

# China and Hong Kong

Quarterly construction cost review





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# China and Hong Kong Market Overview

Hong Kong economy is still on the path to recovery in the second quarter of 2021. Gross Domestic Product (GDP) growth of (+)7.6% in Q2 2021 is still high since the economy was in depression in the same period of last year, however the economic rebound has slightly cooled down as compared to the last quarter with GDP growing by 8.0%. In June 2021, the Construction Industry Council (CIC) released the latest construction expenditure forecast ranges from HK\$220 billion to HK\$325 billion (in September 2020 price level) per annum in the coming ten years (2021/22 to 2030/31) and forecasted the private construction works expenditure would remain at a comparatively low level while the public housing and infrastructure works investment would remain sufficient to bring positive impacts to the construction industry.

In Q2 2021, there were cheerful updates in the local Modular Integrated Construction (MiC) development—the InnoCell of the Hong Kong Science Park opened in April and Married Quarters for the Fire Services Department at Pak Shing Kok completed in May this year.

In accordance with the 2021-22 Budget released in February, the government would continue to promote application of MiC method, therefore, the industry should get themselves ready for more upcoming public MiC job opportunities.

## MARKET MOVEMENT

### ECONOMY

Indicator	Q2/19 - Q2/20	Q1/20 - Q1/21	Q2/20 - Q2/21
GDP Growth per annum	(-) 9.0%	(+) 8.0%	(+) 7.6%
Inflation Rate (CPI) per annum	Jun 19 - 20 (+) 0.7%	Mar 20 - 21 (+) 0.6%	Jun 20 - 21 (+) 0.7%

### SUPPLY & DEMAND

Indicator	Q1/20	Q4/20	Q1/21
Activity Level (Gross output; new + A&A)	HK\$55.855 Bn	HK\$63.483 Bn	HK\$55.499 Bn*

### BASIC COSTS

Indicator	Feb - Apr 20	Nov 20 - Jan 21	Feb - Apr 21
Highways Material Index	846.5	912.2	1003.2
Labour Wages Index	Mar - May 20 155.7	Dec 20 - Feb 21 153.4	Mar - May 21 150.9

### CONSTRUCTION COST TREND

Indicator	Q2/20	Q1/21	Q2/21
Tender Price Index (Arcadis)	1775	1740	1760

\*Provisional





# 1 Market Analysis

## China

In the second quarter of 2021, China's economy grew by (+)7.9% Year-on-Year (YoY), according to the National Bureau of Statistics (NBS). The significant rebound recorded last quarter, which reflected the heavily skewed low base caused by the COVID-induced disruption in early 2020, is losing steam. Vaccine rollouts across China provided some relief about the pandemic, although the risks of COVID-19 outbreaks in certain areas of China is still existing, the threat is under control. Saliently, the release from NBS signaled a good sign that China's economy is continuing to recover.

By the end of June 2021, the sales of commercial buildings still had a noticeable increase of 38.9% YoY. Data from NBS has shown a sign of rising corporate investment by the profit recovery in the real estate sector. And the real estate investment in Mainland China has recorded an increase of 15% YoY. The area of land sale decreased by 11.8% after introducing the new centralized land sale initiative by the Ministry of Natural Resources, which aims to limit the land auctions to three times in a year while raising supply for bidding at each auction in 22 key cities, including Beijing, Shanghai and Shenzhen. This decision hopes to help ease the growth in real estate prices by forcing developers to curb spending sprees. The construction output is anticipated to reduce accordingly.

During the first half of the year, construction wages remain steady and indicate a slow wage growth. Compared with data from the last quarter, the average basic construction product costs fluctuated in price with rebar (+)15%, steel (+)18%, concrete (+)2.5% as well as cement (+)3%. The tender price climbs up to 3-5% on average. Between April and May, there was a sudden surge of material price, showing the major source of materials, including aluminum, steel, and copper, had increased by at least 15%. As reported by the Construction Times, the authority managed to communicate with the major construction materials providers and effectively cool down the overheating situation. By the end of May, the price level returned to the one regarding the beginning of April. With this momentum, the construction market price level is anticipated to stay steady in the next quarter.

## Hong Kong

### Recovery in economy

Gross Domestic Product (GDP) grew by 7.6% YoY in Q2 2021. Amongst the GDP components, gross domestic capital formation and exports and imports of goods continued to grow notably by 23.8%, 20.2% and 21.3% YoY, reflecting corporation's resuming confidence in fixed capital investment and improving global economic conditions when the pandemic in some of the countries is progressively under control. After the six-month deflation in second half of 2020 and rebound in Q1 2021, inflation continued in this quarter with Consumer Price Index (CPI) of (+)0.7% YoY in June 2021.

### Subdued private sector

After temporary silence in the previous quarter, the construction market was boosted in Q2 2021. In Q2 2021, floor area of consented, commenced and completed private construction works increased by 31%, 362% and 108% QoQ. However, the commenced construction works still not yet reached back to the level before the market was hit by the pandemic, comparing to same period of last year, floor area of commenced private works in Q2 2021 dropped by 25%. Gross value of performed new-built private, public and A&A works fell by 14.1%, 8.1% and 14.9% QoQ in Q1 2021. Only that of performed public works demonstrated a rise of (+)10.9% as compared to last year, showing the recession of the private sector continued in this year.

### Cost of materials and labour

The Tender Price Index (TPI) increased by 1.15% QoQ and decreased by 0.85% YoY based on Q2 2021. Overall material prices increased in this quarter. Price of steel bar surged by 16% QoQ and 50% YoY in Q2 2021. Prices of sand and diesel fuel also significantly increased by 9% and 11% YoY. Meanwhile, labour wage index dropped by 2% QoQ and 3% YoY. Amongst the labours, wages of concreter and carpenter sharply declined by 11% and 7% YoY.



# 2

## Approximate Building Costs Hong Kong

### Notes:

1. The cost for the respective categories given are averages based on fixed price competitive tenders. It must be understood that the actual cost of a building will depend upon the design and many other factors and may vary from the figures shown.
2. The cost per square metre are based on the Construction Floor Areas (CFA) measured to the outside face of the external walls/ external perimeter including lift shafts, stairwells, balconies, plant rooms, water tanks and the like.
3. All buildings are assumed to have no basements (except otherwise stated) and are built on flat ground, with normal soil and site conditions. The cost, excludes site formation works, external works, land cost, professional fees, finance and legal expenses.

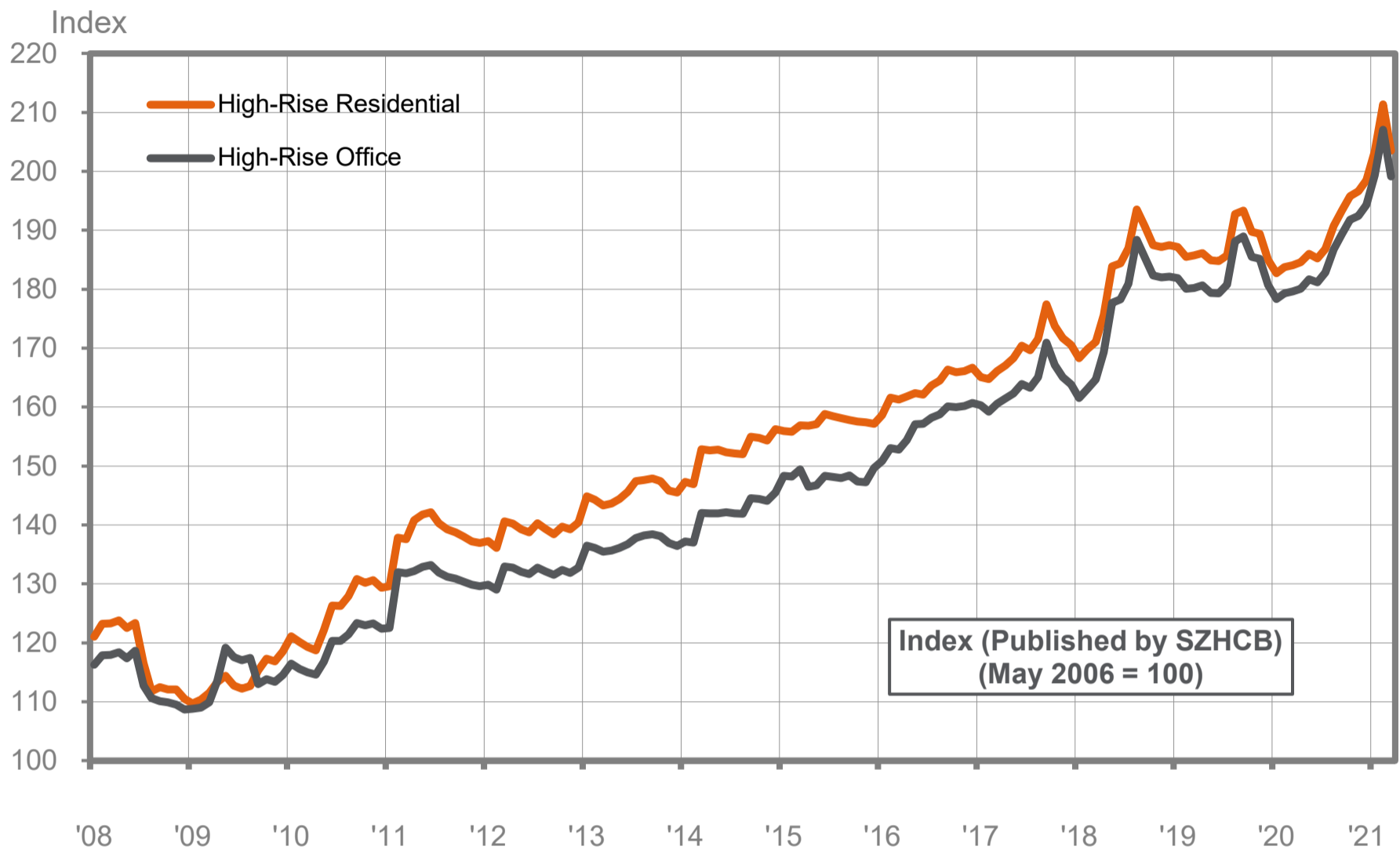
BUILDING TYPE	HK\$/m <sup>2</sup> CFA	OUTLINE SPECIFICATION
<b>DOMESTIC</b>		
Apartments, high rise, public authority standard	10,800 - 13,000	Apartment units with fit-out, based on Hong Kong Housing Authority Non-standard Cruciform Block design
Apartments, high rise, average standard	23,400 - 27,000	Apartment units with fit-out, including air-conditioning, kitchen cabinets and home appliances, but excluding decorative light fittings and loose furniture
Apartments, high rise, high end	30,300 - 35,300	Apartment units with good quality fit-out, including air-conditioning, kitchen cabinets and home appliances, but excluding decorative light fittings and loose furniture
Terraced houses, average standard	31,900 - 36,900	Houses with fit-out, including air-conditioning, kitchen cabinets and home appliances, but excluding decorative light fittings, loose furniture, garden and parking
Detached houses, high end	46,700 up	Houses with good quality fit-out, including air-conditioning, kitchen cabinets and home appliances, but excluding decorative light fittings, loose furniture, garden and parking
<b>OFFICE / COMMERCIAL</b>		
Medium/high rise offices, average standard	23,100 - 26,500	RC structure, curtain wall/window wall, including public area fit-out, tenant area with screeded floor, painted wall and ceiling
High rise offices, prestige quality	27,700 - 31,900	RC structure, curtain wall, including public area fit-out, tenant area with raised floor/carpet, painted wall and false ceiling
Out-of-town shopping centre, average standard	22,900 - 26,800	Including public area fit-out and M&E, but excluding shop fit-out
Retail malls, high end	29,700 - 35,300	
<b>INDUSTRIAL</b>		
Owner operated factories, low rise, light weight industry	17,800 - 22,300	RC structure, including small office with simple fit-out and M&E, but excluding a/c and heating
<b>HOTEL</b>		
Budget hotels - 3-star, mid market	29,400 - 31,300	1) Interior decoration 2) Furniture (fixed and movable) 3) Special light fittings (chandeliers, etc.) 4) Operating Supplies and Equipment (OS&E) excluded
Business hotels - 4/5-star	30,400 - 35,500	
Luxury hotels - 5-star	35,500 - 40,600	
<b>OTHERS</b>		
Underground/basement car parks (<3 levels)	25,100 - 30,000	RC structure
Multi storey car parks, above ground (<4 levels)	15,000 - 17,800	RC structure, natural ventilation, no facade enclosure
Schools (primary and secondary)	19,500 - 21,000	Public authority standard, including fit-out, no a/c, complete with basic external works but excluding educational equipment
Students' residences	22,300 - 25,100	Including fit-out, loose furniture and a/c
Sports clubs, multi purpose sports/ leisure centres (dry sports)	29,300 - 33,400	Dry sports (no swimming pool) and are for 'leisure centre' type schemes including main sports hall, ancillary sports facilities, changing and showers, restaurant / cafe, bar, etc. Costs include a/c, Furniture, Fittings and Equipment (FF&E)
General hospitals - public sector	37,200 - 41,200	Excluding medical and operating equipment

\*The above cost are at 2<sup>nd</sup> Quarter 2021 levels.



# 3 Building & Building Services Price Index

## Mainland China



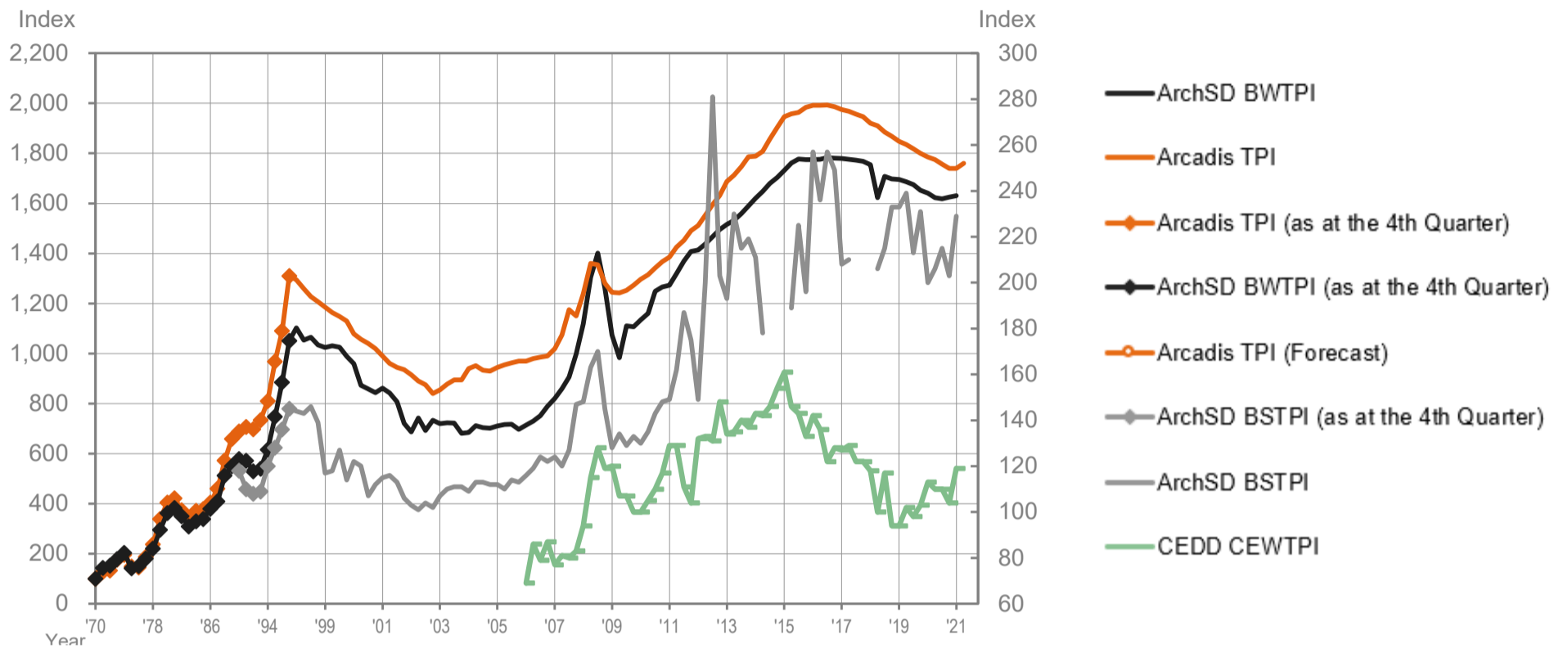
BUILDING & BUILDING SERVICES PRICE INDEX								
Index	(Base Index: May 2006 = 100)							
	High-Rise Residential				High-Rise Office			
Month / Year	2018	2019	2020	2021	2018	2019	2020	2021
January	173.8	187.5	189.8	195.8	167.2	182.4	185.5	191.8
February	171.7	187.2	189.4	196.6	165.1	182.0	185.2	192.4
March	170.5	187.5	185.0	198.5	163.9	182.1	180.8	194.3
April	168.3	187.2	182.7	203.4	161.5	181.9	178.3	199.3
May	169.9	185.5	183.8	211.4	163.1	180.1	179.3	207.0
June	171.1	185.7	184.1	203.5	164.7	180.2	179.7	199.1
July	175.6	186.1	184.6		169.3	180.6	180.1	
August	183.9	184.9	186.0		177.7	179.4	181.7	
September	184.4	184.8	185.3		178.3	179.3	181.2	
October	187.0	185.7	186.8		180.9	180.8	182.8	
November	193.5	192.8	190.8		188.4	188.1	186.8	
December	190.7	193.4	193.4		185.4	189.0	189.4	

Source : Housing and Construction Bureau of Shenzhen



# 4 Tender Price Index

## Hong Kong



Quarter/Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>ArchSD BWTPI (Base = 100, at Year 1970)</b>										
1 <sup>st</sup> Quarter	1414	1516	1621	1732	1775	1779	1755	1695	1641	1631
2 <sup>nd</sup> Quarter	1438	1532	1648	1761	1776	1776	1727	1686	1623	
3 <sup>rd</sup> Quarter	1467	1559	1679	1777	1783	1773	1708	1675	1618	
4 <sup>th</sup> Quarter	1496	1590	1703	1775	1781	1768	1698	1652	1625	
<b>ArchSD BSTPI (Base = 100, at Year 1989)</b>										
1 <sup>st</sup> Quarter	149	193	211	(N/A)	257	208	(N/A)	233	200	229
2 <sup>nd</sup> Quarter	200	230	178	189	236	210	258	239	206	
3 <sup>rd</sup> Quarter	281	215	(N/A)	225	257	(N/A)	247	213	215	
4 <sup>th</sup> Quarter	203	219	(N/A)	196	249	287	233	231	203	
<b>Arcadis TPI (Base = 100, at Year 1970)</b>										
1 <sup>st</sup> Quarter	1511	1688	1789	1946	1992	1975	1920	1848	1785	1740
2 <sup>nd</sup> Quarter	1552	1713	1808	1958	1992	1968	1910	1835	1775	1760
3 <sup>rd</sup> Quarter	1595	1747	1857	1963	1993	1957	1885	1818	1757	
4 <sup>th</sup> Quarter	1632	1786	1903	1984	1986	1946	1868	1800	1740	
<b>CEWTPI (Base = 100, at Year 2010)</b>										
1 <sup>st</sup> Quarter	132	134	143	161	142	127	118	94	113	119*
2 <sup>nd</sup> Quarter	133	135	142	146	136	129	100	102	110	
3 <sup>rd</sup> Quarter	131	140	146	143	122	122	117	98	110	
4 <sup>th</sup> Quarter	148	137	154	133	128	122	94	103	104	

Source : Competitive tenders received by Arcadis, Building Works Tender Price Index (BWTPI) and Building Services Tender Price Index (BSTPI) of Architectural Services Department (ArchSD) of HKSAR, and Civil Engineering Works Tender Price Index (CEWTPI) of Civil Engineering and Development Department (CEDD) of HKSAR

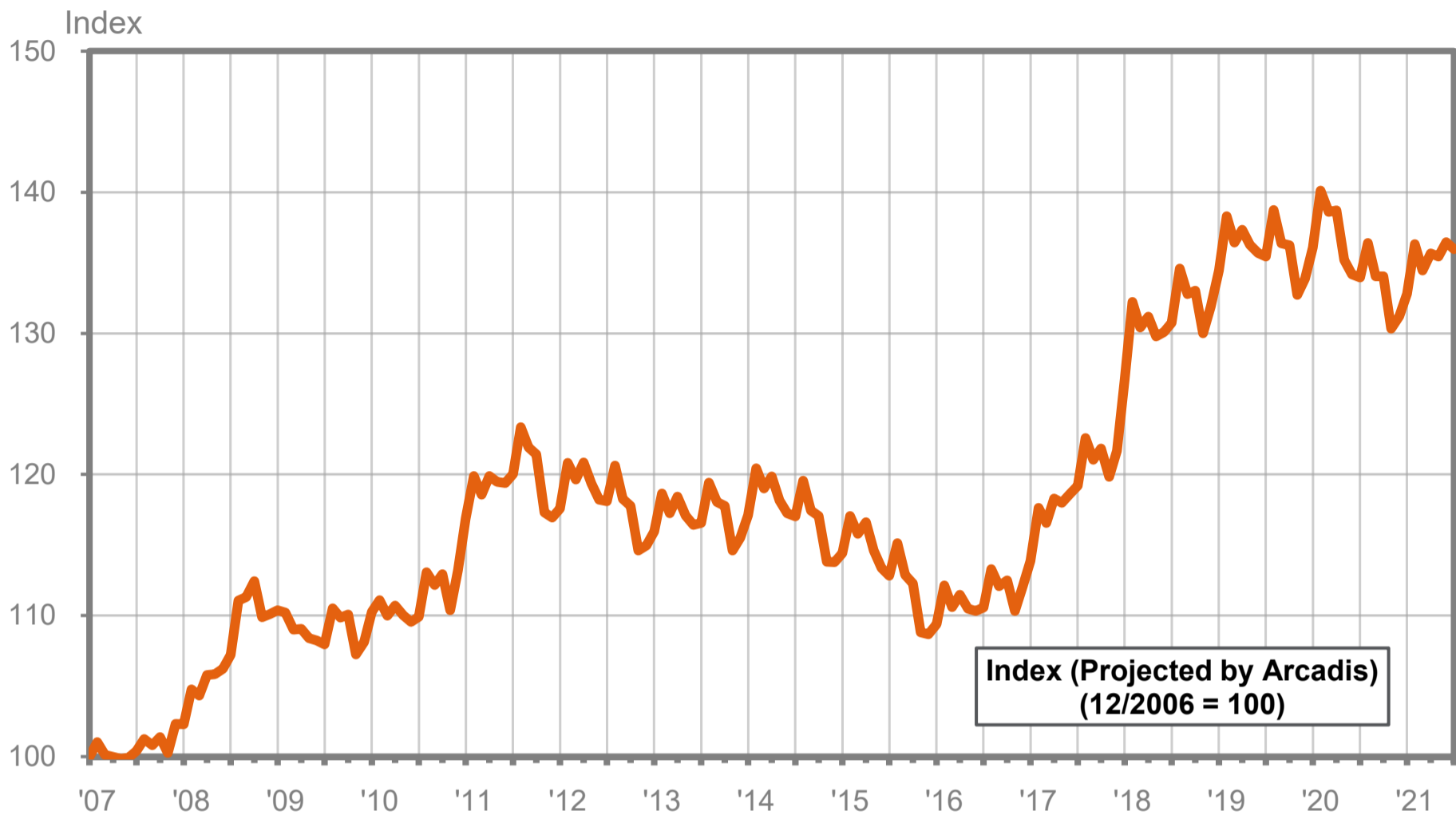
### Notes:

- [\*] denotes forecast figures
- Both BWTPI (ArchSD) and Arcadis TPI measure the trend of general builder's works only. Special works and Mechanical and Electrical Services would have to be considered separately.
- All indices were published quarterly. For reference purpose, only indices from 1st quarter of 1998 and onwards are given in detail, whereas indices between year 1970 to 1997 are shown with their 4th Quarter figures.



# 5 Materials

## Mainland China



CONSTRUCTION MATERIAL PRICE INDEX								
Index	Published (by NBS of China) (Base: Corresponding Month in Preceding Year = 100)				Projected (by Arcadis) (Base: 12/2006 = 100) (see explanatory notes below)			
	2018	2019	2020	2021	2018	2019	2020	2021
Month / Year								
January	112.4	104.6	101.3	97.3	132.2	138.3	140.1	136.3
February	111.9	104.6	101.6	97.0	130.4	136.4	138.6	134.5
March	110.9	104.7	101.0	97.8	131.2	137.3	138.7	135.7
April	110.0	105.0	99.2	100.2	129.8	136.3	135.2	135.5
May	109.7	104.3	98.9	101.7	130.1	135.7	134.2	136.5
June	109.7	103.6	98.9	101.5	130.7	135.5	134.0	136.0
July	109.8	103.1	98.3		134.6	138.8	136.4	
August	109.7	102.7	98.3		132.8	136.4	134.0	
September	109.2	102.4	98.4		133.0	136.2	134.0	
October	108.5	102.1	98.2		130.0	132.7	130.3	
November	108.4	101.5	98.0		131.9	133.9	131.2	
December	106.1	101.2	97.6		134.5	136.1	132.8	

Source : National Bureau of Statistics (NBS) of China

### Notes:

Data are published on a monthly basis, measuring the year-on-year change in price level of each month, but the quarter-on-quarter change is not published, i.e. the changes between consecutive quarters are not given.

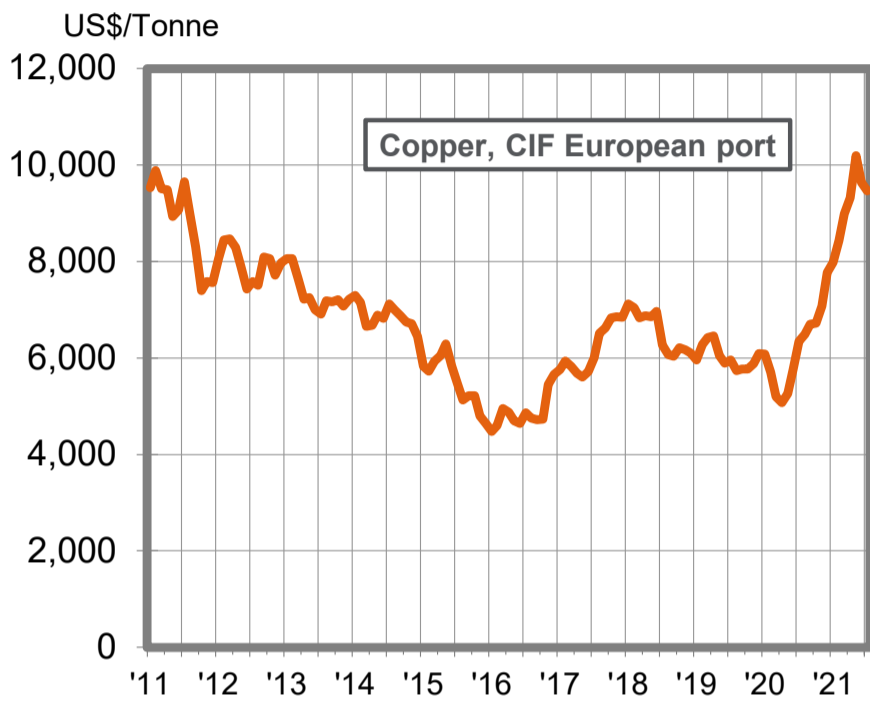
To give an illustration of the price trend over time, Arcadis applies a hypothetical calculation to derive the data table and chart as above. For comparison purpose, December 2006 is referred to as base and the base index as 100.



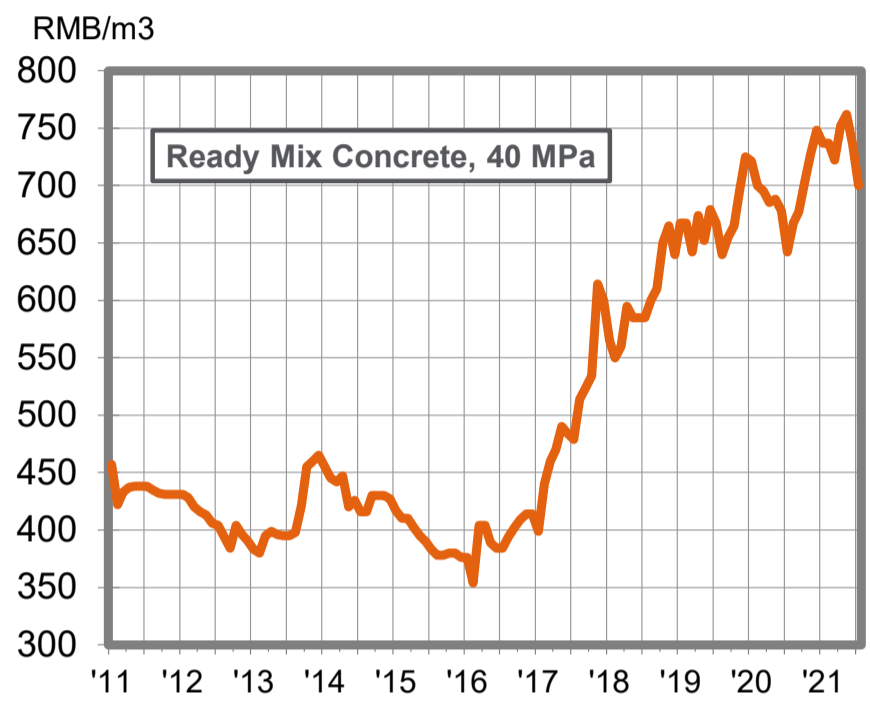


# 5 Materials Mainland China

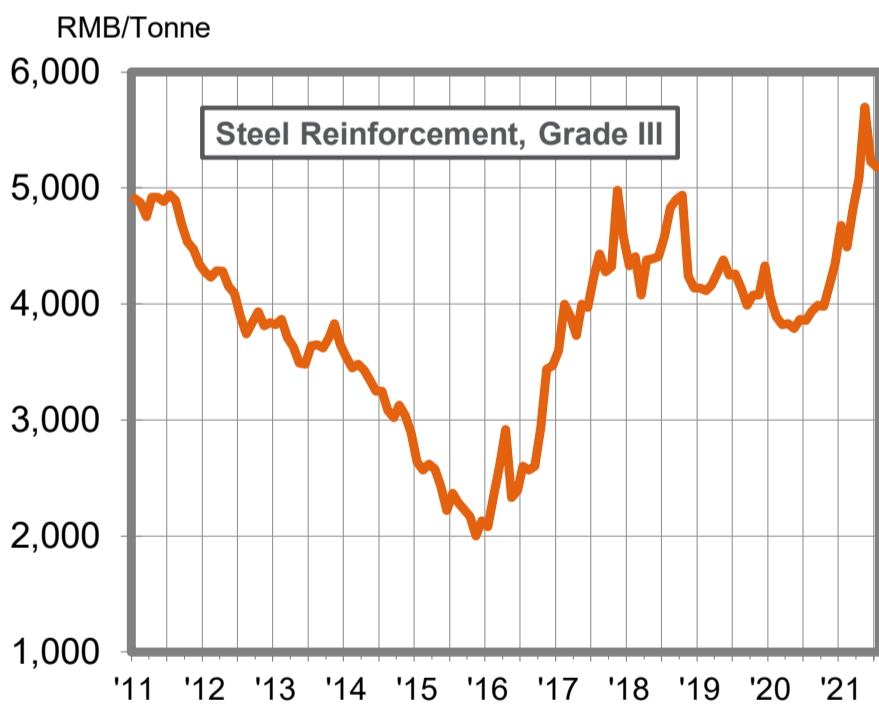
## Basic Construction Materials



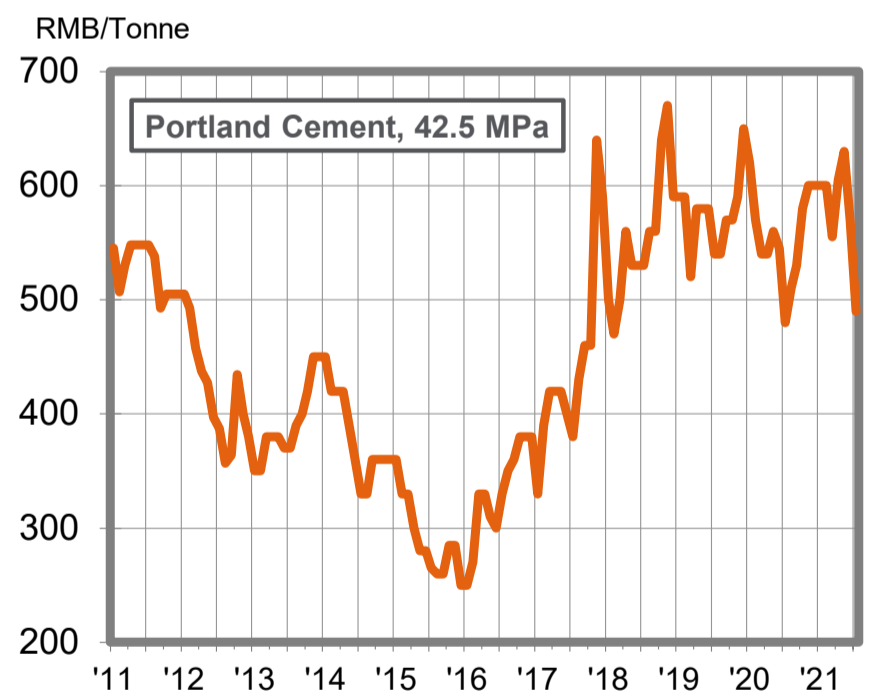
Source : London Metal Exchange



Shanghai Municipal Management Commission of Housing and Urban-Rural Development



Shanghai Municipal Management Commission of Housing and Urban-Rural Development



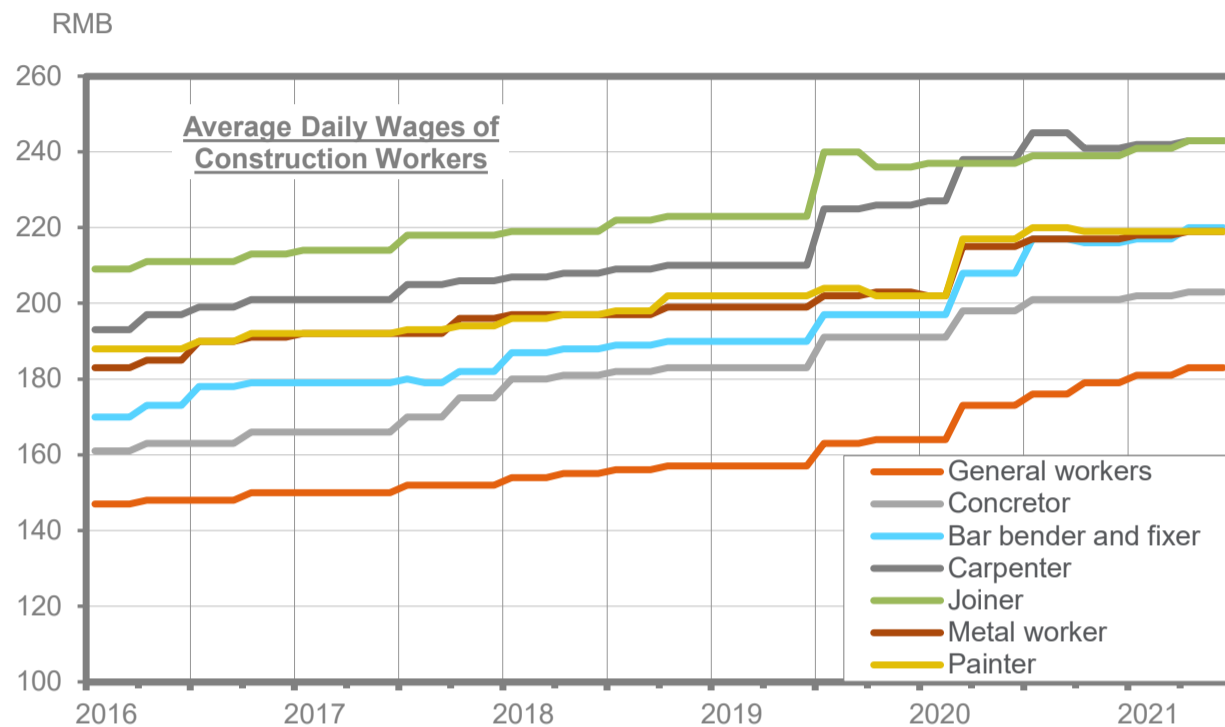
Shanghai Municipal Management Commission of Housing and Urban-Rural Development





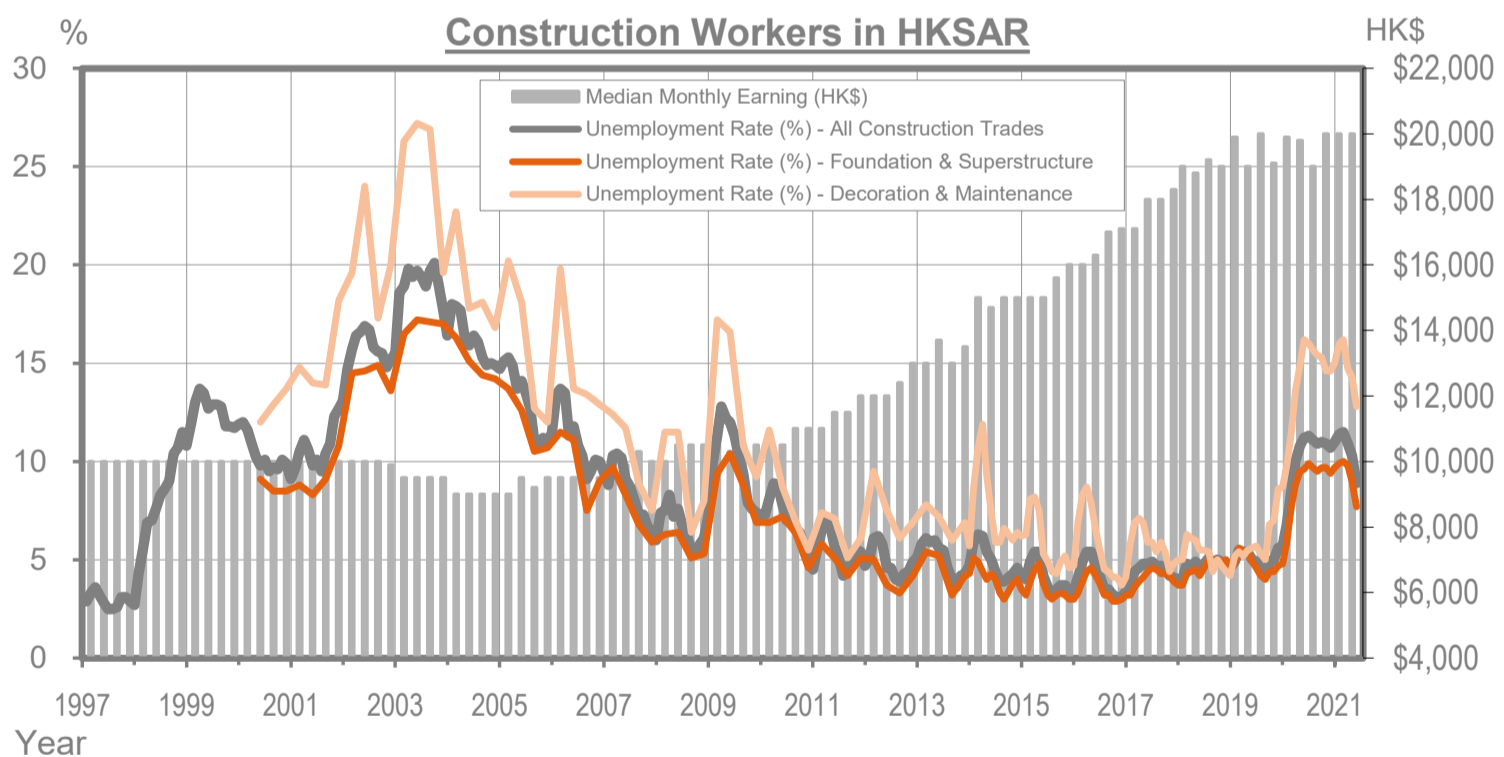
# 6 Labour

## Mainland China



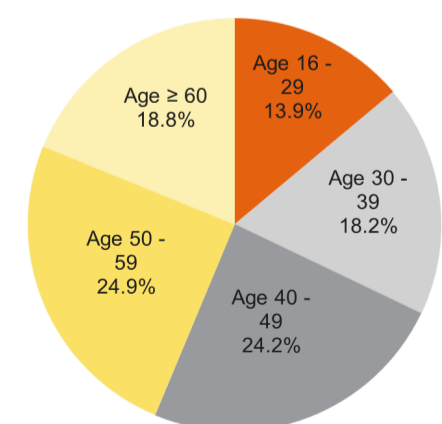
Source : Shanghai Municipal Management Commission of Housing and Urban-Rural Development

## Hong Kong SAR



Source : Census & Statistics Department, Hong Kong SAR

Age Group	No. of Workers Employed by Construction Industry	
Age 16 - 29	79,794	13.9%
Age 30 - 39	104,690	18.2%
Age 40 - 49	139,160	24.2%
Age 50 - 59	143,019	24.9%
Age ≥ 60	108,286	18.8%
<b>Total (as at Jun 2021)</b>	<b>574,949</b>	<b>100%</b>



Age Distribution of Workers

Source : Construction Industry Council

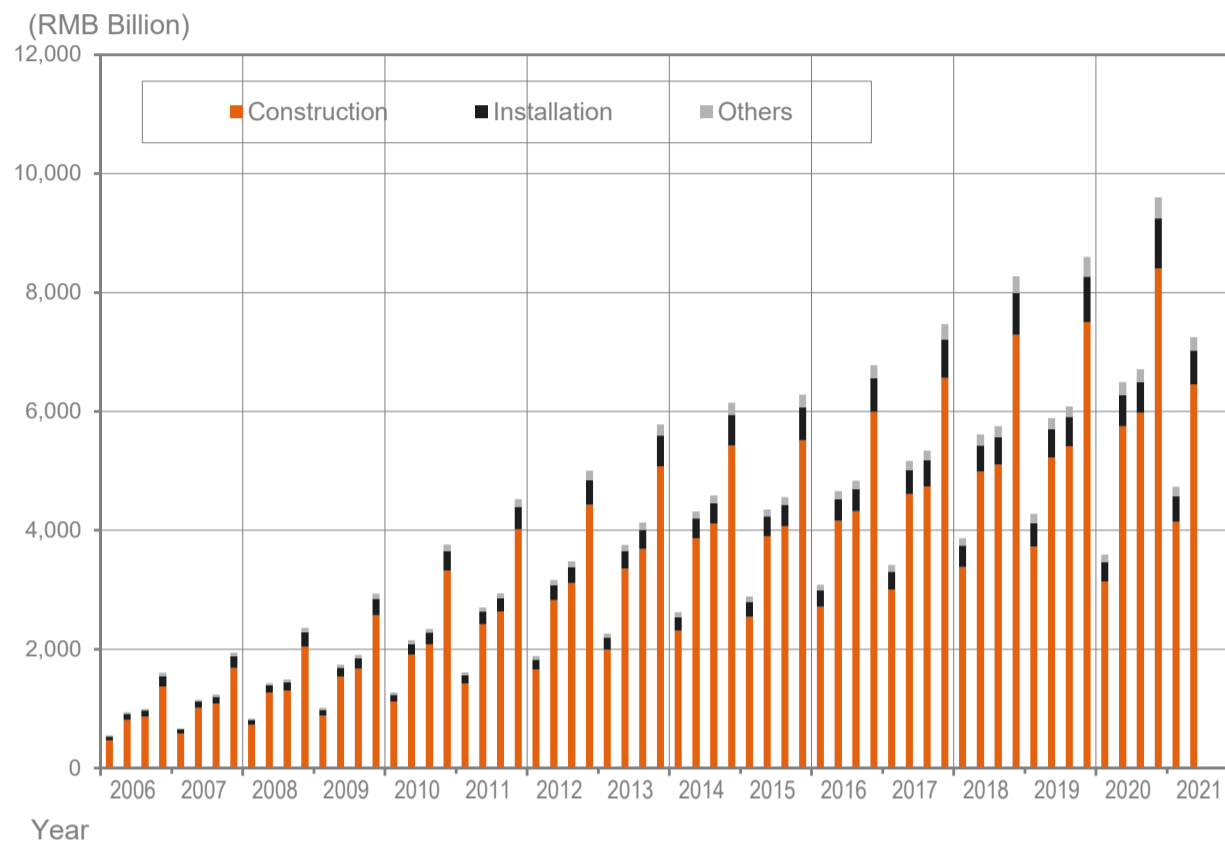




# 7

# Gross Value of Construction Work Performed

## Mainland China



Quarter	Value Performed (RMB Billion)									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>A. Construction</b>										
1 <sup>st</sup> Quarter	1,661	1,994	2,311	2,544	2,712	3,003	3,382	3,727	3,138	4,141
2 <sup>nd</sup> Quarter	2,826	3,355	3,866	3,899	4,158	4,609	4,985	5,223	5,753	6,453
3 <sup>rd</sup> Quarter	3,111	3,687	4,113	4,068	4,322	4,742	5,106	5,414	5,977	
4 <sup>th</sup> Quarter	4,427	5,078	5,425	5,517	5,994	6,562	7,286	7,502	8,405	
Year Total:	12,025	14,115	15,714	16,028	17,186	18,916	20,759	21,867	23,272	10,594
<b>B. Installation</b>										
1 <sup>st</sup> Quarter	165	200	230	255	277	303	358	393	326	428
2 <sup>nd</sup> Quarter	251	300	333	331	366	405	438	476	523	569
3 <sup>rd</sup> Quarter	271	322	346	363	374	437	459	498	519	
4 <sup>th</sup> Quarter	413	514	517	548	561	646	708	768	840	
Year Total:	1,100	1,336	1,426	1,498	1,578	1,791	1,963	2,135	2,208	997
<b>C. Others</b>										
1 <sup>st</sup> Quarter	57	69	83	91	96	113	129	155	127	164
2 <sup>nd</sup> Quarter	86	100	118	117	138	154	187	186	217	229
3 <sup>rd</sup> Quarter	97	123	126	126	137	160	189	173	213	
4 <sup>th</sup> Quarter	166	189	205	216	222	262	282	328	357	
Year Total:	406	481	531	550	593	689	787	843	915	393
<b>Annual gross value performed (A + B + C)</b>										
<b>Total:</b>	<b>13,530</b>	<b>15,931</b>	<b>17,671</b>	<b>18,076</b>	<b>19,357</b>	<b>21,396</b>	<b>23,509</b>	<b>24,845</b>	<b>26,395</b>	<b>11,984</b>

Source : National Bureau of Statistics of China

### Notes :

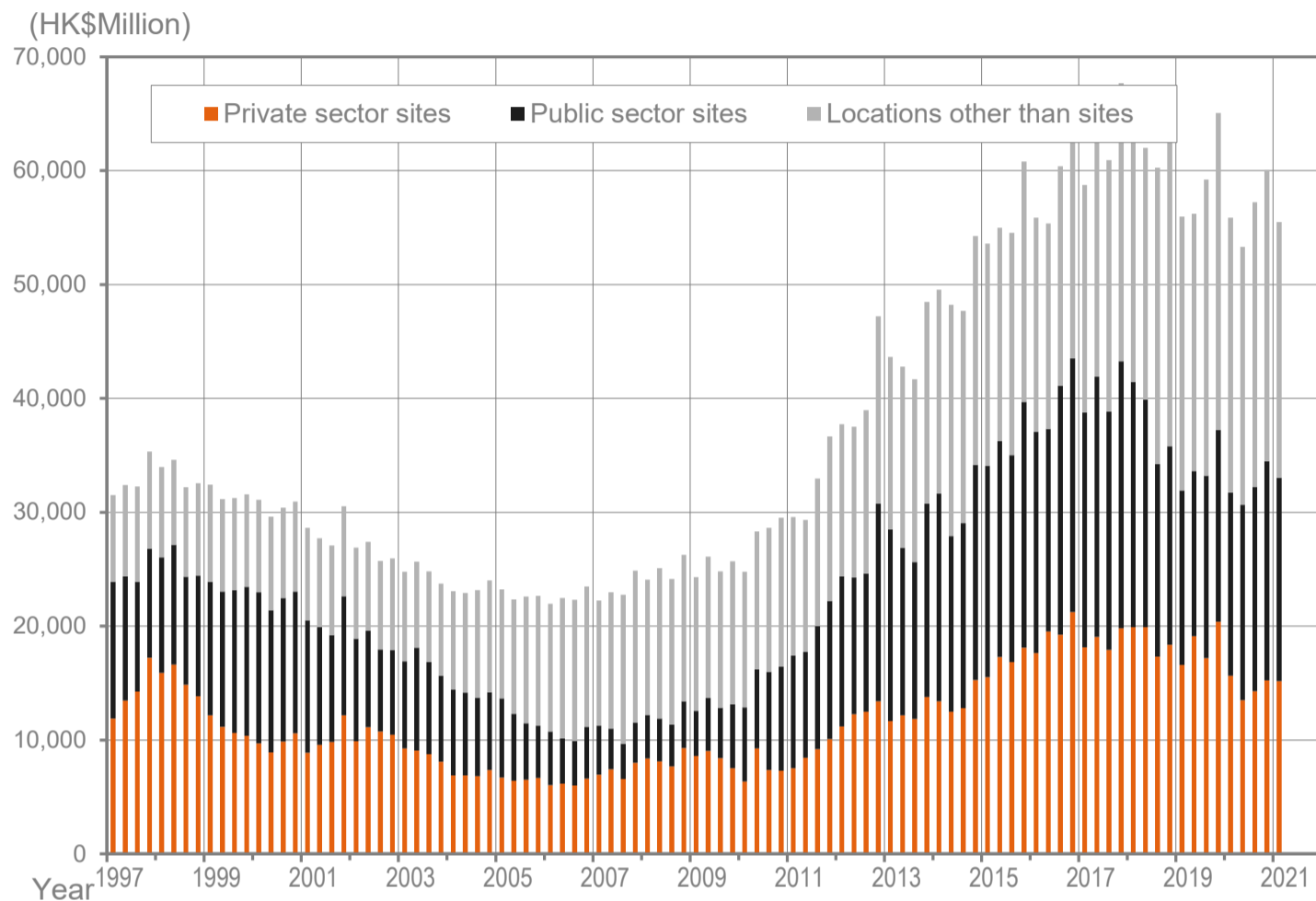
1. Value of "Construction" refers to the value of projects included in the project budgets.
2. Value of "Installation" refers to the value of the installation of equipment, excluding the value of the equipment to be installed.
3. Value of "Others" refer to the output value excluding construction projects and installation projects. It includes: output value of repairing buildings and structures; output value of non-standard equipment manufacturing; overhead expenses received by contracted enterprises from the sub-contracted enterprises and the completed output value of construction activities undefined.





# 8 Gross Value of Construction Work Performed

## Hong Kong



Value performed (HK\$ Million)										
Quarter	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>A. Private sector sites</b>										
1 <sup>st</sup> Quarter	11,209	11,675	13,395	15,528	17,652	18,150	19,918	16,583	15,647	15,188*
2 <sup>nd</sup> Quarter	12,260	12,176	12,507	17,284	19,530	19,070	19,925	19,112	13,489	
3 <sup>rd</sup> Quarter	12,481	11,848	12,792	16,849	19,252	17,912	17,340	17,199	14,303	
4 <sup>th</sup> Quarter	13,411	13,781	15,259	18,119	21,231	19,813	18,369	20,393	17,685	
Year Total:	49,361	49,480	53,953	67,780	77,665	74,945	75,552	73,287	61,124	15,188*
<b>B. Public sector sites</b>										
1 <sup>st</sup> Quarter	13,168	16,829	18,258	18,531	19,414	20,639	21,533	15,338	16,083	17,836*
2 <sup>nd</sup> Quarter	12,023	14,690	15,397	18,964	17,780	22,827	20,002	14,512	17,155	
3 <sup>rd</sup> Quarter	12,137	13,792	16,253	18,163	21,878	20,934	16,888	16,022	17,940	
4 <sup>th</sup> Quarter	17,332	16,976	18,915	21,585	22,295	23,455	17,433	16,825	19,400	
Year Total:	54,660	62,287	68,823	77,243	81,367	87,855	75,856	62,697	70,578	17,836*
<b>C. Location other than sites</b>										
1 <sup>st</sup> Quarter	13,347	15,140	17,909	19,549	18,809	19,963	22,871	24,032	24,126	22,474*
2 <sup>nd</sup> Quarter	13,245	15,914	20,327	18,744	18,041	20,657	22,073	22,592	22,674	
3 <sup>rd</sup> Quarter	14,358	16,038	18,636	19,520	19,274	22,093	26,027	25,992	24,971	
4 <sup>th</sup> Quarter	16,479	17,716	20,088	21,111	21,333	24,406	29,797	27,839	26,398	
Year Total:	57,429	64,808	76,960	78,924	77,457	87,119	100,768	100,455	98,169	22,474*
<b>Annual gross value performed (A + B + C)</b>										
<b>Total:</b>	<b>161,450</b>	<b>176,575</b>	<b>199,736</b>	<b>223,947</b>	<b>236,489</b>	<b>249,919</b>	<b>252,176</b>	<b>236,439</b>	<b>229,871</b>	<b>55,498*</b>

\*Provisional

Source : Census and Statistics Department, Hong Kong SAR



# 9 Approximate Building Costs for Major Cities

## Asia

BUILDING TYPE	Shanghai	Beijing	Guangzhou/ Shenzhen	Chongqing/ Chengdu
	Q2/2021	Q2/2021	Q2/2021	Q2/2021
RMB/ m <sup>2</sup> CFA				
<b>DOMESTIC</b>				
<b>Apartments, high rise, average standard</b>				
- Shell and core	3,171 - 3,615	2,885 - 3,327	2,868 - 3,162	2,816 - 3,261
- Full fit	5,185 - 5,714	4,565 - 5,014	4,475 - 4,925	4,305 - 5,084
<b>Apartments, high rise, high end</b>				
- Shell and core	3,812 - 4,129	3,437 - 4,986	2,993 - 3,896	3,481 - 4,509
- Full fit	11,707 - 12,759	11,056 - 12,590	7,202 - 7,880	6,951 - 8,681
<b>Terraced houses, average standard</b>				
- Shell and core	3,550 - 3,851	3,330 - 3,889	2,982 - 3,285	3,507 - 4,194
- Full fit	7,163 - 7,800	6,533 - 7,079	6,582 - 7,632	5,934 - 6,968
<b>Detached houses, high end</b>				
- Shell and core	5,220 - 5,769	5,015 - 5,581	4,151 - 4,572	4,596 - 5,246
- Full fit	12,596 - 13,360	12,555 - 13,101	12,625 - 14,347	7,551 - 8,577
<b>OFFICE/COMMERCIAL</b>				
Medium/high rise offices, average standard	6,650 - 8,790	6,510 - 8,766	6,193 - 6,900	6,854 - 7,877
High rise offices, prestige quality	8,544 - 11,688	10,578 - 14,397	9,137 - 11,021	8,643 - 11,488
Out-of-town shopping centre, average standard	N/A	4,866 - 6,504	5,967 - 6,547	5,543 - 7,015
Retail malls, high end	8,544 - 11,688	8,801 - 12,113	8,668 - 12,118	8,233 - 11,364
<b>INDUSTRIAL</b>				
Industrial units, shell only (Conventional single storey framed units)	2,051 - 2,507	2,009 - 2,451	2,290 - 2,731	3,402 - 4,231
Owner operated factories, low rise, light weight industry	3,170 - 3,965	3,886 - 4,454	N/A	N/A
<b>HOTELS</b>				
Budget hotels - 3-star, mid market	7,276 - 8,873	7,198 - 8,871	7,923 - 8,715	7,421 - 9,072
Business hotels - 4/5-star	11,722 - 15,874	12,270 - 16,196	12,805 - 18,280	13,301 - 16,454
Luxury hotels - 5-star	15,852 - 18,952	15,618 - 20,100	17,409 - 19,187	16,372 - 19,467
<b>OTHERS</b>				
Underground/basement car parks (<3 levels)	5,436 - 7,578	5,560 - 6,113	4,054 - 6,470	3,266 - 4,524
Multi storey car parks, above ground (<4 levels)	2,786 - 3,889	3,347 - 3,382	2,892 - 3,193	2,604 - 3,183
Schools (primary and secondary)	4,154 - 5,244*	3,872 - 4,999*	3,245 - 3,570*	3,453 - 3,803*
Students' residences	3,042 - 4,147	2,738 - 3,872	2,050 - 2,262	2,417 - 3,457
Sports clubs, multi purpose sports/leisure centres (dry sports) with a/c and including FF&E	7,008 - 8,606	6,631 - 6,687	5,656 - 6,222	5,447 - 5,971
General hospitals - public sector	10,707 - 13,805	8,717 - 10,916	8,569 - 10,711	8,705 - 10,778

The above costs are at 2<sup>nd</sup> Quarter 2021 levels.





# 9 Approximate Building Costs for Major Cities

## Asia

BUILDING TYPE	Hong Kong	Macau	Singapore	Kuala Lumpur
	Q2 / 2021	Q2 / 2021	Q2 / 2021	Q2 / 2021
	USD/ m <sup>2</sup> CFA (See also exchange rates per U.S. dollar below)			
	HK\$ 7.79	MOP 7.98	S\$ 1.33	RM 4.15
<b>DOMESTIC</b>				
<b>Apartments, high rise, average standard</b>				
- Shell and core	N/A	1,842 - 2,729	N/A	N/A
- Full fit	2,990 - 3,460	2,371 - 2,901	1,655 - 1,805	315 - 615 \$
<b>Apartments, high rise, high end</b>				
- Shell and core	N/A	2,729 - 4,093	N/A	N/A
- Full fit	3,870 - 4,520	3,313 - 5,060	2,555 - 3,760	715 - 1,460
<b>Terraced houses, average standard</b>				
- Shell and core	N/A	3,232 - 4,013	N/A	N/A
- Full fit	4,080 - 4,720	4,041 - 4,822	2,145 - 2,370	225 - 360 \$\$
<b>Detached houses, high end</b>				
- Shell and core	N/A	3,907 - 5,629	N/A	N/A
- Full fit	5,970 up	4,929 - 6,412	2,705 - 3,610	755 - 1,025
<b>OFFICE/COMMERCIAL</b>				
Medium/high rise offices, average standard	2,950 - 3,390&	2,729 - 3,523	2,145 - 2,370@	595 - 785 \$\$\$
High rise offices, prestige quality	3,540 - 4,080	3,523 - 3,856	2,405 - 2,595@	930 - 1,330 \$\$\$\$
Out-of-town shopping centre, average standard	2,930 - 3,430	2,570 - 3,856	2,405 - 2,480	550 - 750
Retail malls, high end	3,790 - 4,520	4,041 - 4,875	2,555 - 2,780	695 - 1,050
<b>INDUSTRIAL</b>				
Industrial units, shell only (Conventional single storey framed units)	N/A	N/A	975 - 1,165	325 - 450
Owner operated factories, low rise, light weight industry	2,270 - 2,850	N/A	N/A	440 - 540
<b>HOTELS</b>				
Budget hotels - 3-star, mid market	3,750 - 4,000	3,590 - 4,067	2,670 - 2,930	1,035 - 1,465
Business hotels - 4/5-star	3,880 - 4,530	4,875 - 5,828	3,420 - 3,835	1,350 - 2,270
Luxury hotels - 5-star	4,530 - 5,210	5,828 - 6,889	3,420 - 3,835	1,975 - 2,560
<b>OTHERS</b>				
Underground/basement car parks (<3 levels)	3,200 - 3,830	2,133 - 3,126	1,165 - 1,580	320 - 555
Multi storey car parks, above ground (<4 levels)	1,910 - 2,270	1,179 - 1,550	825 - 1,165@@	220 - 360
Schools (primary and secondary)	2,490 - 2,680*	2,358 - 2,729	N/A	250 - 320 \$\$\$\$\$
Students' residences	2,850 - 3,210	1,868 - 2,172	1,990 - 2,105	300 - 380 \$\$\$\$\$\$
Sports clubs, multi purpose sports/leisure centres (dry sports) with a/c and including FF&E	3,740 - 4,270	N/A	2,445 - 2,595	600 - 760
General hospitals - public sector	4,750 - 5,280	N/A	3,420 - 3,610	850 - 1,215

Singapore: Rates are nett of GST.  
The above costs are at 2<sup>nd</sup> Quarter 2021 levels.



# 9 Approximate Building Costs for Major Cities

## Asia

BUILDING TYPE	Bangkok	Bangalore	Manila	Ho Chi Minh
	Q2 / 2021	Q2 / 2021	Q2 / 2021	Q2 / 2021
	USD/ m2 CFA (See also exchange rates per U.S. dollar below)			
	BAHT 33.41	INR 74.39	PHP 48.54	VND 23,450
<b>DOMESTIC</b>				
<b>Apartments, high rise, average standard</b>				
- Shell and core	527 - 673	535 - 595	N/A	N/A
- Full fit	724 - 858	614 - 684	1,020 - 1,438	663 - 822
<b>Apartments, high rise, high end</b>				
- Shell and core	614 - 796	785 - 935	N/A	N/A
- Full fit	966 - 1,189	924 - 1,110	1,417 - 2,614	843 - 967
<b>Terraced houses, average standard</b>				
- Shell and core	299 - 389	355 - 386	N/A	N/A
- Full fit	453 - 557	425 - 445	991 - 1,213	447 - 525
<b>Detached houses, high end</b>				
- Shell and core	524 - 748	468 - 500	N/A	N/A
- Full fit	785 - 949	557 - 588	1,924 - 3,264	510 - 622
<b>OFFICE/COMMERCIAL</b>				
Medium/high rise offices, average standard	801 - 951	474 - 525	1,009 - 1,259	775 - 897
High rise offices, prestige quality	1,002 - 1,285	597 - 641	1,460 - 1,841	894 - 1,218
Out-of-town shopping centre, average standard	684 - 885	464 - 515	858 - 1,069	N/A
Retail malls, high end	918 - 968	649 - 709	1,172 - 1,642	724 - 948
<b>INDUSTRIAL</b>				
Industrial units, shell only (Conventional single storey framed units)	534 - 668	383 - 441	572 - 737	318 - 401
Owner operated factories, low rise, light weight industry	N/A	404 - 473	769 - 963	360 - 475
<b>HOTELS</b>				
Budget hotels - 3-star, mid market	1,252 - 1,385	865 - 950	1,281 - 1,429	1,438 - 1,760
Business hotels - 4/5-star	1,602 - 1,836	1,350 - 1,600	1,451 - 2,412	N/A
Luxury hotels - 5-star	1,869 - 2,170	1,705 - 1,870	1,992 - 3,835	1,816 - 2,179
<b>OTHERS</b>				
Underground/basement car parks (<3 levels)	601 - 801	304 - 330	601 - 792	658 - 785
Multi storey car parks, above ground (<4 levels)	200 - 327	252 - 273	510 - 735	423 - 464
Schools (primary and secondary)	N/A	314 - 350	752 - 1,037	556 - 607
Students' residences	N/A	352 - 388	795 - 1,021	556 - 714
Sports clubs, multi purpose sports/leisure centres (dry sports) with a/c and including FF&E	N/A	638 - 670	1,270 - 1,848	822 - 879
General hospitals - public sector	N/A	689 - 755	1,527 - 1,771	N/A

Bangkok: Rates are nett of VAT.  
 Bangalore: Rates are nett of GST.  
 Manila: Rates include 12% VAT.  
 Ho Chi Minh: Rates are nett of VAT.  
 The above costs are at 2<sup>nd</sup> Quarter 2021 levels.





# 9 Approximate Building Costs for Major Cities

## Asia

BUILDING TYPE	OUTLINE SPECIFICATION
<b>DOMESTIC</b>	
Apartments, high rise, average standard	<u>Shell and core</u> , including finishes to public area, but <u>excluding</u> finishes to apartment units <u>Full fit</u> , with air-conditioning, kitchen cabinets and home appliances, but <u>excluding</u> decorative light fittings and loose furniture
Apartments, high rise, high end	<u>Shell and core</u> , including finishes to public area, but <u>excluding</u> finishes to apartment units <u>Full fit</u> , good quality provisions, with air-conditioning, kitchen cabinets and home appliances, but <u>excluding</u> decorative light fittings and loose furniture
Terraced houses, average standard	<u>Shell and core</u> , joined houses in row(s), <u>excluding</u> garden, parking, finishes and fittings to house interior <u>Full fit</u> , joined houses in row(s), with air-conditioning, kitchen cabinets and home appliances, but <u>excluding</u> decorative light fittings, loose furniture, garden and parking
Detached houses, high end	<u>Shell and core</u> , good quality facade, <u>excluding</u> garden, parking, finishes and fittings to house interior <u>Full fit</u> , good quality provisions, with air-conditioning, kitchen cabinets and home appliances, but <u>excluding</u> decorative light fittings, loose furniture, garden and parking
<b>OFFICE / COMMERCIAL</b>	
Medium/high rise offices, average standard	RC structure, curtain wall, including public area fit-out, tenant area with raised floor/ carpet, painted wall and false ceiling
High rise offices, prestige quality	
Out-of-town shopping centre, average standard	Including public area fit-out and M&E, but <u>excluding</u> shop fit-out
Retail malls, high end	
<b>INDUSTRIAL</b>	
Industrial units, shell only (Conventional single storey framed unit)	RC structure with steel roof and M&E to main distribution, but <u>excluding</u> a/c, heating and lighting
Owner operated factories, low rise, light weight industry	RC structure, including small office with simple fit-out and M&E, but <u>excluding</u> a/c and heating
<b>HOTEL</b>	
Budget hotels - 3-star, mid market	1) Interior decoration 2) Furniture (fixed and movable) 3) Special light fittings (chandeliers, etc.) 4) Operating Supplies and Equipment (OS&E) excluded
Business hotels - 4/5-star	
Luxury hotels - 5-star	
<b>OTHERS</b>	
Underground/basement car parks (<3 levels)	RC structure
Multi storey car parks, above ground (<4 levels)	RC structure, natural ventilation, no facade enclosure
Schools (primary and secondary)	Including fit-out and a/c, but <u>excluding</u> educational equipment
Students' residences	Including fit-out, loose furniture and a/c
Sports clubs, multi purpose sports/leisure centres (dry sports)	Dry sports (no swimming pool) and are for 'leisure centre' type schemes including main sports hall, ancillary sports facilities, changing and showers, restaurant / cafe, bar, etc. Costs include a/c, Furniture, Fittings and Equipment (FF&E)
General hospital - public sector	<u>Excluding</u> medical and operating equipment

### Notes :

- The costs for the respective categories given above are averages based on fixed price competitive tenders. It must be understood that the actual cost of a building will depend upon the design and many other factors and may vary from the figures shown.
- The costs per square metre are based on Construction Floor Areas (CFA) measured to the outside face of the external walls / external perimeter including lift shafts, stairwells, balconies, plant rooms, water tanks and the like.
- All buildings are assumed to have no basements (except otherwise stated) and are built on flat ground, with normal soil and site conditions. The cost excludes site formation works, external works, land cost, professional fees, finance and legal expenses.
- The standard for each category of building varies from region to region and do not necessarily follow that of each other.
- "Shell and core" generally covers ONLY base building elements. "Shell" refers to overall structure and foundations, exterior walls, floors and roof, completing with common areas, staircases, lift shafts, service ducts and fire services systems to local statutory requirements. "Core" refers to fully-fitted public areas (like lobbies, corridors and lavatories) and M&E main plant and upfeed, with tenant or occupant areas unfurnished.
- "Full fit" buildings should complete with all elements that allow the buildings to be ready for operation, including public and tenants' (or occupants') areas (i.e. with ALL finishes, fittings and M&E distributions).
- Fluctuation in exchange rates may lead to changes in construction costs expressed in U.S. dollars.
- Hong Kong, Beijing, Shanghai, Guangzhou/Shenzhen, Chongqing/Chengdu: \* Public authority standard, no a/c and complete with basic external works. Hong Kong: & Excluding raised floor/carpet and false ceiling but including screeded floor and painted ceiling. Singapore: @ Excluding carpet @@ Open on all sides with parapet Kuala Lumpur \$ 6-12 units per floor, 46m<sup>2</sup> - 83m<sup>2</sup> per unit; excluding air-conditioning, kitchen cabinets and home appliances \$\$ Excluding air-conditioning, kitchen cabinets and home appliances \$\$\$ Exclude tenant fit-out and raised floor \$\$\$\$ Exclude tenant fit-out \$\$\$\$\$ Standard government provisions \$\$\$\$\$\$ University standard
- The data for Bangalore / India is provided by Arkind LS Private Limited, an Arcadis Alliance Partner.



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