

Building Standards

Shetland Islands Cost Index 2024

INTRODUCTION

This document explains the usual adopted methodologies for calculating the estimated cost of works of building works, starting with the most frequently adopted approach - the Shetland Islands Cost Index detailed in table 1.

Table 1: Shetland Islands Cost Index (£ / m2) details the estimated costs for domestic works

Table 1. Minimum estimated costs for domestic works (houses and flats) 2023/24	
Building Type	Shetland Cost Index based on the UK base rate Units: £/m ²
One off detached houses	
<u>3 Units or less:</u>	
Single storey	£2,400.00
1.5 Storey	£2,250.00
2 Storey	£2,150.00
Semi Detached	£2,050.00
Terraced	£2,050.00
Estate housing 4 units or more:	
<u>Detached</u>	
Single Storey	£1,750.00
1.5 Storey	£1,625.00
2.0 Storey	£1,500.00
3 Storey	£1,700.00
<u>Semi detached</u>	
Single Storey	£1,700.00
1.5 Storey	£1,600.00
2 Storey	£1,500.00
3 Storey	£1,650.00
<u>Terraced</u>	
Single Storey	£1,550.00
1.5 Storey	£1,475.00
2 Storey	£1,400.00

3 Storey	£1,500.00
Flats and Apartments:	
1-2 Storey	£1,575.00
3-5 Storey	£1,625.00
Domestic Garage/outbuildings (generally and unheated)	£1,150.00
Single Storey Extension / Conservatory	£2,150.00
Multi Storey Extension	£2,050.00
Housing conversions involving major internal work (assuming structure intact).	£1,750.00
Conversion of Non-Dom building to Domestic use (e.g. forming flats)	£1,550.00
Conversion of attic/garage in a domestic building for increased domestic use	£1,100.00
Table 2. Minimum estimated costs for non-domestic works (commercial, industrial and agricultural) 2023/24	
Building Type	Shetland Cost Index based on the UK base rate Units: £/m ²
Agricultural buildings (generally)	£850.00

1. SHETLAND ISLANDS COST INDEX

a) The estimated cost of proposed works can be calculated using the Shetland Islands Cost Index as follows:

Estimated cost of works = total internal floor area x estimated cost per square metre

The estimated cost per square metre (£/m²) for a domestic proposal can be obtained from the table above.

Example Calculation 1

Construction of a one off, single storey house, with a total floor area of 120 square metres.

- Estimated cost (£/m²) = **£2,400.00**
- Estimated cost of works = total floor area x estimated cost per square metre
- Estimated cost of works = 120 x £2,400.00 = **£288,000**

The fee for the application for Building Warrant approval should be based on the estimated cost of works £2880,000. The Building Warrant fee would therefore be £2,231 (less any discounts for Certificates of Design)- see Building Standards Fee Table for further information.

Example Calculation 2

Construction of a one off, 1 and ½ storey house, with a ground floor area of 100 square metres and a 1st floor area of 60 square metres along with a 40 square metre garage.

- Estimated cost (£/m²) = **£2,250.00 (House) - £1,150.00 (Garage)**
- Estimated cost of works = total floor area x estimated cost per square metre
- Estimated cost of works = (160 x £2,250.00) + (40 x £1,150.00) = **£406,000**

The fee for the application for Building Warrant approval should be based on the estimated cost of works £406,000. The Building Warrant fee would therefore be £2,933 (less any discounts for Certificates of Design)- see Building Standards Fee Table for further information.

Example Calculation 3

Construction of 4, two storey semi-detached houses, with a ground floor of 55 square meters and a 1st floor of 51 square metres.

- Estimated cost (£/m²) = **£1,500.00**
- Estimated cost of works = total floor area x estimated cost per square metre
- Estimated cost of works = 106(55+51) x 4 x £1,500.00 = **£636,000**

The fee for the application for Building Warrant approval should be based on the estimated cost of works £636,000. The Building Warrant fee would therefore be £3,922 (less any discounts for Certificates of Design)- see Building Standards Fee Table for further information.

2. USING PUBLISHED COSTS

It is possible to use figures published by recognised bodies such as the Royal Institute of Charter Surveyors (RICS) to undertake the process as detailed above.

3. FULL BREAKDOWN OF COSTS

Provide a full and accurate breakdown of the estimated cost of work.

In calculating the value of works, you must use normal market costs rather than any discounted costs that you might be able to achieve. For example, even if the labour was unpaid because it is a self-build project, the value of the building work should still include a fair assessment of the value of labour had commercial contractors undertaken the work. Material costings must also be at fair market value.