

The year everything changed

It was the year of grabbing bites and juggling calls and searching for windows. The year we all got richer and busier and hung around by the lifts taking furtive calls on our mobiles. And it was the year that all that ended and we just wanted to cower under the bedclothes ...



Developers played Hunt the Contractor. The government, struggling to deliver every major capital investment programme, preferred Frustration. For contractors, it was Dealer's Choice as clients competed to offer the most enticing terms.

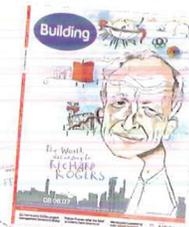
It was the year that everything expanded. Consultants' fees rose by a quarter and staff by a fifth. Davis Langdon warned of the steepest tender inflation since 2000, and in London they went up 8%. Some materials rose much more than that, thanks mainly to China's eternal boom. Steel prices rose 150% in two years, rebar was up a third and copper prices zoomed around like a deflating balloon. Lafarge rationed cement in the Midlands, and garden centres couldn't get you timber fence panels for love nor money. Then, everything changed.

The credit crunch shook the property world, and suddenly, it was the year that every spreadsheet grew question marks, and all those visualisations of the London skyline started to look speculative. And on the home front, house prices began to fall, but not as fast as housebuilders' shares.

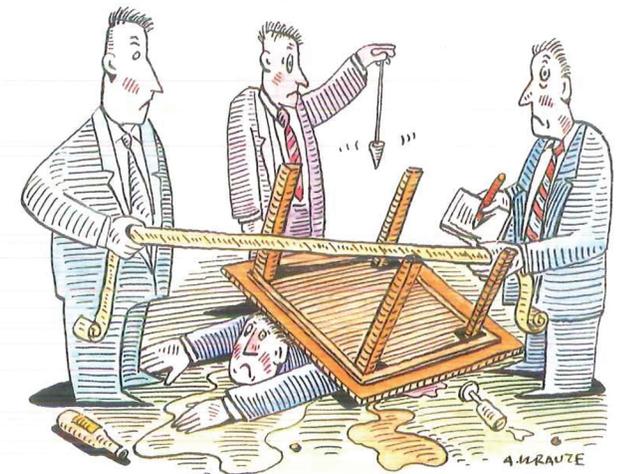
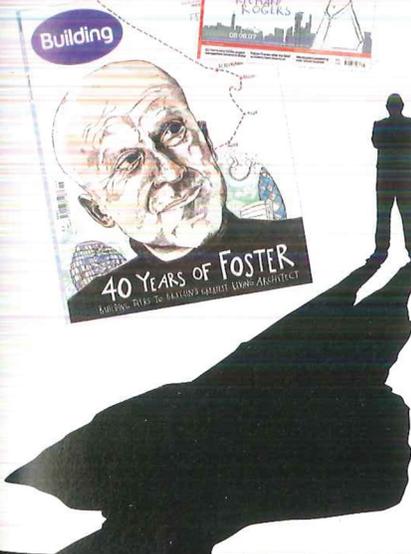
Those with long memories can point to other periods when the economy misfired and the sky appeared to be falling – after the dotcom crash, for instance. But if the ghost of Christmas past was a jolly chap with a sackful of dumper trucks and contracts and bank transfer statements, then the fear is that the ghost of Christmas future might just be a lean solicitor with a pocket full of writs, small change and P45s.



Fire and water: A heated row broke out over blazes on timber-frame sites in January and the summer got into gear with waist-high floods ...



Foster & Rogers: 40 years after Team 4 broke up, Building assessed the legacy of our two architectural lords



Top quotes



We don't hug trees and do Kum Ba Yah

Murray Coleman on Bovis Lend Lease's management style

The kids at the event drank too much and went a bit OTT. That's it

A company executive explains away the antics of his younger staff at the RICS young surveyors ball in April

Year of the dragnet

On 22 March, gasps could be heard in the boardrooms of the construction industry as the Office of Fair Trading announced that its two-year investigation into price-fixing had gone a lot further than anyone guessed. More than 50 offices had been raided, 37 companies had applied for leniency, bid-rigging had been detected in £3bn worth of tenders.

Nobody knew who'd been caught. Then, over a feverish few days in May, Balfour Beatty, Kier, Rok, Galliford Try and Interserve all admitted that the OFT was examining their books. About 150 others had received letters from the watchdog.

Then in November, the OFT raised the stakes higher, saying it would consider using its powers to bring criminal prosecutions ...

Climate change has turned into a religion. People will come to their senses but it will take a bit of time

Heretical views on climate change from Nigel Lawson in June

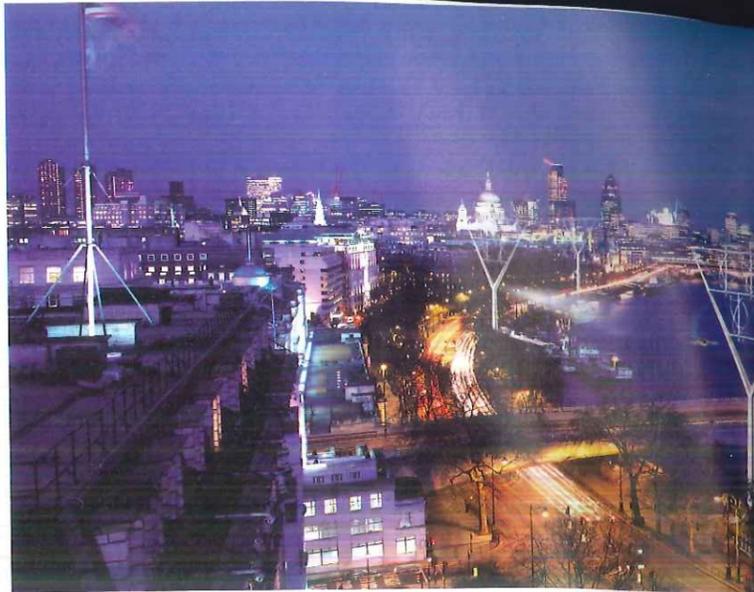
The Dome is probably the cheapest building we ever built ... but I went to the opening day of the exhibition and that was terrible

Richard Rogers in November



In April, Marks Barfield's plan to install wind turbines along the Thames prompted fierce debate on Building's website. "What a load of cobblers," said one critic.

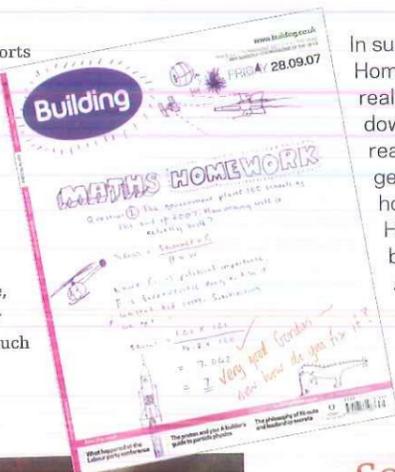
✦ The year on the web P86



The year of the code

In sustainability, the big news was the Code for Sustainable Homes. Here was no-messing legislation, the kind that could really tackle climate change. The trouble was that it was all down to the industry to deliver, and it did not take it long to realise that this meant that it had to get into the power generation business, producing renewable energy for the homes on site. The first stab was unveiled in June at BRE in Hertfordshire. Four homes were specially designed and built to demonstrate how they could meet the code targets. An event normally reserved for industry geeks suddenly had the national media crawling all over it ...

running on empty ... June was the month that all sorts of things suddenly fell into short supply. The price of a standard 6 x 6ft garden fence panel went from £20 to £80 at DIY stores, steel prices had soared 50% in two years and Lafarge began rationing concrete. The reason was global competition for materials ... "China's construction spend will increase by nearly 9% every year up to 2011; the Indian government is a year into a five-year infrastructure programme worth £96bn. Meanwhile, £22bn of foreign investment poured into the former communist states of eastern Europe in 2006, and much of it is going to fuel a building boom."



So long Tony, hello Gordon

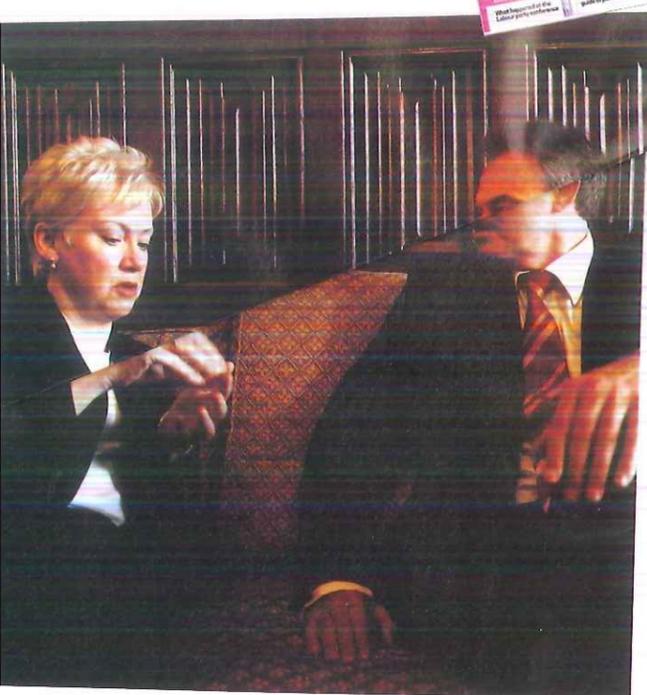
In May, Building said a big, sloppy goodbye to the prime minister who had sent £277bn worth of work the industry's way since 1999. "Tony Blair deserves a raised glass," said a misty-eyed Tony Bingham, although he had never voted for him.

The feeling turned out to be mutual. When Building's guest editor Baroness Ford caught up with TB at the Lords, he told her: "We have some of the greatest buildings in the world in the UK, and some of the best architects."

All of a sudden, Blair was gone. The Housing Corporation and English Partnerships, on the other hand, are enjoying the longest goodbye in quango history. Still, it's giving Gordon and his gang plenty of time to

debate a name for their successor. First it was Communities England, then the New Homes Agency. Now both have been scrapped in favour of a compromise option, the Homes and Communities Agency.

More pressing has been London Underground's troubled refurbishment programme, which derailed spectacularly in July when consortium Metronet went into administration. In September there was more misery for Brown when we reported that the Building Schools for the Future programme was falling short. Only seven of the 100 schools it promised to build by the end of 2007 had been completed. Now there is yet another review by Deloitte under way ...



You've had your chips: 2007 was the year that we learned how many unfortunate subcontractors had been killed and injured by the Wembley stadium project. It was also the year that Building launched its Nouvel Canteen competition to find the industry's best site eatery ...

Olympics



When, in February, the Olympic Delivery Authority submitted its planning application for the Olympic park it promised us a "year of Olympic design" - and what a mixed meal that has turned out to be.

The dish everyone thought was going to be the tastiest, HOK Sport's Olympic stadium, seemed to be more a puffed-up hors d'oeuvre than a main meal when the designs were revealed in November. No wonder Building's readers voted to name it "the Vol-au-vent". It is expensive, too: the cost has soared from £280m last year to £496m.

The look of Zaha Hadid's aquatics centre also left a bitter taste. After designs were reworked for a second time in June, it now seems likely that the venue's wave-form roof will be book-ended by banks of temporary seating.

Some offerings were simply sent back to the kitchens. Both Hochtief and Eiffel pulled out of tendering for the aquatics centre, leaving Balfour Beatty the sole bidder, with a price tag of

about £200m. Foreign Office Architects quit as masterplanner of the Olympic park in May, and Norwest Holt dropped out of the bidding for the 1.5ft² media centre in September, leaving just Carillion and Bouygues in the running.

There were however plenty of firms only too willing to take a bite of the Olympic pie. Hopkins Architects won the velopark, Make Architects took the handball arena, Wilkinson Eyre got the basketball arena and Heneghan Peng bagged the Olympic footbridge. Lend Lease won the £4bn Olympic village contract and promptly put 47 small architects on its design shortlist.

The main point of concern remains the cost. In March, Tessa Jowell - then secretary of state for culture, media and sport, now Olympics minister - revealed that the "definitive" cost of the Games would be £9.3bn, including a £2.7bn contingency fund.

But then earlier this week, she conceded that this wasn't likely to be the end of the story ...