Making Reuse Viable: Reclamation Costs, Values and Tender Guidance

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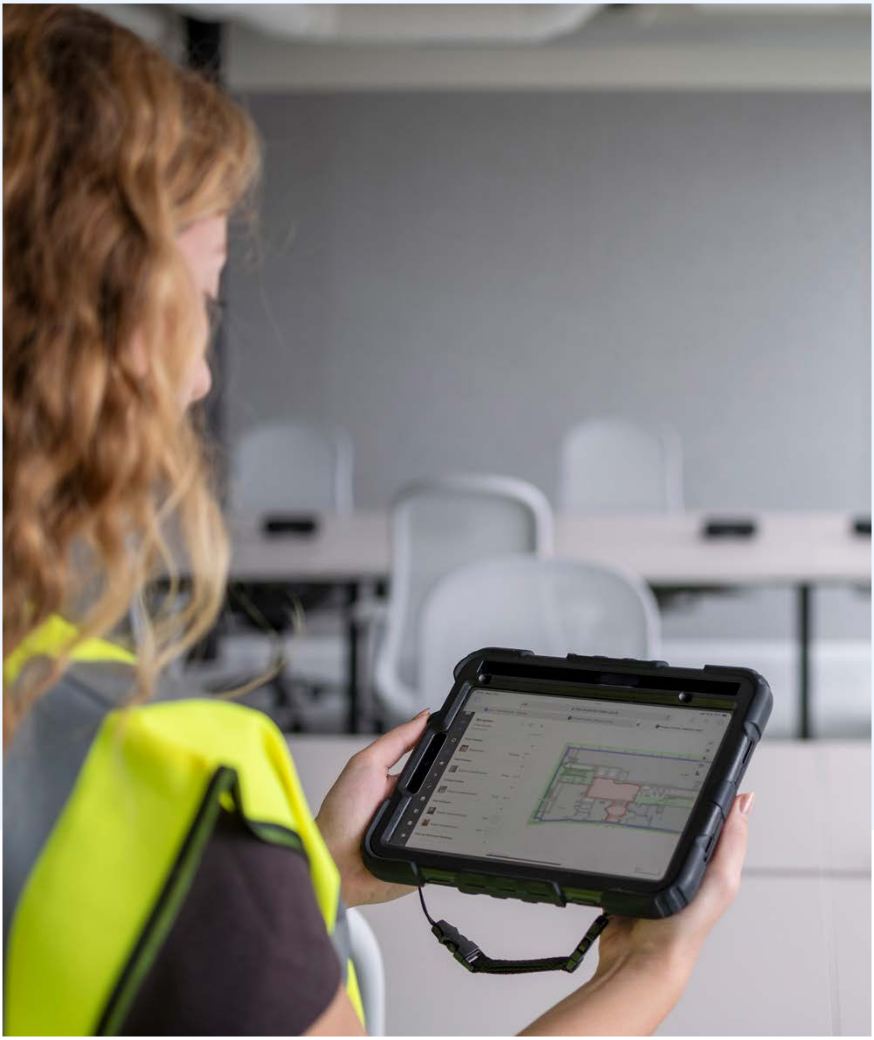

Auditor on site. Picture provided by Material Index

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Material Index (MI) is a UK based circular economy company. Our digital platform catalogues, manages, and sells reclaimed and refurbished materials. We licence our platform and also have a large site based team for auditing, brokering and moving materials.

Our 2025 Blueprint project was to provide industry guidance to solve a problem we have come up against too many times! A building full of beautiful, valuable materials, which we know are commercially viable to reclaim, but others do not. Typically, project managers and building owners will not include the saving and selling of materials in a demolition contract as there is perception that doing so will cost more than the value gained, and will be contractually complex.

However, reclamation can be viable, particularly if supported by the right processes, such as quality audits, the right contractual mechanisms, to ensure it is not over-priced, and if it is done at the right stage, to ensure it is included in the project programme. We therefore set out to provide useful data on costs, values and processes so reclamation can be priced in at early project budgets and included in demolition tenders.

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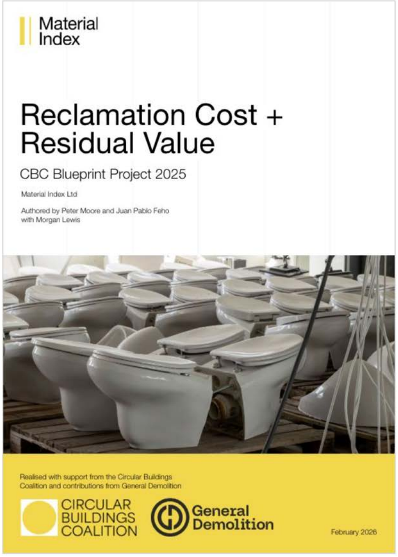
Our outcomes

We produced two documents with case study examples: Reclamation Cost & Residual Values, and Deconstruction For Reuse: Tender and Appointment Guidance. We found the data for costs from a wide variety of sources: tender returns, collaboration with demolition contractors, quantity surveyors and developers, industry benchmarks, and for the values from our own marketplace, other marketplaces and from trade partner businesses. The tender guidance is something we learnt iteratively from many projects, and then formulated into contractual guidance in collaboration with a developer, and piloted on a case study project. We should stress that there are other ways of contractually instructing reuse of course.



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What we learnt along the way

We (re)learnt that pricing is complex and so are contracts. With pricing it's easy to fall into rabbit holes trying to discover the precise average across a broad dataset, dependent on so many factors. We were fortunate to have someone with deep expertise in pricing data for ecommerce platforms on the team, and are lucky to engage with a wider group of companies (Oktra, General Demolition, Exigere, Derwent London, British Land to name a few) who guided us on what would actually be useful for the industry, through a series of workshops and conversations.

Our experience is that even high level guidance, if produced clearly and professionally can go a long way. Our goal ultimately is for a developer to pick up our documents and realise, if you save these types of items, in this type of building, and plan for it at this stage, and instruct it in this way - it should not add risk or cost to your project.

Beyond the Blueprint Project

The data and guidance could become more extensive, more granular and better supported with more case studies and examples over time, and this would be genuinely useful, particularly as our business expands, and as the number of components that fall into the profitable to reclaim category increases.

During the roundtables and projects a recurring theme was whether instead of instructing and upskilling the demolition contractors, it may be better to instruct an additional expert subcontractor on site (as well as MI brokers) to deal with the unknown reclamation scenarios, and our next step is to assess the depth of appetite for such a role among clients. Finally, the flip side of the equation is, of course, to increase the value of refurbished materials, which is where we spend most of our time.