

Quarterly Construction Cost Review

China and Hong Kong

2023 | Q2

Arcadis Hong Kong Limited



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China and Hong Kong Market Overview



By mid-2023, the construction industry in Hong Kong is experiencing a decisive milestone of flourishing from stability to prosperity, after the strong rebound in the first quarter of the year, with a 7.4% growth in total gross value of construction works (GVCW) performed by main contractors compared to the same period in 2022. These findings were reported in the Quarterly Survey of Construction Output published in June by the Census and Statistics Department (C&SD).

In accordance with the Half-yearly Economic Report 2023, there has been an increase in investment spending in both public and private sector, leading to a year-on-year growth of 5.6% in real terms for building and construction's expenditure. Additionally, due to the rise in construction opportunities, the unemployment rate in construction sector has slightly decreased by 0.3% to 4.2% in Q2 2023, compared to the previous quarter. With continuous development of residential land by the Government, private housing land supply is anticipated to produce about 8280 units in the first half of 2023-24, which accounts for 65% of the annual target for private housing supply.

In addressing the future manpower needs in construction field, the Government is promoting training programs and supporting the adoption of innovative technologies with the Construction Industry Council and other institutions. Moreover, the Labour Importation Scheme was launched in July 2023, allocating a quota of 12,000 for importation of construction labour to temporarily alleviate the shortage of manpower. With the Government implementing several strategies to enhance construction productivity, the industry is cautiously optimistic about the outlook for the remaining of 2023, expecting a positive impact.

Market movement

Economy

 GDP Growth	Q2/21 - Q2/22 (-) 1.2%	Q1/22 - Q1/23 (+) 2.9%	Q2/22 - Q2/23 (+) 1.5%
 Inflation Rate (CPI)	Jun 21-22 (+) 1.8%	Mar 22-23 (+) 1.7%	Jun 22-23 (+) 1.9%

Construction Output

 Activity Level (Gross output; new + A&A)	Q1/22 HK\$58.233 Bn	Q4/22 HK\$68.402 Bn	Q1/23 HK\$62.562 Bn*
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Basic Costs

 Highways Material Index	Mar - May 22 1238.9	Dec - Feb 23 1162.2	Mar - May 23 1150.2
 Labour Wages Index	Mar - May 22 155.2	Dec - Feb 23 154.5	Mar - May 23 155.1

Construction Cost Trend

 Tender Price Index (Arcadis)	Q2/22 1820	Q1/23 1882	Q2/23 1910
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*Provisional

Source: Highways Materials Index from Civil Engineering and Development Department (CEDD), other data from Census and Statistics Department (CSD).



Market Analysis

China

In the first half of 2023, China's GDP grew by 5.5% Year-on-Year (YoY). Although the GDP growth has improved, it is important to consider that this data is based on the significant containment measures implemented during the same period last year in response to the epidemic. Consequently, the actual economic growth is not as optimistic as initially perceived.

The real estate market continues to cool down, with a downward trend observed in both real estate investment and the commencement of new construction projects. By the end of the first half of the year, the capital source for real estate investment had decreased by 9.8% YoY. Additionally, the area for new construction projects saw a decline of 24.3% YoY.

In Q2 2023, construction wages remained stable when compared to the previous quarter. However, prices of basic construction materials experienced some fluctuations. Rebar and steel prices decreased by 6% QoQ, while aluminium, copper and concrete price remained stable. Additionally, cement prices decreased by 9% QoQ.

During the first half of the year, there was a significant increase in construction investment, which rose by 24.2%. This indicates that a substantial amount of funding and resources were allocated to construction projects during that period. On the other hand, real estate investment experienced a decline of 6.7%. This suggests that there was a decrease in the amount of investment directed towards real estate projects, indicating a potential slowdown or decrease in activity within the real estate sector.

In contrast to the decline in real estate investment, infrastructure investment saw an increase of 7.2%. The remaining growth, beyond the increase in construction and infrastructure investment, can be primarily attributed to industrial projects. Overall, the construction industry exhibited a relatively high growth level.

However, it's worth noting that fierce competition among construction contractors in real estate projects led to a downward trend in bidding prices during the second quarter of 2023. It is anticipated that the competition among construction contractors for real estate projects may persist, leading to further downward pressure on prices in the construction market in the next quarter.

Hong Kong

Growth in economy of Hong Kong

The economy of Hong Kong in 2023 has rebounded after experiencing four consecutive quarters of recession last year. Although the real gross domestic product (GDP) in Q2 2023 declined by 1.4% compared to the previous quarter's growth of 2.9%, it still indicates a positive sign for the economy and suggests that economic activity is picking up. The Consumer Price Index (CPI) has remained stable during the first half of 2023, with year-on-year increases ranging from 1.7% to 2.4%. This suggests that inflation is under control.

Floor area of commenced and completed works

Based on the data for Q2 2023, the total gross floor area of the consented private construction works in Q2 2023 decreased by 47.5% QoQ and 43.5% YoY. However, the commenced private construction works increased by 59.6% QoQ, and 29.8% YoY during the same period. This indicates a recent shift from planning stages to actual construction for more projects. Meanwhile, completed private construction works decreased by 53.7% QoQ and 51.2% YoY. The reduction in project completions may be attributed to fewer land sales in previous years.

The decline in both consented and commenced private construction works over the last twelve months, by 27.6% and 52.1% respectively, this raises concerns about a longer-term slowdown in private sector of the construction industry.

Gross value of performed construction works

The gross value of performed new-built private works and public works decreased by 13.2% and 3.4% QoQ respectively in Q1 2023, while the gross value of performed A&A works also decreased by 9.9% QoQ. In comparison to the first quarter of the previous year, the gross value of new-built private works and public works increased by 18.2% and 0.5% respectively. The gross value of performed A&A works also recorded an increase of 7.9% in the same period. Overall, the performed construction works in Q1 2023 showed an increase of 7.4% as compared to the previous year.

Cost of materials and labour

The Tender Price Index (TPI) increased by 4.95% YoY based on Q2 2023. Steel price in this quarter experienced a slight decrease of 2.2% QoQ and dropped by 23.2% from the peak in March 2022. Price of homogeneous floor tiles continued to rise, recording an increase of 1.8% QoQ and 13.5% YoY. On the other hand, the price of diesel fuel dropped by 1.4% QoQ and 2.9% YoY, and fell by 9.7% from the peak in mid-2022. The construction labour wages index remained stable compared to the previous quarter and Q2 2022; based on Q2 2023 data. Wages of electrical fitter, mechanical fitter, bricklayer and general welder increased by 5.7%, 3.8%, 4.7% and 3.0% respectively YoY. However, wages of joiner, plumber and painter decreased by 4.6%, 1.8% and 2.6% respectively YoY; all based on Q2 2023 data.

Approximate Building Costs Hong Kong

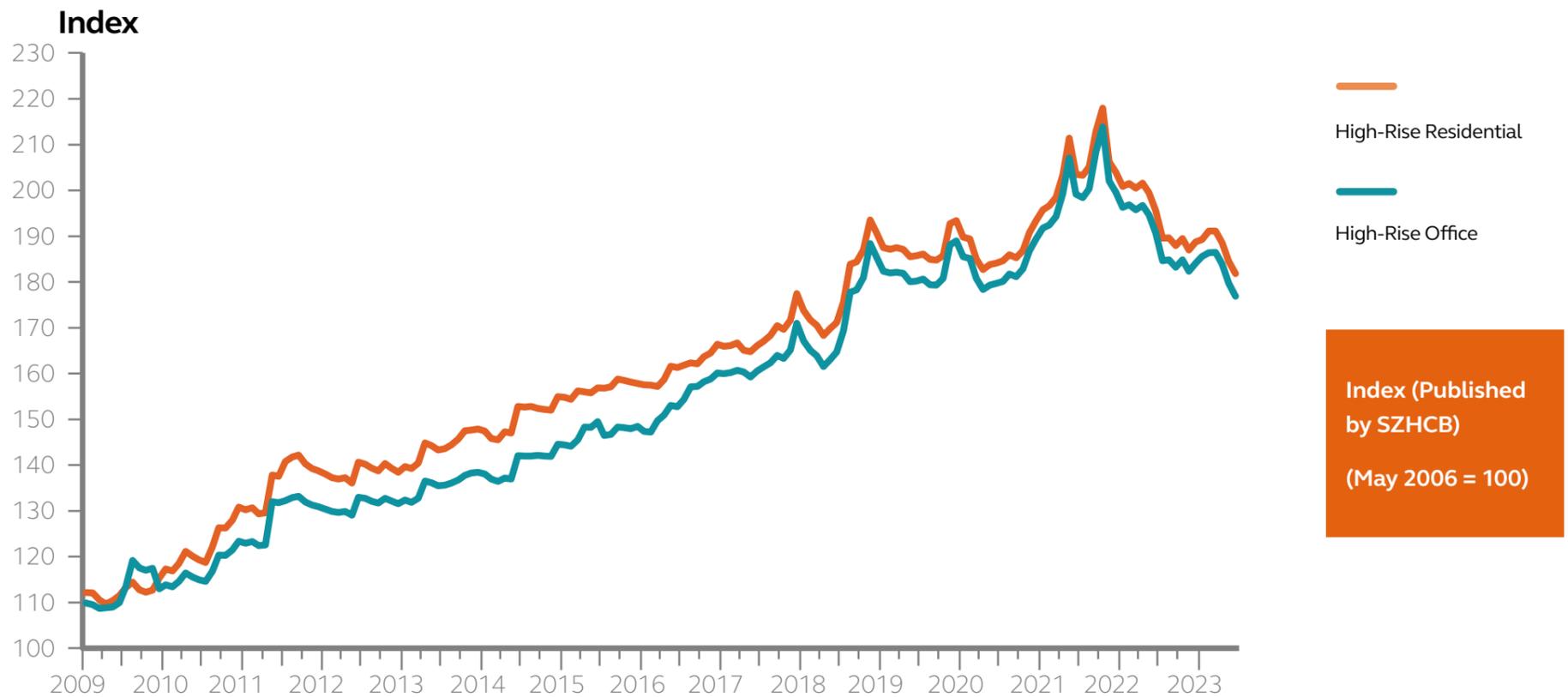
Notes:

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\$/m2 CFA	Outline Specification
Domestic		
Apartments, high rise, public authority standard	11,700 - 14,000	Based on Hong Kong Housing Authority Non-standard Cruciform Block design (Rental Housing)
Apartments, high rise, average standard	25,200 - 29,000	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	32,600 - 37,700	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	34,800 - 39,900	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	50,500 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
Office / Commercial		
Medium/high rise offices, average standard	25,100 - 28,400	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	29,900 - 34,200	RC structure, curtain wall, including public area fit-out, tenant area with raised floor, painted wall and false ceiling
Out-of-town shopping centre, average standard	24,700 - 29,000	Including public area fit-out and M&E, but excluding shop fit-out
Retail malls, high end	32,000 - 37,400	
Industrial		
Owner operated factories, low rise, light weight industry	18,900 - 23,700	RC structure, including small office with simple fit-out and M&E, but excluding a/c
Hotel		
Budget hotels - 3-star, mid market	31,700 - 33,700	1) Interior decoration
Business hotels - 4/5-star	32,700 - 37,700	2) Furniture (fixed and movable)
Luxury hotels - 5-star	38,000 - 42,600	3) Special light fittings (chandeliers, etc.) 4) Operating Supplies and Equipment (OS&E) excluded
Others		
Underground/basement car parks (<3 levels)	27,300 - 32,600	RC structure
Multi storey car parks, above ground (<4 levels)	16,400 - 19,300	RC structure, natural ventilation, no facade enclosure
Schools (primary and secondary)	21,100 - 22,700	Public authority standard including fit-out and a/c, but excluding loose furniture and educational equipment
Students' residences	24,000 - 27,000	Including fit-out, loose furniture and a/c
Sports clubs, multi purpose sports/ leisure centres (dry sports)	31,600 - 35,800	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	40,000 - 44,000	Excluding medical and operating equipment

The above costs are at 2nd Quarter 2023 levels.

Building & Building Services Price Index Mainland China

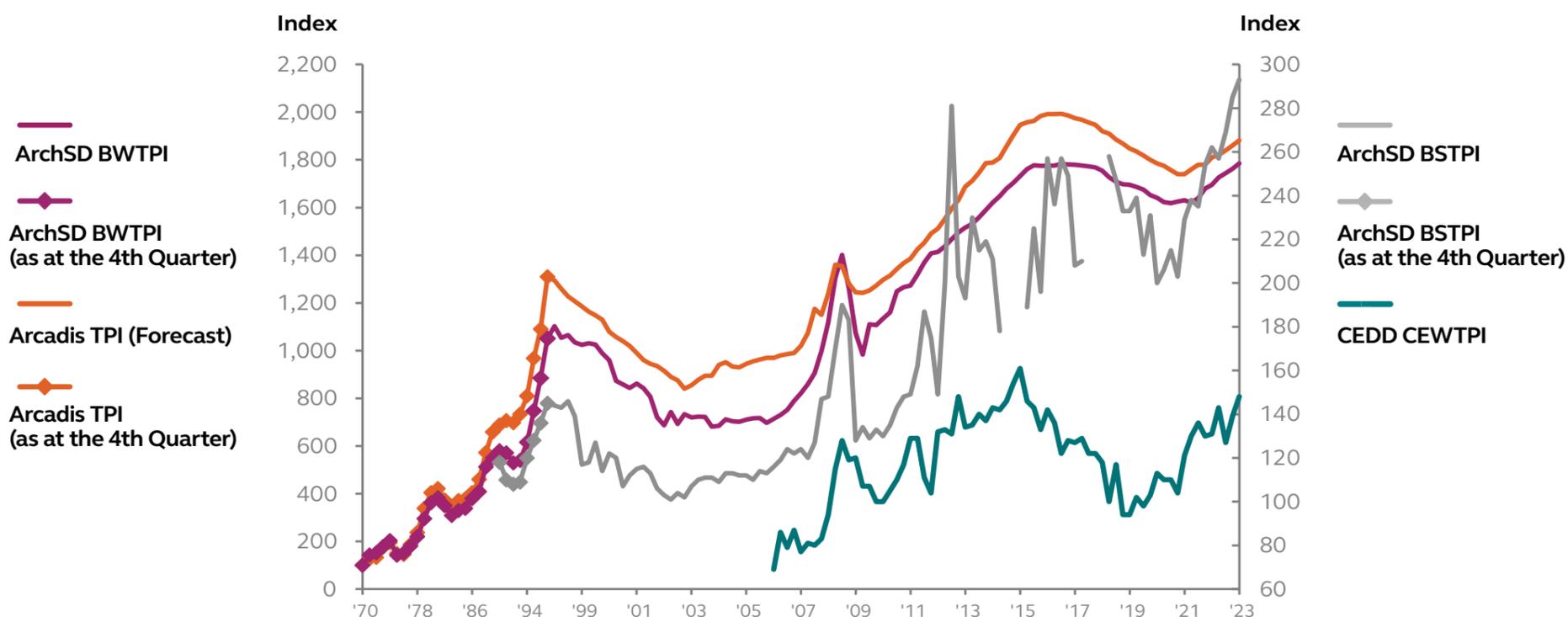


Building & Building Services Price Index								
Index	(Base Index: May 2006 = 100)							
	High-Rise Residential				High-Rise Office			
Month / Year	2020	2021	2022	2023	2020	2021	2022	2023
January	189.8	195.8	200.8	189.3	185.5	191.8	196.3	185.6
February	189.4	196.6	201.5	191.1	185.2	192.4	196.9	186.4
March	185.0	198.5	200.5	191.1	180.8	194.3	195.8	186.5
April	182.7	203.4	201.6	188.6	178.3	199.3	196.7	184.0
May	183.8	211.4	199.4	184.5	179.3	207.0	194.7	179.7
June	184.1	203.5	195.5	181.8	179.7	199.1	190.7	176.9
July	184.6	203.3	189.6		180.1	198.4	184.6	
August	186.0	205.2	189.6		181.7	200.3	184.8	
September	185.3	212.9	187.9		181.2	208.4	183.2	
October	186.8	218.0	189.5		182.8	213.8	184.9	
November	190.8	206.2	187.0		186.8	202.0	182.3	
December	193.4	204.0	188.7		189.4	199.6	184.1	

Source : Housing and Construction Bureau of Shenzhen

Tender Price Index

Hong Kong



Quarter/Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
ArchSD BWTPI (Base = 100, at Q1 1970)										
Q1	1621	1732	1775	1779	1755	1695	1641	1631	1696	1785
Q2	1648	1761	1776	1776	1727	1686	1623	1620	1726	
Q3	1679	1777	1783	1773	1708	1675	1618	1640	1744	
Q4	1703	1775	1781	1768	1698	1652	1625	1679	1763	
ArchSD BSTPI (Base = 100, at Q4 1989)										
Q1	211	(N/A)	257	208	(N/A)	233	200	229	262	293
Q2	178	189	236	210	258	239	206	238	257	
Q3	(N/A)	225	257	(N/A)	247	213	215	235	269	
Q4	(N/A)	196	249	287	233	231	203	254	285	
Arcadis TPI (Base = 100, at Q1 1970)										
Q1	1789	1946	1992	1975	1920	1848	1785	1740	1810	1882
Q2	1808	1958	1992	1968	1910	1835	1775	1760	1820	1910
Q3	1857	1963	1993	1957	1885	1818	1757	1780	1840	
Q4	1903	1984	1986	1946	1868	1800	1740	1780	1860	
CEDD CEWTPI (Base = 100, at Q1 2010)										
Q1	143	161	142	127	118	94	113	121	131	148*
Q2	142	146	136	129	100	102	110	130	143	
Q3	146	143	122	122	117	98	110	136	127	
Q4	154	133	128	122	94	103	104	130	139	

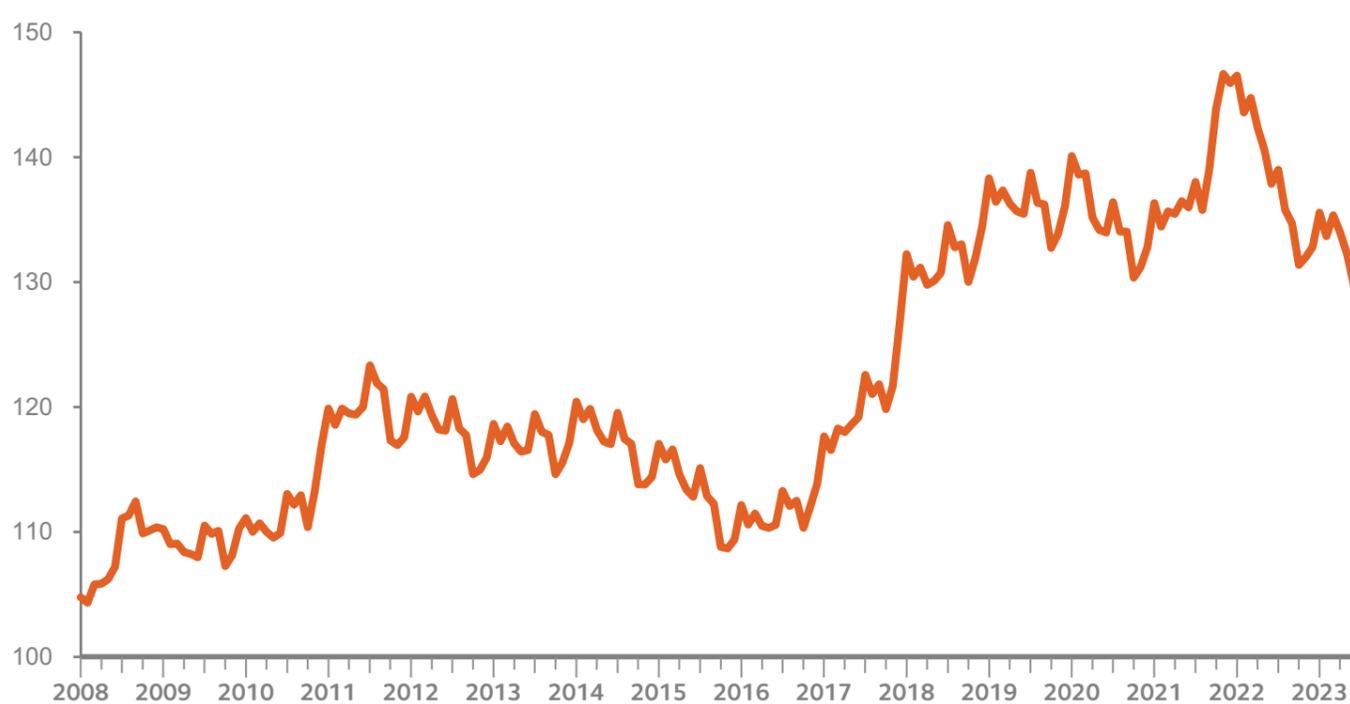
Source : Competitive tenders received by Arcadis, Building Works Tender Price Index (BWTPI) and Building Services Tender Price Index (BSTPI) of Architectural Services Department (ArchSD) of HKSAR, and Civil Engineering Works Tender Price Index (CEWTPI) of Civil Engineering and Development Department (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 2013 and onwards are given in detail, whereas indices between year 1970 to 1997 are shown with their 4th Quarter figures.

Materials Mainland China

Index



Index (Projected
by Arcadis)
(12/2006 = 100)

Construction Material Price Index

Month / Year	Published (by NBS of China) (Base : Corresponding month in preceding year = 100)				Projected (by Arcadis) (Base : 12/2006 = 100) (see explanatory notes below)			
	2020	2021	2022	2023	2020	2021	2022	2023
January	101.3	97.3	107.5	92.5	140.1	136.3	146.6	135.6
February	101.6	97.0	106.8	93.1	138.6	134.5	143.6	133.7
March	101.0	97.8	106.7	93.5	138.7	135.7	144.8	135.3
April	99.2	100.2	105.1	94.1	135.2	135.5	142.4	134.0
May	98.9	101.7	103.0	94.1	134.2	136.5	140.6	132.3
June	98.9	101.5	101.4	94.1	134.0	136.0	137.9	129.7
July	98.3	101.2	100.7		136.4	138.0	139.0	
August	98.3	101.3	100.0		134.0	135.8	135.8	
September	98.4	103.7	96.9		134.0	139.0	134.7	
October	98.2	110.4	91.3		130.3	143.9	131.4	
November	98.0	111.8	90.0		131.2	146.7	132.0	
December	97.6	109.9	91.0		132.8	146.0	132.8	

Source : National Bureau of Statistics (NBS) of China

Notes:

1. 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, ie. the changes between consecutive quarters are not given.
2. 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.



Basic Construction Materials

Copper, CIF European port

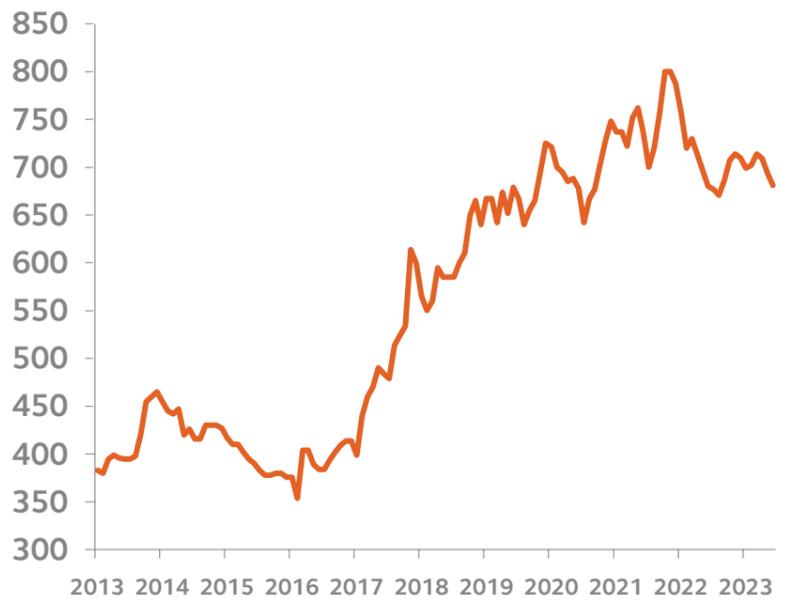
US\$/Tonne



Source : London Metal Exchange

Ready Mix Concrete, 40 MPa

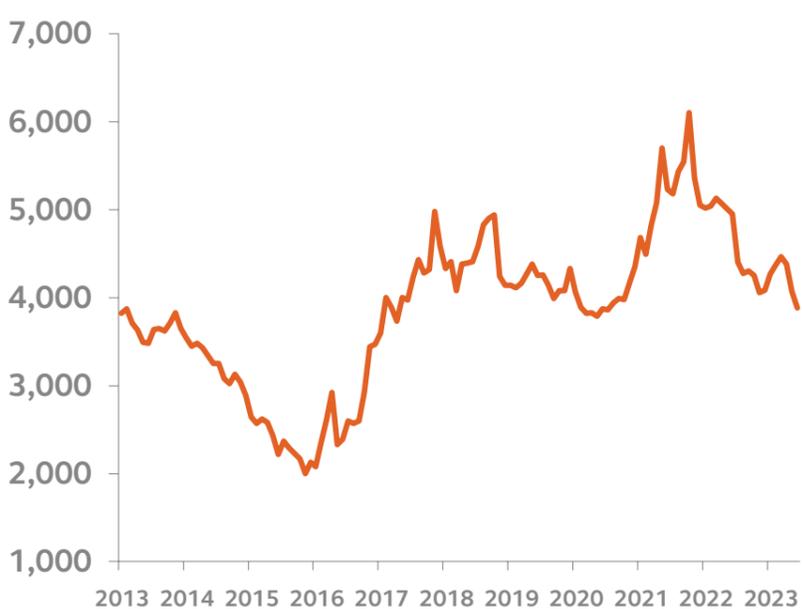
RMB/m3



Shanghai Municipal Management Commission of Housing and Urban-Rural Development

Steel Reinforcement, Grade III

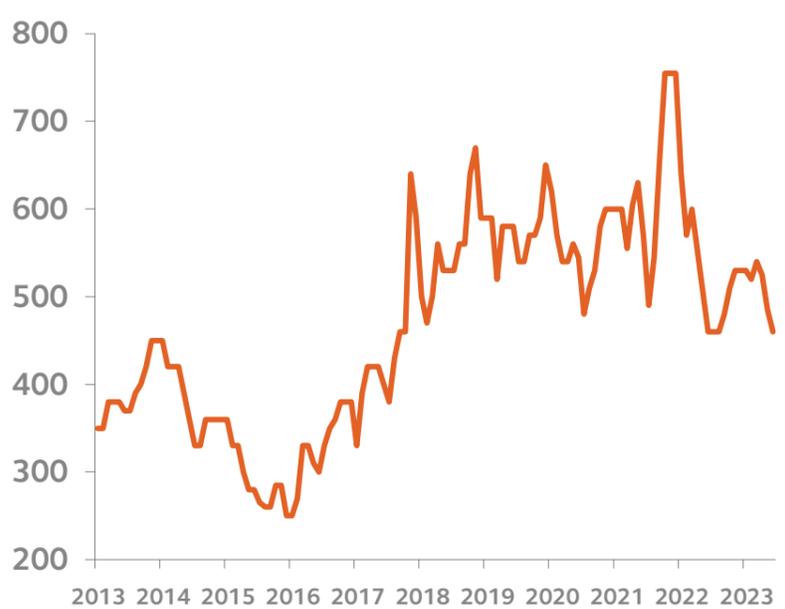
RMB/Tonne



Shanghai Municipal Management Commission of Housing and Urban-Rural Development

Portland Cement, 42.5 MPa

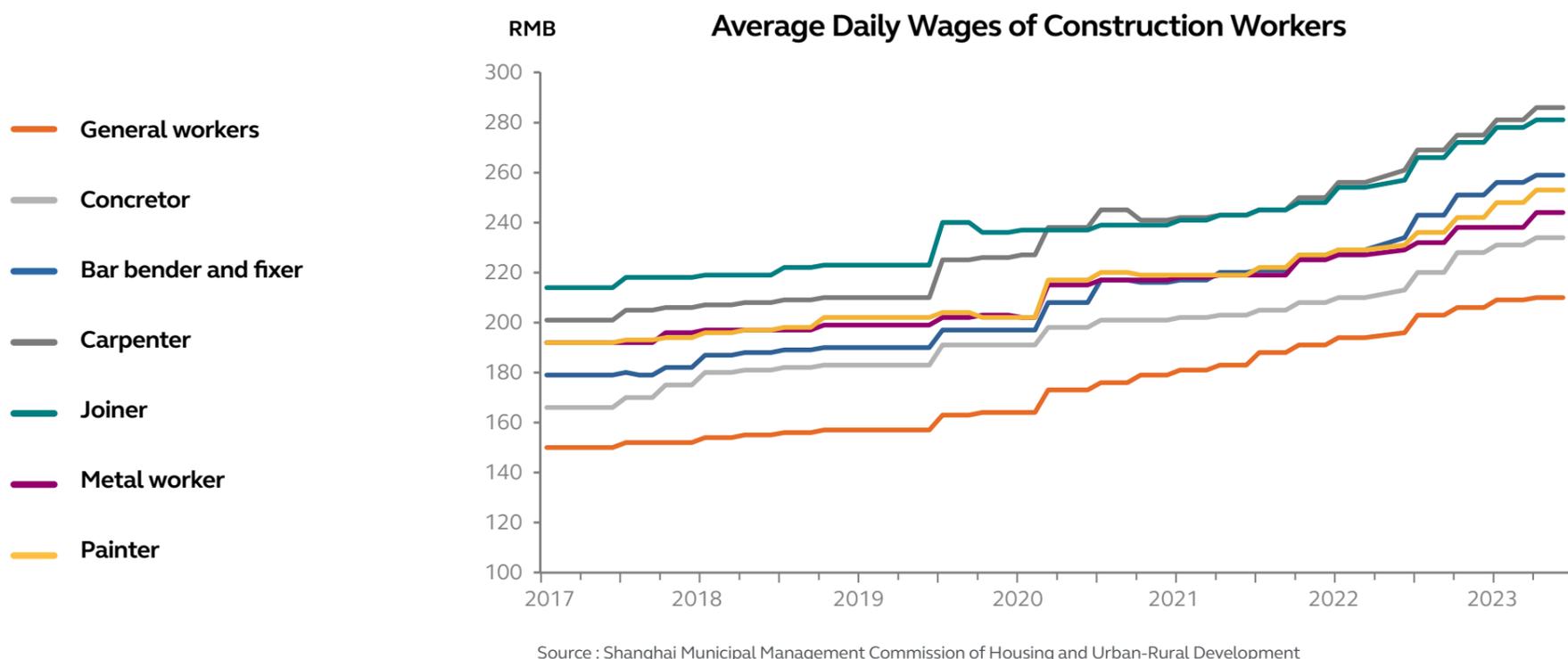
RMB/Tonne



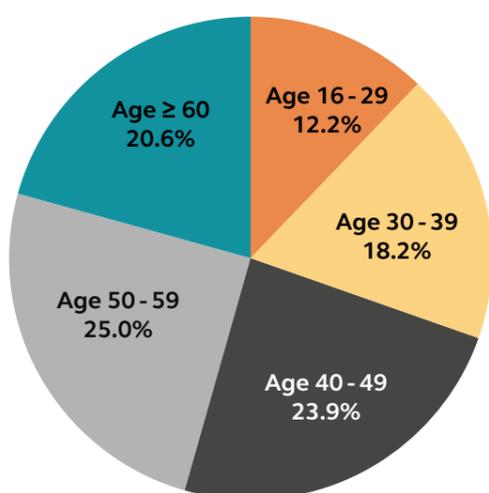
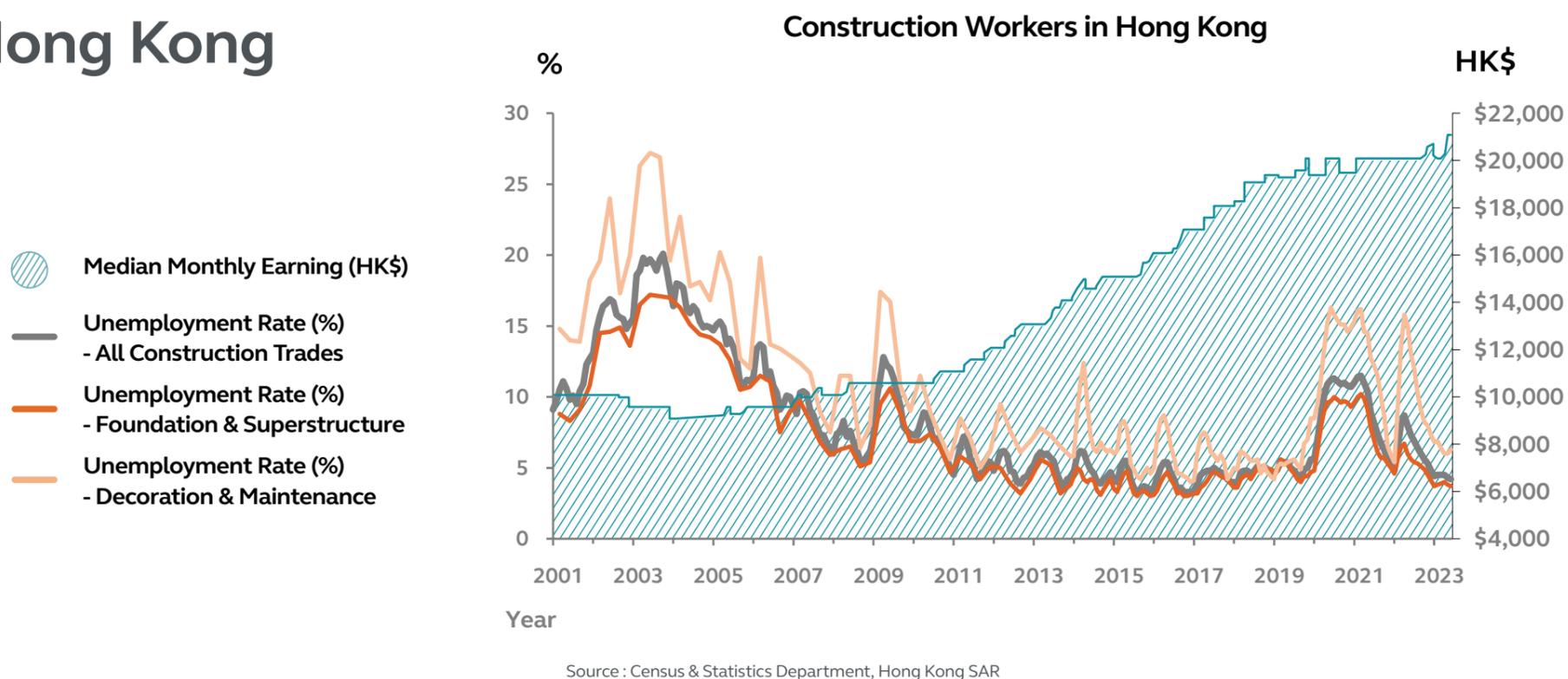
Shanghai Municipal Management Commission of Housing and Urban-Rural Development

Labour

Mainland China



Hong Kong

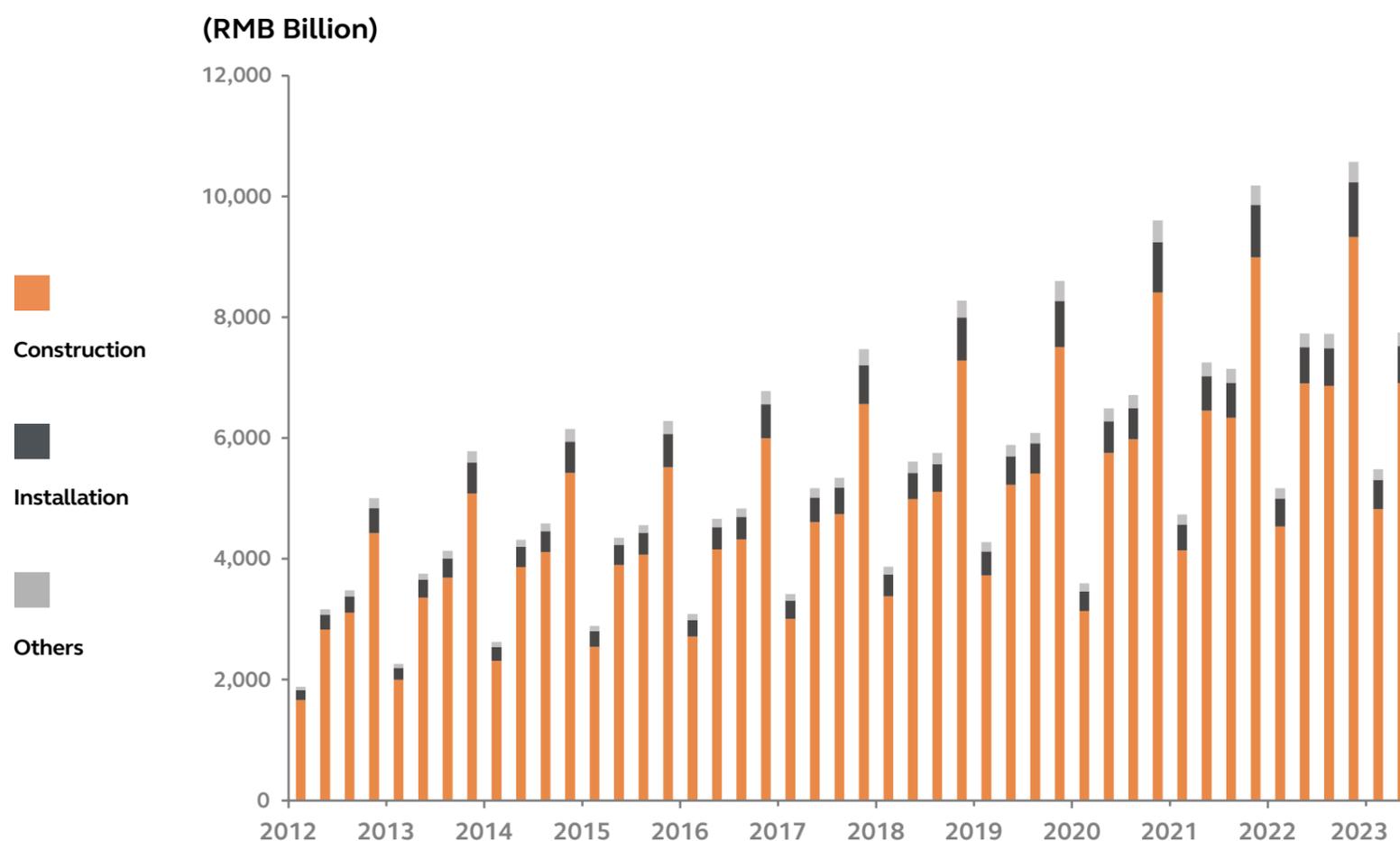


Age Distribution of Workers

Age Group	No. of Workers Employed by Construction Industry	
Age 16 - 29	75,959	12.2%
Age 30 - 39	113,572	18.2%
Age 40 - 49	149,245	23.9%
Age 50 - 59	155,801	25.0%
Age ≥ 60	128,648	20.6%
Total (as at Jun 2023) :	623,225	100.0%

Source: Construction Industry Council

Gross Value of Construction Work Performed – Mainland China



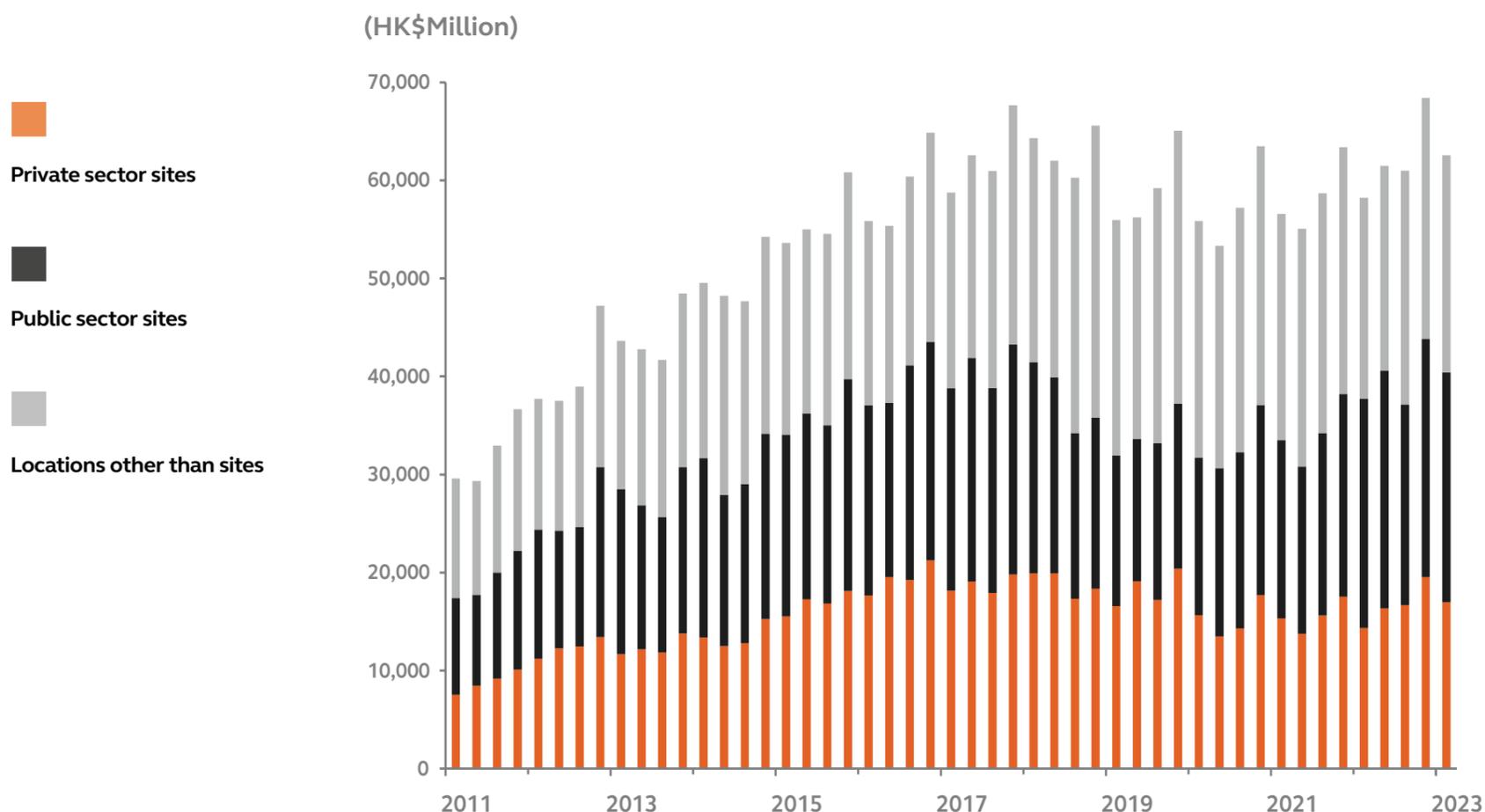
Value Performed (RMB Billion)										
Quarter	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
A. Construction										
1 st Quarter	2,311	2,544	2,712	3,003	3,382	3,727	3,138	4,141	4,533	4,820
2 nd Quarter	3,866	3,899	4,158	4,609	4,985	5,223	5,753	6,453	6,902	6,907
3 rd Quarter	4,113	4,068	4,322	4,742	5,106	5,414	5,977	6,336	6,863	
4 th Quarter	5,425	5,517	5,994	6,562	7,286	7,502	8,405	8,991	9,328	
Year Total:	15,714	16,028	17,186	18,916	20,759	21,867	23,272	25,921	27,625	11,727
B. Installation										
1 st Quarter	230	255	277	303	358	393	326	428	463	485
2 nd Quarter	333	331	366	405	438	476	523	569	602	614
3 rd Quarter	346	363	374	437	459	498	519	579	623	
4 th Quarter	517	548	561	646	708	768	840	871	906	
Year Total:	1,426	1,498	1,578	1,791	1,963	2,135	2,208	2,448	2,594	1,100
C. Others										
1 st Quarter	83	91	96	113	129	155	127	164	175	175
2 nd Quarter	118	117	138	154	187	186	217	229	223	224
3 rd Quarter	126	126	137	160	189	173	213	228	240	
4 th Quarter	205	216	222	262	282	328	357	318	340	
Year Total:	531	550	593	689	787	843	915	940	978	400
Annual gross value performed (A + B + C)										
Total:	17,671	18,076	19,357	21,396	23,509	24,845	26,395	29,308	31,198	13,226

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.

Gross Value of Construction Work Performed – Hong Kong



Value Performed (HK\$ Million)											
Quarter	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
A. Private sector sites											
1 st Quarter	11,675	13,395	15,528	17,652	18,150	19,918	16,583	15,647	15,339	14,351	16,956*
2 nd Quarter	12,176	12,507	17,284	19,530	19,070	19,925	19,112	13,489	13,758	16,360	
3 rd Quarter	11,848	12,792	16,849	19,252	17,912	17,340	17,199	14,303	15,620	16,674	
4 th Quarter	13,781	15,259	18,119	21,231	19,813	18,369	20,393	17,685	17,521	19,540	
Year Total:	49,480	53,953	67,780	77,665	74,945	75,552	73,287	61,124	62,238	66,925	16,956*
B. Public sector sites											
1 st Quarter	16,829	18,258	18,531	19,414	20,639	21,533	15,338	16,083	18,167	23,356	23,462*
2 nd Quarter	14,690	15,397	18,964	17,780	22,827	20,002	14,512	17,155	17,054	24,247	
3 rd Quarter	13,792	16,253	18,163	21,878	20,934	16,888	16,022	17,940	18,604	20,462	
4 th Quarter	16,976	18,915	21,585	22,295	23,455	17,433	16,825	19,400	20,687	24,292	
Year Total:	62,287	68,823	77,243	81,367	87,855	75,856	62,697	70,578	74,512	92,357	23,462*
C. Location other than sites											
1 st Quarter	15,140	17,909	19,549	18,809	19,963	22,871	24,032	24,126	23,075	20,526	22,144*
2 nd Quarter	15,914	20,327	18,744	18,041	20,657	22,073	22,592	22,674	24,249	20,867	
3 rd Quarter	16,038	18,636	19,520	19,274	22,093	26,027	25,992	24,971	24,465	23,864	
4 th Quarter	17,716	20,088	21,111	21,333	24,406	29,797	27,839	26,398	25,183	24,569	
Year Total:	64,808	76,960	78,924	77,457	87,119	100,768	100,455	98,169	96,972	89,826	22,144*
Annual gross value performed (A + B + C)											
Total:	176,575	199,736	223,947	236,489	249,919	252,176	236,439	229,871	233,722	249,108	62,562*

*Provisional

Source : Census and Statistics Department, Hong Kong SAR

Approximate Building Costs For Major Cities In Asia

Building Type	Shanghai	Beijing	Guangzhou/ Shenzhen	Chongqing/ Chengdu
	Q2/2023	Q2/2023	Q2/2023	Q2/2023
	RMB/ m ² CFA			
Domestic				
Apartments, high rise, average standard				
- Shell and core	3,061 - 3,490	2,785 - 3,212	2,684 - 3,083	2,669 - 3,035
- Full fit	5,005 - 5,517	4,405 - 4,837	4,259 - 4,886	4,081 - 4,732
Apartments, high rise, high end				
- Shell and core	3,681 - 3,986	3,318 - 4,814	2,801 - 3,798	3,298 - 4,198
- Full fit	11,301 - 12,320	10,676 - 12,153	6,920 - 7,888	6,590 - 8,082
Terraced houses, average standard				
- Shell and core	3,427 - 3,718	3,215 - 3,755	2,820 - 3,202	3,289 - 3,933
- Full fit	6,914 - 7,532	6,308 - 6,833	6,452 - 7,714	5,566 - 6,535
Detached houses, high end				
- Shell and core	5,039 - 5,570	4,841 - 5,388	3,925 - 4,458	4,312 - 4,920
- Full fit	12,159 - 12,901	12,122 - 12,647	12,378 - 14,503	7,081 - 8,044
Office / Commercial				
Medium/high rise offices, average standard	6,420 - 8,483	6,283 - 8,465	6,049 - 6,908	6,393 - 7,347
High rise offices, prestige quality	8,248 - 11,281	10,212 - 13,901	8,854 - 11,127	8,062 - 10,715
Out-of-town shopping centre, average standard	N/A	N/A	5,763 - 6,552	5,173 - 6,548
Retail malls, high end	8,717 - 11,752	8,496 - 11,696	8,527 - 12,356	7,685 - 10,608
Industrial				
Industrial units, shell only (Conventional single storey framed units)	1,977 - 2,422	1,940 - 2,366	2,246 - 2,759	3,155 - 3,923
Owner operated factories, low rise, light weight industry	3,058 - 3,831	3,751 - 4,300	N/A	N/A
Hotels				
Budget hotels - 3-star, mid market	7,025 - 8,563	6,951 - 8,563	7,760 - 8,799	6,977 - 8,528
Business hotels - 4/5-star	11,320 - 15,323	11,845 - 15,638	12,542 - 18,460	12,519 - 15,486
Luxury hotels - 5-star	15,305 - 18,294	15,075 - 19,406	16,880 - 19,181	15,415 - 18,329
Others				
Underground/basement car parks (<3 levels)	5,246 - 7,316	5,369 - 5,900	3,997 - 6,540	3,029 - 4,195
Multi storey car parks, above ground (<4 levels)	2,688 - 3,757	3,231 - 3,262	2,848 - 3,226	2,415 - 2,952
Schools (primary and secondary)	4,010 - 5,061	3,738 - 4,826	3,217 - 4,178	3,201 - 3,527
Students' residences	2,935 - 4,003	2,644 - 3,738	2,965 - 3,780	2,241 - 3,205
Sports clubs, multi purpose sports/ leisure centres (dry sports)	6,766 - 8,310	6,401 - 6,457	5,496 - 6,228	5,051 - 5,537
General hospitals - public sector	10,337 - 13,327	8,416 - 10,540	8,323 - 10,728	8,072 - 9,996

The above costs are at 2nd Quarter 2023 levels.

Approximate Building Costs For Major Cities In Asia

Building Type	Hong Kong	Macau	Singapore	Kuala Lumpur
	Q2/2023	Q2/2023	Q2/2023	Q2/2023
	USD/ m2 CFA (See also exchange rates per U.S. dollar below)			
	HK\$ 7.84	MOP 8.01	S\$ 1.33	RM 4.50
Domestic				
Apartments, high rise, average standard				
- Shell and core	NA	1,890 - 2,799	N/A	N/A
- Full fit	3,210 - 3,700	2,432 - 2,976	1,915 - 2,220	313 - 621
Apartments, high rise, high end				
- Shell and core	NA	2,799 - 4,199	N/A	N/A
- Full fit	4,160 - 4,180	3,399 - 5,190	2,970 - 4,400	714 - 1,484
Terraced houses, average standard				
- Shell and core	NA	3,315 - 4,116	N/A	N/A
- Full fit	4,440 - 5,090	4,145 - 4,946	2,480 - 2,780	226 - 364
Detached houses, high end				
- Shell and core	NA	4,007 - 5,774	N/A	N/A
- Full fit	6,440 up	5,056 - 6,577	3,160 - 4,210	759 - 1,033
Office / Commercial				
Medium/high rise offices, average standard	3,200 - 3,620	2,799 - 3,614	2,480 - 2,820 [®]	598 - 790
High rise offices, prestige quality	3,810 - 4,360	3,614 - 3,956	2,820 - 3,045 [®]	936 - 1,343
Out-of-town shopping centre, average standard	3,150 - 3,700	2,636 - 3,956	2,670 - 2,970	440 - 660
Retail malls, high end	4,080 - 4,770	4,145 - 5,001	2,970 - 3,235	692 - 1,056
Industrial				
Industrial units, shell only (Conventional single storey framed units)	N/A	N/A	1,165 - 1,355 ^{®@}	324 - 456
Owner operated factories, low rise, light weight industry	2,410 - 3,020	N/A	N/A	428 - 546
Hotels				
Budget hotels - 3-star, mid market	4,040 - 4,300	3,683 - 4,172	3,160 - 3,460	1,007 - 1,482
Business hotels - 4/5-star	4,170 - 4,180	5,001 - 5,978	4,060 - 4,510	1,314 - 2,310
Luxury hotels - 5-star	4,850 - 5,430	5,978 - 7,066	4,060 - 4,510	1,930 - 2,589
Others				
Underground/basement car parks (<3 levels)	3,480 - 4,160	2,188 - 3,206	1,390 - 1,805	311 - 553
Multi storey car parks, above ground (<4 levels)	2,090 - 2,460	1,209 - 1,590	865 - 1,280	206 - 360
Schools (primary and secondary)	2,690 - 2,900	2,419 - 2,799	N/A	250 - 321
Students' residences	3,060 - 3,440	1,916 - 2,228	2,330 - 2,445	299 - 379
Sports clubs, multi purpose sports/leisure centres (dry sports)	4,030 - 4,570	N/A	2,855 - 3,045	599 - 763
General hospitals - public sector	5,100 - 5,610	N/A	4,025 - 4,210	836 - 1,217

The above costs are at 2nd Quarter 2023 levels.

Approximate Building Costs For Major Cities In Asia

Building Type	Bangkok	Bangalore	Manila	Ho Chi Minh
	Q2/2023	Q2/2023	Q2/2023	Q2/2023
	USD/ m2 CFA (See also exchange rates per U.S. dollar below)			
	BAHT 34.09	INR 82.10	PHP 55.36	VND 23,620
Domestic				
Apartments, high rise, average standard				
- Shell and core	544 - 718	634 - 725	N/A	N/A
- Full fit	730 - 892	701 - 854	969 - 1,320	598 - 742
Apartments, high rise, high end				
- Shell and core	634 - 805	987 - 1,199	N/A	N/A
- Full fit	981 - 1,203	1,120 - 1,426	1,310 - 2,352	940 - 1,267
Terraced houses, average standard				
- Shell and core	302 - 392	484 - 544	N/A	368 - 425
- Full fit	461 - 568	494 - 558	869 - 1,064	593 - 689
Detached houses, high end				
- Shell and core	530 - 757	526 - 619	N/A	512 - 621
- Full fit	802 - 966	625 - 709	1,689 - 2,875	860 - 967
Office / Commercial				
Medium/high rise offices, average standard	811 - 966	519 - 572 [#]	887 - 1,177	777 - 889
High rise offices, prestige quality	1,011 - 1,298	603 - 761 [#]	1,285 - 1,658	896 - 1,207
Out-of-town shopping centre, average standard	691 - 895	521 - 569	755 - 941	655 - 801
Retail malls, high end	927 - 981	701 - 803	1,031 - 1,444	819 - 1,001
Industrial				
Industrial units, shell only (Conventional single storey framed units)	539 - 679	449 - 553	504 - 649	322 - 401
Owner operated factories, low rise, light weight industry	N/A	475 - 592	676 - 850	364 - 475
Hotels				
Budget hotels - 3-star, mid market	1,263 - 1,406	1,018 - 1,103	1,127 - 1,394	1,234 - 1,493
Business hotels - 4/5-star	1,616 - 1,858	1,440 - 1,859	1,286 - 2,132	1,419 - 1,717
Luxury hotels - 5-star	1,888 - 2,190	1,984 - 2,329	1,780 - 3,378	1,832 - 2,174
Others				
Underground/basement car parks (<3 levels)	619 - 817	344 - 396	587 - 764	660 - 778
Multi storey car parks, above ground (<4 levels)	203 - 332	286 - 335	464 - 707	425 - 460
Schools (primary and secondary)	N/A	357 - 419	662 - 914	585 - 715
Students' residences	N/A	373 - 458	741 - 938	558 - 708
Sports clubs, multi purpose sports/ leisure centres (dry sports)	N/A	688 - 771	1,115 - 1,624	1,125 - 1,375
General hospitals - public sector	N/A	773 - 898	1,343 - 1,570	N/A

The above costs are at 2nd Quarter 2023 levels.

Approximate Building Costs For Major Cities In Asia

Building Type	Outline Specification
Domestic	
Apartments, high rise, average standard	Shell and core , including finishes and fittings to public area, but excluding finishes and fittings to apartment units Full fit , with air-conditioning, kitchen cabinets and home appliances, but excluding decorative light fittings and loose furniture
Apartments, high rise, high end	Shell and core , including finishes and fittings to public area, but excluding finishes and fittings to apartment units Full fit , good quality provisions, with air-conditioning, kitchen cabinets and home appliances, but excluding decorative light fittings and loose furniture
Terraced houses, average standard	Shell and core , joined houses in row(s), excluding garden, parking, finishes and fittings to house interior Full fit , including finishes and fittings to house interior, with air-conditioning, kitchen cabinets and home appliances, but excluding decorative light fittings, loose furniture, garden and parking
Detached houses, high end	Shell and core , good quality facade, excluding garden, parking, finishes and fittings to house interior Full fit , good quality provisions, with air-conditioning, kitchen cabinets and home appliances, but excluding decorative light fittings, loose furniture, garden and parking
Office / Commercial	
Medium/high rise offices, average standard	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	RC structure, curtain wall, including public area fit-out, tenant area with raised floor, painted wall and false ceiling
Out-of-town shopping centre, average standard	Including public area fit-out and M&E, but excluding shop fit-out
Retail malls, high end	
Industrial	
Industrial units, shell only (Conventional single storey framed units)	RC structure with steel roof and M&E to main distribution, but excluding a/c and tenant fit-out
Owner operated factories, low rise, light weight industry	RC structure, including ancillary office with simple fit-out and M&E, but excluding a/c
Hotels	
Budget hotels - 3-star, mid market	<ol style="list-style-type: none"> Interior decoration Furniture (fixed and movable) Special light fittings (chandeliers, etc.) Operating Supplies and Equipment (OS&E) excluded
Business hotels - 4/5-star	
Luxury hotels - 5-star	
Others	
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)	Government standard and provisions; excluding educational equipment
Students' residences	University standard
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 / café, bar, etc. Costs include a/c, Furniture, Fittings and Equipment (FF&E)
General hospitals - public sector	Excluding 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 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 and corridors) and M&E main plant and upfeed, with occupant areas unfurnished.
- "Full fit" buildings should complete with all elements that allow the buildings to be ready for operation, including public and occupant 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.
- Kuala Lumpur:** \$ 6-12 units per floor, 46m² - 83m² per unit; excluding air-conditioning, kitchen cabinets and home appliances \$\$. **Bangkok:** #Tenant area with screeded floor, painted wall and ceiling, excluding raised floor.
- The data for Bangkok is provided by Mentabuild Limited.
- The data for Bangalore is provided by Arkind LS Private Limited.
- The data for Singapore is provided by Asia Infrastructure Solutions Singapore Pte. Ltd.
- The data for Kuala Lumpur is provided by JUBM Group.
- The data for Ho Chi Minh is provided by DLS Consultant Company Limited.
- Singapore, Kuala Lumpur and Bangalore:** Rates are nett of GST. **Bangkok and Ho Chi Minh:** Rates are nett of VAT. **Manila:** Rates include 12% VAT.



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