

SPOTLIGHT: BASEMENT CONSTRUCTION

BASEMENT CONSTRUCTION SPOTLIGHT



With continued interest in home improvements, basements are this season's must have says **Rob Withers**.



Basement boom in south: Basement contractors are swarming over an affluent area of Putney, south west London. Just off West Hill, property prices can sustain the cost of a basement and a number of larger semi-detached and detached houses have retro-fitted them as a result. One property developer bought out all six flats in a converted house, sought and gained planning permission to return the property to a substantial

single residence. They then commissioned a basement construction as well. Basements@Withers – a division of the Withers Group – was involved in the reinforced concrete construction of the basement in this clay subsoil area. The contract value was £135,000. Once the acquisition and refurbishment costs are included, overall spend was around £1.6M. The project began in March 2007 and the structure was completed in

GOING UNDERGROUND

As television shows giving building development and renovation tips continue to grow in popularity, homeowners are becoming more adventurous in how they extend and increase the value of their property.

Lofts were “in-vogue” in the 1980s and 1990s, and while they remain a popular choice for essential additions such as an extra bedroom or study, basements provide space for life's luxuries, such as gyms, swimming pools and home entertainment centres.

Low lending rates were the trigger for the basement boom, but even with recent announcements that loans will still be harder to secure in 2008, homeowners will undoubtedly prefer to spend less on a basement, rather than ‘trade up’ and pay more for a property and its associated costs. The stamp duty, legal and agents fees alone for a £600,000 house are £50,000 – the starting price of a basement.

With land in short supply and the obvious environmental

UNDERPINNING FACTS

30,000
subsidence claims in 2007

9,000
subsidence remediation contracts awarded

4%
remediation contracts were for underpinning

360
underpinning contracts awarded this year

benefits (less use of insulation materials and reduced energy), it's no surprise to find more developers and consumers are keen to extend beneath their properties. The House Builders Federation also reported in 2003 that house building in England



Withers: increased affordability

and Wales was at its lowest level since World War One –

And as demand increases, more underpinning specialists are moving away from their traditional client bases and specialising in basement installations.

Years ago, underpinning firms were confident that if they had a contract with an insurer or loss adjuster, there would be a steady stream of subsidence claims to fill their order book.

But with insurers' current procurement models favour-

ing national contractors above regional specialists and greater emphasis on mitigation and superstructure repairs, there's less underpinning work to go round.

In 2007, the Association of British Insurers estimated around 30,000 subsidence claims were notified.

Repudiations ran at 70% and out of the 9,000 remaining, up to 4% went to underpinning resulting in a maximum of 360 jobs on offer nationwide.

The Association of Specialist Underpinning Contractors represents 80% of UK firms (by turnover) and reports that nearly 14% of its members have virtually withdrawn from the insurance market in the last three to five years.

Looking at the opportunities elsewhere, it's not surprising contractors are diversifying. In the construction sector alone an eye-watering £15bn has been allocated to the 2012 Olympic Village.

■ **Rob Withers** is Managing Director, the Withers Group and Chairman, the Subsidence Forum