

Scottish Social Housing Tender Price Index (SSHTPI)

Quarterly Briefing

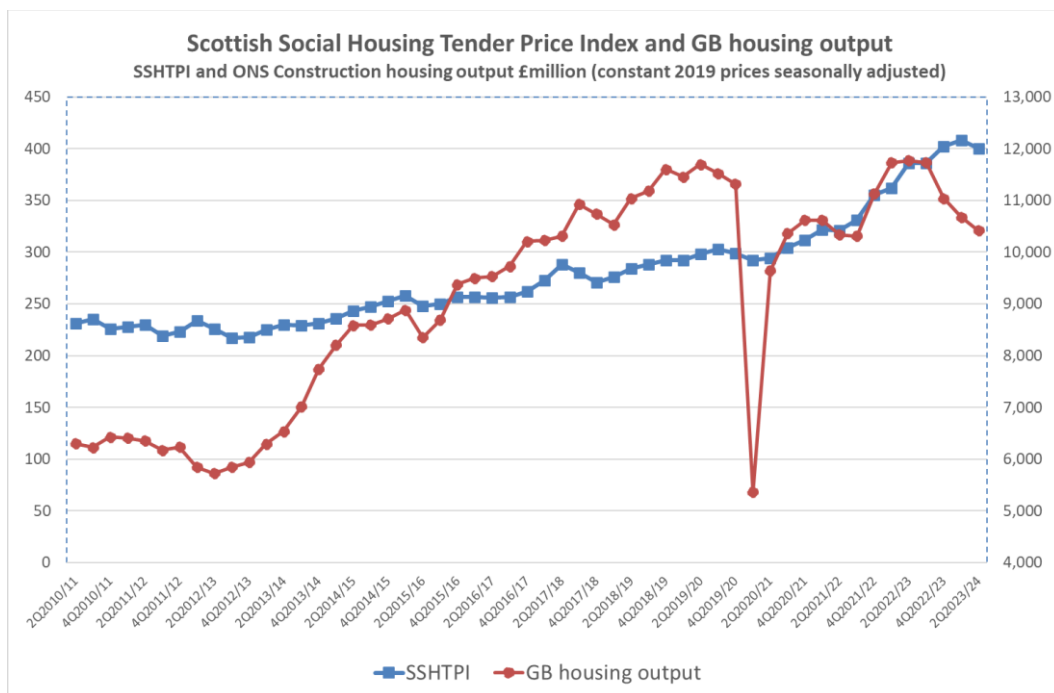
December 2023

Prepared by the Building Cost Information Service (BCIS) for the Scottish Government More Homes Division

2nd Quarter 2023-2024 Index

- 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.
- Having risen the previous two quarters, tender prices for social housing in Scotland in 2Q2023/24, as measured by the SSHTPI, decreased by 2.0% compared with the previous quarter and rose 3.6% compared with the same quarter in 2022-2023.
- The index for the latest quarter is based on a sample of 11 projects and may be subject to revision as more projects are included.

Figure 1: SSHTPI and GB Construction Housing Output
(SSHTPI and ONS construction housing output £million (constant 2019 prices seasonally adjusted))



Source: Scottish Government, Office for National Statistics

Background

- Tender prices for social housing fell 2.0% in 2Q2023/24 compared with the previous quarter and rose 3.6% compared with 2Q2022/23.
- Underlying construction costs of labour, materials, and plant, as measured by the BCIS General Building Cost Index, rose 1.8% quarter-on-quarter in 2Q2023/24 and by 2.5% compared with the same quarter a year earlier.
- Tender prices are driven as much by demand as by resource costs. The SSHTPI has tended to reflect the trend in demand from the housing sector. Scottish housing output fell 7.0% in 2Q2023/24 and 15% over the past year. Over the same periods total GB housing output fell 2% and 12%.
- The latest data for housing starts in Scotland are for 1Q2023/24, when 647 social houses were started, nearly 40% down on the same period a year earlier, Private sector starts were down 23%.
- Over the year to 2Q2023/24 underlying inflation, as measured by the Consumer Prices Index (CPI), rose by 6.7%.

Table 1: SSHTPI Quarterly Index**Published index base 1985 = 100**

Calendar quarter	Financial quarter	Index value	Sample size	Status
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	292	22	Firm
3Q2019	2Q2019/20	298	31	Firm
4Q2019	3Q2019/20	303	42	Firm
1Q2020	4Q2019/20	299	36	Firm
2Q2020	1Q2020/21	292	6	Firm
3Q2020	2Q2020/21	294	20	Firm
4Q2020	3Q2020/21	304	22	Firm
1Q2021	4Q2020/21	312	24	Firm
2Q2021	1Q2021/22	322	7	Firm
3Q2021	2Q2021/22	321	11	Firm
4Q2021	3Q2021/22	331	26	Firm
1Q2022	4Q2021/22	355	23	Firm
2Q2022	1Q2022/23	362	16	Firm
3Q2022	2Q2022/23	386	17	Firm
4Q2022	3Q2022/23	386	23	Firm
1Q2023	4Q2022/23	402	20	Firm
2Q2023	1Q2023/24	408	17	Provisional
3Q2023	2Q2023/24	400	11	Provisional

Source: Scottish Government

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

Table 2: SSHTPI Location Indices

Calendar quarter 3Q2023, Financial quarter 2Q2023/24, Publication quarter 4Q2023

Location Code	Location	Index Value	Sample Size	Status
M	Mainland	100	309	Provisional
MA	Scottish Borders	104	6	Provisional
MB	Clackmannanshire, Stirling, Falkirk	109	15	Provisional
MC	Dumfries and Galloway	124	9	Provisional
MD	Fife	98	25	Provisional
ME	Aberdeenshire and Moray	107	41	Provisional
MF	Aberdeen City	73	7	Provisional
MG	Highland	117	24	Provisional
MH	West Coast	96	12	Provisional
MJ	City of Edinburgh	108	8	Provisional
MK	Lothian	95	39	Provisional
ML	City of Glasgow	69	18	Provisional
MM	Ayrshire	99	15	Provisional
MN	Glasgow Environs	92	40	Provisional
MP	South Lanarkshire	86	12	Provisional
MQ	Dundee City	109	12	Provisional
MR	Angus, Perth and Kinross	97	26	Provisional
Z	Island	116	20	Provisional
ZA	Orkney Islands	111	6	Provisional
ZB	Shetland Islands	132	8	Provisional
ZC	North Ayrshire (island)	N/A	N/A	N/A
ZD	Highland West (island)	N/A	N/A	N/A
ZE	Argyll and Bute (islands)	N/A	N/A	N/A
ZF	Western Isles	N/A	N/A	N/A

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 to update the Housing Tender Return, indicative cost calculation.

Scottish construction output

BCIS have adjusted the Scottish output to constant prices using the GB deflator

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