THE ARCHITECTS' JOURNAL | 27.11.15 - 04.12.15
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Denise Chevin Just as there's more money flowing into the market, rising building costs mean the straitjacket is tightening on architecture

Canny clients such as Oxford University are renowned for building their colleges in a downturn because they get more for their money. And for clients, the recession certainly had its benefits. Anyone with cash to spare could commission some stunning architecture. Good contractors would have built the Sagrada Família for a few quid, given the chance to tender for it.

Contractors clearly subsidised some great work, and are still paying for their mistakes. Seven major contracting firms, including Balfour Beatty and Sir Robert McAlpine, have lost nearly £1 billion between them during the past few years.

Now the tide has turned and contractors are more choosy. Bricklayers' wages have soared, and forecasting costs is about as scientific as sticking a finger in the air and doubling it. Not surprisingly, clients are asking what exactly they're paying QSs for. So, ironically, just as there's more money flowing into the market, the straitjacket is tightening on architecture. Even in the South East, where property prices continue to boom, developers are complaining that schemes don't stack up. Dipping output suggests they are not totally bluffing.

The real pressure to make schemes work comes in the regions, where costs are still on an upward trajectory but yields have yet to keep pace; as well as on those owner-occupiers, such as universities, that have to absorb the costs.

Take, for example, One St Peter's Square (*pictured*), an office development next to Manchester's Central Library, developed by Argent and designed by Glenn Howells. It was awarded the prestigious BCO National Award for Best Commercial Workplace in 2015, but an Argent director told me: 'We probably couldn't afford to build it now.' Google will certainly need to flash the cash to find a contractor willing to shoulder the risk on its new Heatherwick-designed £1 billion building in King's Cross.

Meanwhile, inflation is taking its toll on the London School of Economics. Director of estates Julian Robertson told a *Construction News* summit earlier this month that getting contractors to bid on difficult London projects was hampering the university's ambitions. The LSE has a £500 million expansion plan for the next 10 years and is tendering packages for its Centre Buildings Redevelopment project, designed by Rogers Stirk Harbour + Partners. Robertson tells me demolition costs have shot up by £1 million in the four months between the initial scoping-out and tender. And that was without changing a single thing in the spec. 'It's pretty nerve-racking at the moment,' he says.

The scheme hadn't been overdesigned, so keeping within the budget means reducing the scope – a double basement has been cut to a single, and the planned student refectory has been jettisoned.

More than ever though, most clients say architects could afford to stand back and be more pragmatic. Of course, this sort of creative tension has been around since the pyramids, and architects quite rightly feel it's their place to stand their ground. Think of the Olympic Village and what a blunt instrument value engineering was there – in parts, a gold medal in blandness. But in this market, is it time for architects – and M&E engineers for that matter – to better respond to the changing times, even in small ways?

Contractors are having to think differently to embrace more offsite manufacture. But mass customisation isn't economical if there are dozens of different layouts on a 200-unit scheme. Similarly, dozens of small variations to cladding, say, add to the cost of tendering, and builders walk away. Missing design details bump up the risk and, again, the price.

After all, if the clippers come out, as they surely will have to, isn't it best for the client and the building if it is the architect doing the shearing?

EDMUND SUMNER