



MINISTRY OF HEALTH

THE COST OF HOUSE-BUILDING

First Report of the Committee of
Inquiry appointed by the
Minister of Health

LONDON: HIS MAJESTY'S STATIONERY OFFICE

1948

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COMMITTEE ON THE COST OF HOUSE-BUILDING

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Terms of Reference

“ TO CONSIDER AND KEEP UNDER REVIEW
THE COSTS OF HOUSE-BUILDING AND TO
MAKE RECOMMENDATIONS.”

CONTENTS

Chapter I.	THE BACKGROUND	...	...	...	...	PAGE 1
						<i>Paras.</i>
	The inter-war years	...	...	...	...	I-16
	War-time preparations	...	...	...	...	17-22
	The post-war situation	...	...	...	...	23-28
	Post-war housing policy	...	...	...	...	29-35
	Housing progress, 1945-48	...	...	...	...	36-38
Chapter II.	THE INCREASE IN HOUSE-BUILDING COSTS 1938/39 TO 1947	...	...	...	...	PAGE 9
						<i>Paras.</i>
	Method of Assessment	...	...	...	...	39-40
	House-building costs in 1938/39	...	...	...	...	41-42
	House-building costs in 1947	...	...	...	...	43-44
	The extent of the increase	...	...	...	...	45
	Site costs and professional fees	...	...	...	...	46-50
	The total cost of the 1947 house	...	...	...	...	51-53
Chapter III.	ANALYSIS OF THE INCREASE IN HOUSE- BUILDING COSTS	...	...	...	...	PAGE 12
	A. Changes in the size, construction and equipment of houses	...	...	...	...	<i>Paras.</i> 54-55
	(i) The increased floor area...	...	...	...	...	56
	(ii) The outbuilding ...	...	...	...	...	57-58
	(iii) Changes in construction and finish, additional equipment and other improve- ments	...	...	...	...	59-71
	B. Direct increases in building costs	...	...	...	...	54-55
	(i) Wage rates and other labour costs	...	...	...	...	72-88
	(ii) The cost of materials	...	...	...	...	89-93
	(iii) Plant charges	...	...	...	...	94-96
	(iv) Overhead charges and profit	...	...	...	...	97-99
	C. The decline in productivity	...	...	...	...	54-55
						100-105
	Summary and Tables	...	...	...	...	106-114
Chapter IV.	THE IMPLICATIONS OF THE INCREASED SIZE AND IMPROVED SPECIFICATION OF THE POST-WAR HOUSE	...	...	...	...	PAGE 28
	The cost of the post-war improvements; the increase in the size of houses; the demand on labour and materials; two-bedroom houses	...	...	...	...	<i>Paras.</i> 115-128
Chapter V.	THE COST OF BUILDING	...	...	...	...	PAGE 32
						<i>Paras.</i>
	Labour	...	...	...	...	129-131
	Materials	...	...	...	...	132-134
	Overhead charges and profit	...	...	...	...	135-141
	The economic environment	...	...	...	...	142-151

Chapter VI.	THE PROBLEM OF PRODUCTIVITY	...	PAGE 37
			<i>Paras.</i>
	The shortage of materials	... ..	154-157
	The shortage of labour	... ..	158-160
	The quality of labour	... ..	161-165
	The overloading of the building industry	...	166-170
	Weather	... ..	171
	Incentives	... ..	172-175
	Personnel management	... ..	176
	Working conditions and welfare facilities	...	177
	The use of mechanical equipment and other aids to production	... ..	178
	General	... ..	179
Chapter VII.	HOUSING CONTRACTS	... ..	PAGE 45
			<i>Paras.</i>
	The method of placing contracts	... ..	180-182
	Bills of Quantities	... ..	183-187
	The price fluctuations clause	... ..	188-194
	Direct labour	... ..	195-198
Chapter VIII.	NEW METHODS OF CONSTRUCTION	...	PAGE 49
			<i>Paras. 199-201</i>
Chapter IX.	HOUSE-BUILDING BY PRIVATE ENTER- PRISE	... ..	PAGE 50
			<i>Paras. 202-206</i>
Chapter X.	THE EFFECTS OF HIGH HOUSE-BUILDING COSTS	... ..	PAGE 52
			<i>Paras.</i>
	The effect on rents	... ..	208-211
	The demand on national resources	... ..	212-217
Chapter XI.	SUMMARY OF REPORT AND CONCLUSIONS	...	PAGE 55
			<i>Paras. 218-247</i>

APPENDICES

Graph A :	Price of houses between the wars and related indices	PAGE 60
„ B :	Houses built between the wars and related indices	61
„ C :	Price of houses post-war and related indices	62
„ D :	Houses built post-war and related indices	63
Table I :	Housing Progress (England & Wales) 1945-48	64
„ II :	General Statistical Table	<i>Facing page 64</i>
List of bodies and persons invited to submit evidence or information to the Committee		65

COMMITTEE ON HOUSE-BUILDING COSTS

TO THE RIGHT HONOURABLE ANEURIN BEVAN, M.P.,
MINISTER OF HEALTH

SIR,

1. We were appointed by you in June, 1947, "to consider and keep under review the costs of house-building and to make recommendations". We now have the honour to submit our First Report.

2. Concurrently with our appointment, a Committee with similar terms of reference was appointed by the Secretary of State for Scotland. In July, 1946, a Committee was appointed by the Minister of Works "to examine the organisation and methods of distribution of building materials and components with particular reference to cost and efficiency, and to make recommendations". The Report of this Committee was published in April of this year. A further Committee was appointed by the Minister of Works in June, 1947, "to consider and keep under review the price of building materials and to make recommendations".

3. It was generally known that whereas immediately before the war the typical local authority house cost less than £400 to build, the cost at the time of our appointment was about £1,200. Briefly therefore the problem we were called upon to examine was an apparent trebling of the cost of houses since 1939. We have dealt with this problem by three stages: by establishing the facts as to the difference between pre-war and post-war house-building costs; by analysing the increase in cost and evaluating its component parts; and by considering to what extent and under what conditions a reduction in the present level of costs could be expected. In view of the terms of reference of the other Committees mentioned above, however, we have confined our inquiry to house-building costs in England and Wales; and although building materials account for more than one-half of the total cost of the average house we have concerned ourselves with materials prices only to the extent necessary to enable us to determine how far they have contributed to the cost of house-building.

4. We have taken as our datum the cost of house-building immediately before the increase in building trades wages which took effect from the 16th November, 1947. This was coupled with the adoption by the Industry of a new system of incentive payments, whose effects on building costs cannot yet be fully determined. We have, however, examined certain aspects of the question of incentives in Chapter VI of this Report.

5. At the outset of our Inquiry we invited written statements, in reply to a detailed questionnaire, from the Ministry of Health, the Ministry of Works, Local Authorities and the Local Authority Associations, the Building Trades Employers' and Operatives' Federations, professional and other bodies, and from individuals with a special knowledge of housing matters. We have heard oral evidence from a number of sources arising out of the written statements. A list of the organisations and persons from whom we invited evidence is appended to this Report. We have also received material from a number of other persons who volunteered to supply us with information. We wish to express our indebtedness to all those who have assisted in our inquiry by giving us the benefit of their time, knowledge and experience, and who have contributed to the statistical material available to us.