices for social housing rose 1.0% in 2Q2019/20 and 4.2% compared with 2Q2018/19. They have been rising steadily over the past year.
- Tender prices are driven as much by demand as by resource costs, total new work output in Scotland grew strongly in recent quarters, new work output in 2Q2019/20 was up 3% on the previous quarter and 15% on 2Q2018/19.
- The SSHTPI has reflected the trend in demand from the Scottish housing sector, output was down slightly (2%) in the latest quarter but has risen 11% in the last year (2Q2018/19 to 2Q2019/20) and is at an historically high level.

**Scottish Social Housing Tender Price Index**  
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- A total of 23,700 dwellings were started in the year to 1Q2019/20 (the latest figures available), of which 6,776 (29%) were for the social sector. The total is up 22%, on the previous 12 months, while social sector starts are up 2.5%.
- Underlying construction costs of labour, materials and plant, as measured by the BCIS General Building Cost Index, rose 1.1% quarter-on-quarter in 2Q2019/20 and by 2.5% compared with the same quarter a year earlier.
- Over the year to 2Q2019/20 underlying inflation, as measured by the Consumer Prices Index (CPI), rose by 1.9%.

**Table 1: SSHTPI**

Published index base			1985 = 100	
Calendar quarter	Financial quarter	Index value	Sample size	Status
1Q2013	4Q2012/13	218	21	Firm
2Q2013	1Q2013/14	225	12	Firm
3Q2013	2Q2013/14	230	12	Firm
4Q2013	3Q2013/14	229	6	Firm
1Q2014	4Q2013/14	231	27	Firm
2Q2014	1Q2014/15	236	9	Firm
3Q2014	2Q2014/15	243	15	Firm
4Q2014	3Q2014/15	247	15	Firm
1Q2015	4Q2014/15	253	10	Firm
2Q2015	1Q2015/16	258	9	Firm
3Q2015	2Q2015/16	248	15	Firm
4Q2015	3Q2015/16	250	28	Firm
1Q2016	4Q2015/16	257	35	Firm
2Q2016	1Q2016/17	257	18	Firm
3Q2016	2Q2016/17	256	35	Firm
4Q2016	3Q2016/17	257	22	Firm
1Q2017	4Q2016/17	262	53	Firm
2Q2017	1Q2017/18	273	7	Firm
3Q2017	2Q2017/18	288	20	Firm
4Q2017	3Q2017/18	280	36	Firm
1Q2018	4Q2017/18	271	45	Firm
2Q2018	1Q2018/19	276	22	Firm
3Q2018	2Q2018/19	284	22	Firm
4Q2018	3Q2018/19	288	38	Firm
1Q2019	4Q2018/19	292	48	Firm
2Q2019	1Q2019/20	293	22	Provisional
3Q2019	2Q2019/20	296	19	Provisional

Source: Scottish Government

Note: The quarterly index is a smoothed, trimmed geometric mean of the normalised project index (see note on calculation).

**Scottish Social Housing Tender Price Index**  
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**Table 2 SSHTPI Location Indices**

Calendar quarter 1Q2019				
Financial quarter 4Q2018/19				
Publication quarter 2Q2019				
Location code	Location	Index value	Sample size	Status
<b>M</b>	<b>Mainland</b>	<b>98</b>	<b>440</b>	Provisional
MA	Scottish Borders	96	15	Provisional
MB	Clackmannanshire, Stirling, Falkirk	91	20	Provisional
MC	Dumfries and Galloway	112	7	Provisional
MD	Fife	88	51	Provisional
ME	Aberdeenshire and Moray	96	14	Provisional
MF	Aberdeen City	112	5	Provisional
MG	Highland	104	57	Provisional
MH	West Coast	114	25	Provisional
MJ	City of Edinburgh	108	8	Provisional
MK	Lothian	90	20	Provisional
ML	City of Glasgow	99	43	Provisional
MM	Ayrshire	94	23	Provisional
MN	Glasgow Environs	96	72	Provisional
MP	South Lanarkshire	85	22	Provisional
MQ	Dundee City	88	12	Provisional
MR	Angus, Perth and Kinross	104	46	Provisional
<b>Z</b>	<b>Island</b>	<b>131</b>	<b>36</b>	<b>Provisional</b>
ZA	Orkney Islands	128	4	Provisional
ZB	Shetland Islands	126	7	Provisional
ZC	North Ayrshire (island)	N/A		
ZD	Highland West (island)	N/A		
ZE	Argyll and Bute (islands)	123	7	Provisional
ZF	Western Isles	134	15	Provisional

N/A denotes insufficient sample size

Note: the location indices are calculated over 15 quarters and are based on the Scottish mean = 100 (See note on calculation).

## SSHTPI calculation

The Scottish Social Housing Tender Price index is based on comparing the prices for the construction of houses in current schemes with cost models of dwellings of different type (terraced, semi-detached and detached houses and flats in different block configurations); occupancy (numbers of bedrooms and occupants), and size (floor area). These are adjusted for specification and design differences to provide a project tender price index. The project indices are adjusted for location and size of project. The quarterly index is calculated by averaging the adjusted project indices in each quarter. The index is smoothed to take account of the variation in the sample sizes. [A full description of the index is available](#)

The index offers a guide to the movement in prices in social housing schemes in Scotland and is used by the Scottish Government More Homes Division by the Scottish Government More Homes Division to update the Housing Tender Return, indicative cost calculation.

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<sup>i</sup> The quarters relate to the financial year, i.e. 1Q: April to June; 2Q: July to September; 3Q: October to December; 4Q: January to March.