

China and Hong Kong

Quarterly construction cost review



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China and Hong Kong Market Overview

Hong Kong economy recorded the third consecutive GDP growth of (+)5.4% in Q3 2021, which remained relatively high because of the low ebb in the previous year, however the economic recovery has slightly slowed down after the surge in first half of 2021. Construction activity level sharply increased in Q3 2021. The slowdown in approval and construction activities in the previous year resulted in relatively high volume of commenced works in the first eight months of 2021.

As at August 2021, the accumulative number of commenced domestic units recorded 13,534 units, which is higher than the annual record in 2020 by 6,406 units. According to the Buildings Department, there are a considerable amount of residential development received consent to commence work in this year, commencement of domestic works is hence expected to remain in high level in the remainder of this year.

In October 2021, the Hong Kong Construction Industry Employees General Union announced to maintain the salary freeze in the third consecutive year. It would undoubtedly worsen the situation of loss in labour force in the industry.

MARKET MOVEMENT

ECONOMY

Indicator	Q3/19 - Q3/20	Q2/20 - Q2/21	Q3/20 - Q3/21
GDP Growth per annum	Q3/19 - Q3/20 (-) 3.6%	Q2/20 - Q2/21 (+) 7.6%	Q3/20 - Q3/21 (+) 5.4%
Inflation Rate (CPI) per annum	Sep 19 - 20 (-) 2.2%	Jun 20 - 21 (+) 0.7%	Sep 20 - 21 (+) 1.4%

BASIC COSTS

Indicator	Jun - Aug 20	Mar - May 21	Jun - Aug 21
Highways Material Index	Jun - Aug 20 828.4	Mar - May 21 1041.4	Jun - Aug 21 1102.7
Labour Wages Index	Jun - Aug 20 154.1	Mar - May 21 150.9	Jun - Aug 21 154.9

SUPPLY & DEMAND

Indicator	Q2/20	Q1/21	Q2/21
Activity Level (Gross output; new + A&A)	Q2/20 HK\$53.317 Bn	Q1/21 HK\$56.581 Bn	Q2/21 HK\$55.038 Bn*

CONSTRUCTION COST TREND

Indicator	Q3/20	Q2/21	Q3/21
Tender Price Index (Arcadis)	Q3/20 1757	Q2/21 1760	Q3/21 1780

*Provisional



1 Market Analysis

China

In the third quarter of 2021, China's economy grew by 4.9% Year-on-Year (YoY), slower than its growth of 18.3% in the first quarter and 7.9% in the second quarter, according to the National Bureau of Statistics (NBS). The growth slowdown was the result of challenges including a resurgence of COVID-19 cases and severe flooding in certain regions, as well as a higher comparison basis in the same period last year, according to the Authorities.

To achieve carbon neutrality in 2030, China's policymakers pledged to tighten the power use limit on energy-intensive industries, saying that steps will be taken to refrain from using the property sector as a short-term economic stimulus and to speed up the development of affordable rental housing.

By the end of September 2021, the sales of commercial buildings had an increase of 16.6% YoY, and the real estate investment in Mainland China has recorded an increase of 8.8% YoY. Both of them declined comparing with last quarter which are (+)38.9% and (+)15% respectively. Besides, the area of land sales remains to decrease by 8.5%.

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 (+)1.1%, steel (+)0.1%, copper (-)1.4%, aluminum (+)10.7%, concrete (-)3.4% as well as cement (-)3.3%. The tender prices remain stable.

Hong Kong

Recovery in economy

Gross Domestic Product (GDP) grew by 5.4% YoY in Q3 2021, moderating from the 7.6% growth in Q2 2021. The more moderate growth is because of the soar in the first half of 2021 resulting from the trough of the previous year. The economic recovery is gradually stabilized as the local epidemic situation is ebbing. After the six-month deflation in second half of 2020 and rebound begun since Q1 2021, Consumer Price Index (CPI) reached the peak of (+)3.7% in July 2021 and the latest CPI recorded (+)1.4% YoY in September 2021.

Low completion volume

As affected by the local epidemic, approval volume of the building works was relatively low in the last year, hence consented and commenced construction works surged in 2021 and completed construction works dropped significantly in this quarter. In Q3 2021, floor area of consented and commenced private construction works increased by 328% and 273% YoY, whilst that of completed private works dropped by 25% YoY. Based on the same reason, gross value of performed new-built private and public works fell by 12.9% and 6.1% QoQ in Q2 2021 and decreased by 0.9% and 0.6% as compared to last year, meanwhile that of A&A works increased by 6.7% QoQ and 8.6% YoY.

Cost of materials and labour

The Tender Price Index (TPI) increased by 1.14% QoQ and 1.31% YoY based on Q3 2021. Overall material prices rose in this quarter. Price of steel bar keeps surging since the last quarter of 2020, with increase in 10% QoQ and 68% YoY in Q3 2021. Prices of plywood formwork, sand and diesel fuel also rose by 9%, 9% and 14% YoY. Wage of concreter declined by 11.4% YoY while wages of other job types remained stable. Overall labour wage index remained stable with a slight increase of 2.7% QoQ and 0.6% 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.

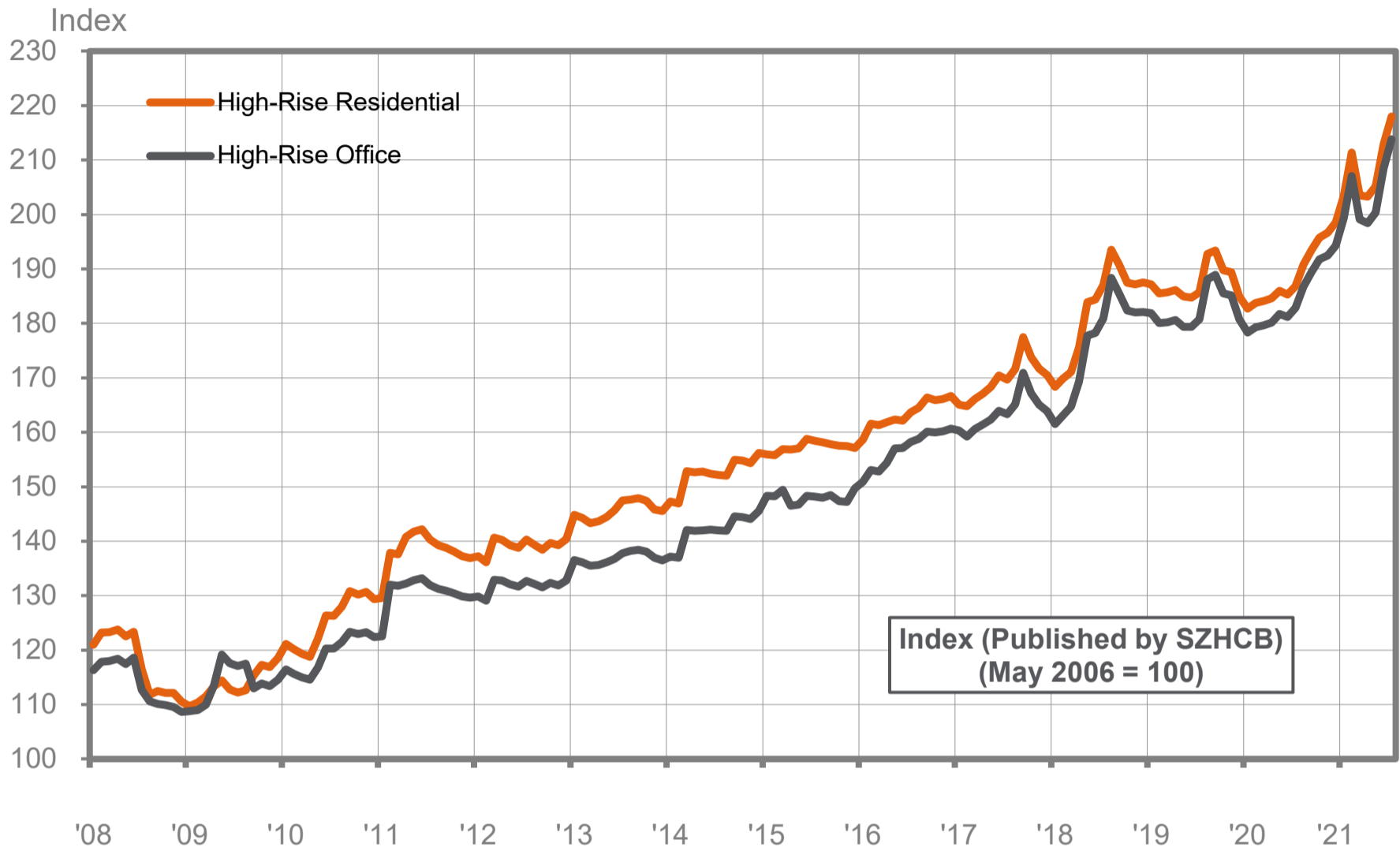
BUILDING TYPE	HK\$/m ² CFA	OUTLINE SPECIFICATION
DOMESTIC		
Apartments, high rise, public authority standard	10,800 - 13,000	Apartment units with fit-out, based on Hong Kong Housing Authority Non-standard Cruciform Block design (Rental Housing)
Apartments, high rise, average standard	23,600 - 27,300	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	30,600 - 35,600	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	32,300 - 37,300	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	47,200 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	23,400 - 26,800	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	28,000 - 32,200	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	23,200 - 27,100	Including public area fit-out and M&E, but excluding shop fit-out
Retail malls, high end	30,000 - 35,700	
INDUSTRIAL		
Owner operated factories, low rise, light weight industry	18,000 - 22,600	RC structure, including small office with simple fit-out and M&E, but excluding a/c and heating
HOTEL		
Budget hotels - 3-star, mid market	29,700 - 31,600	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	30,700 - 35,800	
Luxury hotels - 5-star	35,800 - 40,900	
OTHERS		
Underground/basement car parks (<3 levels)	25,400 - 30,300	RC structure
Multi storey car parks, above ground (<4 levels)	15,200 - 18,000	RC structure, natural ventilation, no facade enclosure
Schools (primary and secondary)	19,800 - 21,300	Public authority standard, including fit-out, no a/c, complete with basic external works but excluding educational equipment
Students' residences	22,600 - 25,400	Including fit-out, loose furniture and a/c
Sports clubs, multi purpose sports/ leisure centres (dry sports)	29,600 - 33,700	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	37,600 - 41,500	Excluding medical and operating equipment

*The above cost are at 3rd Quarter 2021 levels.



3 Building & Building Services Price Index

Mainland China



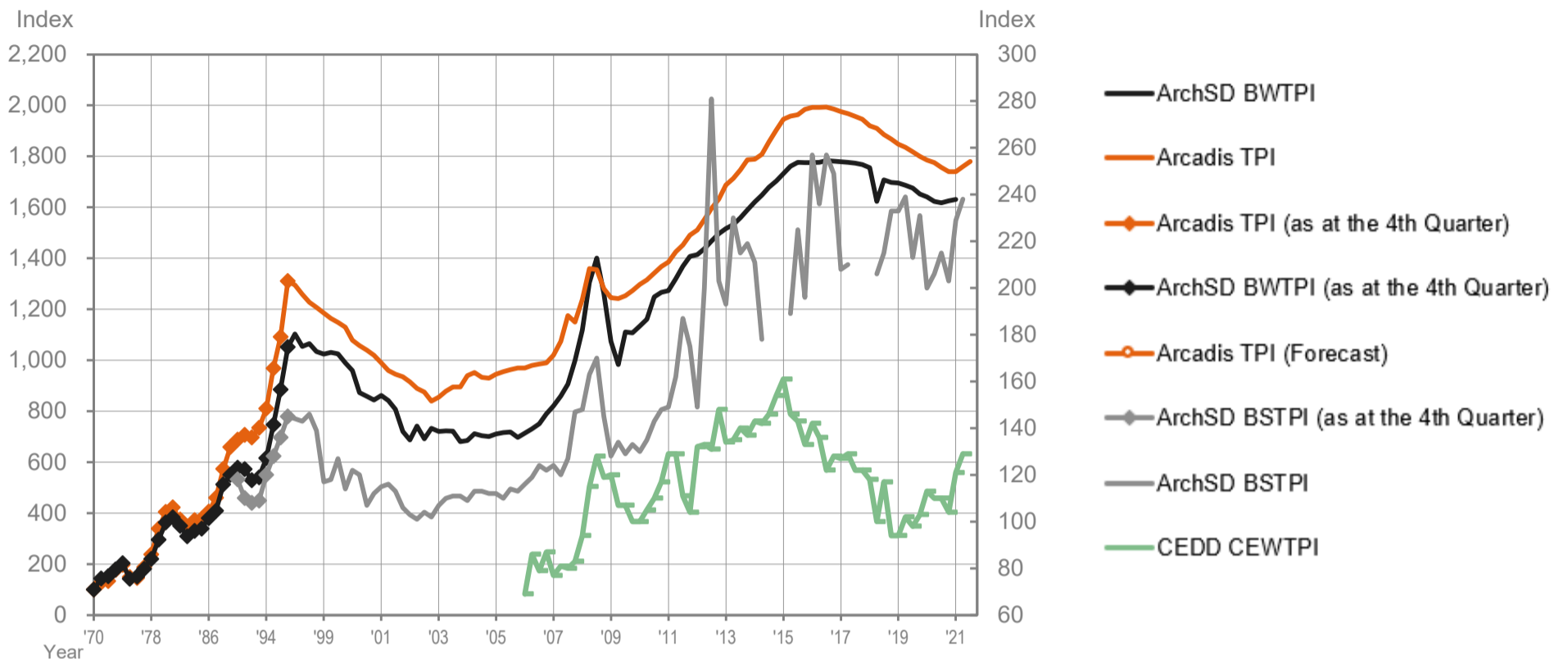
BUILDING & BUILDING SERVICES PRICE INDEX								
Index	(Base Index: May 2006 = 100)							
	High-Rise Residential				High-Rise Office			
Month / Year	2018	2019	2020	2021	2018	2019	2020	2021
January	173.8	187.5	189.8	195.8	167.2	182.4	185.5	191.8
February	171.7	187.2	189.4	196.6	165.1	182.0	185.2	192.4
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	203.3	169.3	180.6	180.1	198.4
August	183.9	184.9	186.0	205.2	177.7	179.4	181.7	200.3
September	184.4	184.8	185.3	212.9	178.3	179.3	181.2	208.4
October	187.0	185.7	186.8	218.0	180.9	180.8	182.8	213.8
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
ArchSD BWTPI (Base = 100, at Year 1970)										
1 st Quarter	1414	1516	1621	1732	1775	1779	1755	1695	1641	1631
2 nd Quarter	1438	1532	1648	1761	1776	1776	1727	1686	1623	1620
3 rd Quarter	1467	1559	1679	1777	1783	1773	1708	1675	1618	
4 th Quarter	1496	1590	1703	1775	1781	1768	1698	1652	1625	
ArchSD BSTPI (Base = 100, at Year 1989)										
1 st Quarter	149	193	211	(N/A)	257	208	(N/A)	233	200	229
2 nd Quarter	200	230	178	189	236	210	258	239	206	238
3 rd Quarter	281	215	(N/A)	225	257	(N/A)	247	213	215	
4 th Quarter	203	219	(N/A)	196	249	287	233	231	203	
Arcadis TPI (Base = 100, at Year 1970)										
1 st Quarter	1511	1688	1789	1946	1992	1975	1920	1848	1785	1740
2 nd Quarter	1552	1713	1808	1958	1992	1968	1910	1835	1775	1760
3 rd Quarter	1595	1747	1857	1963	1993	1957	1885	1818	1757	1780
4 th Quarter	1632	1786	1903	1984	1986	1946	1868	1800	1740	
CEWTPI (Base = 100, at Year 2010)										
1 st Quarter	132	134	143	161	142	127	118	94	113	121
2 nd Quarter	133	135	142	146	136	129	100	102	110	129*
3 rd Quarter	131	140	146	143	122	122	117	98	110	
4 th 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

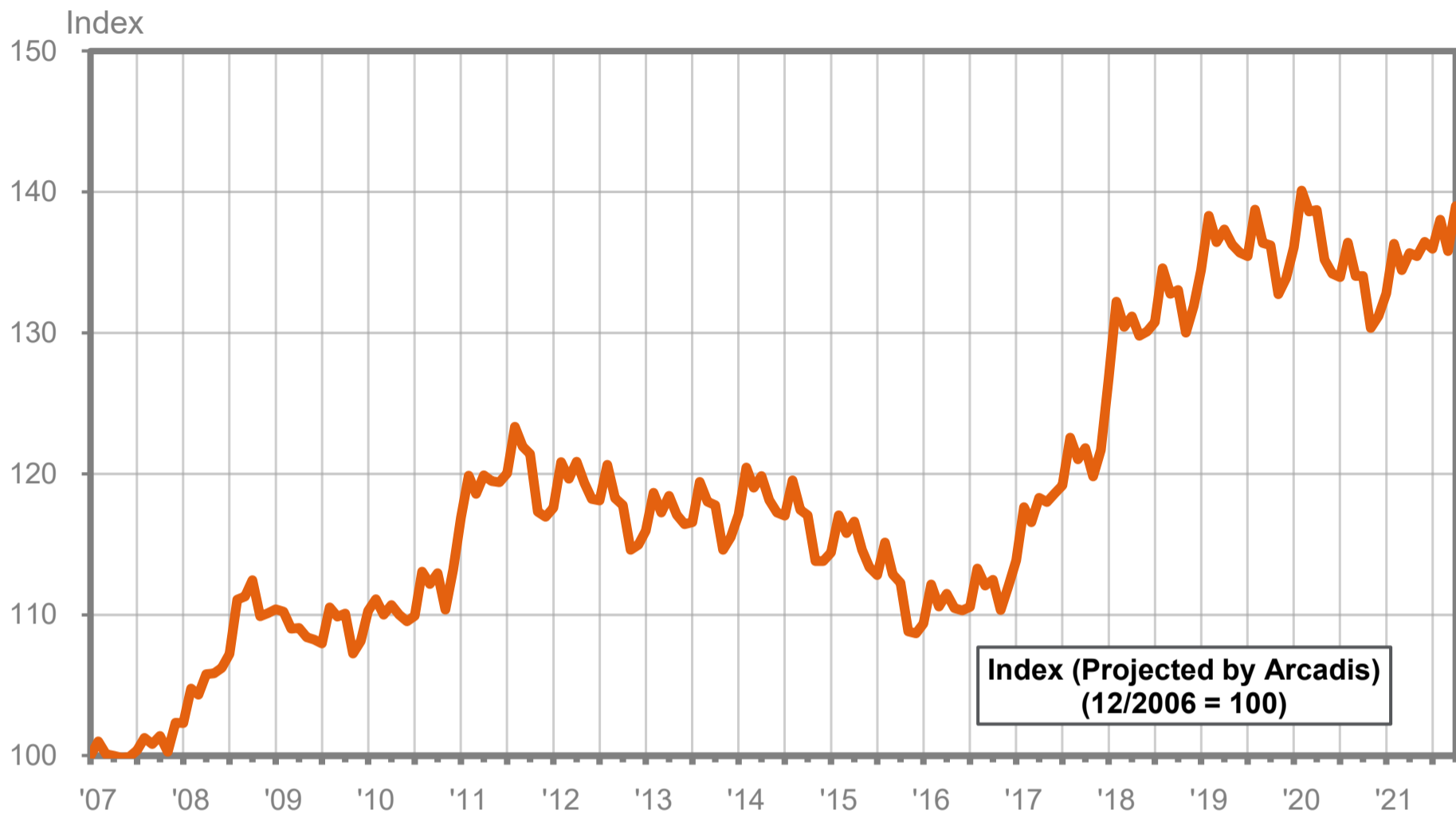
Notes:

- [*] 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	2018	2019	2020	2021	2018	2019	2020	2021
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	101.2	134.6	138.8	136.4	138.0
August	109.7	102.7	98.3	101.3	132.8	136.4	134.0	135.8
September	109.2	102.4	98.4	103.7	133.0	136.2	134.0	139.0
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:

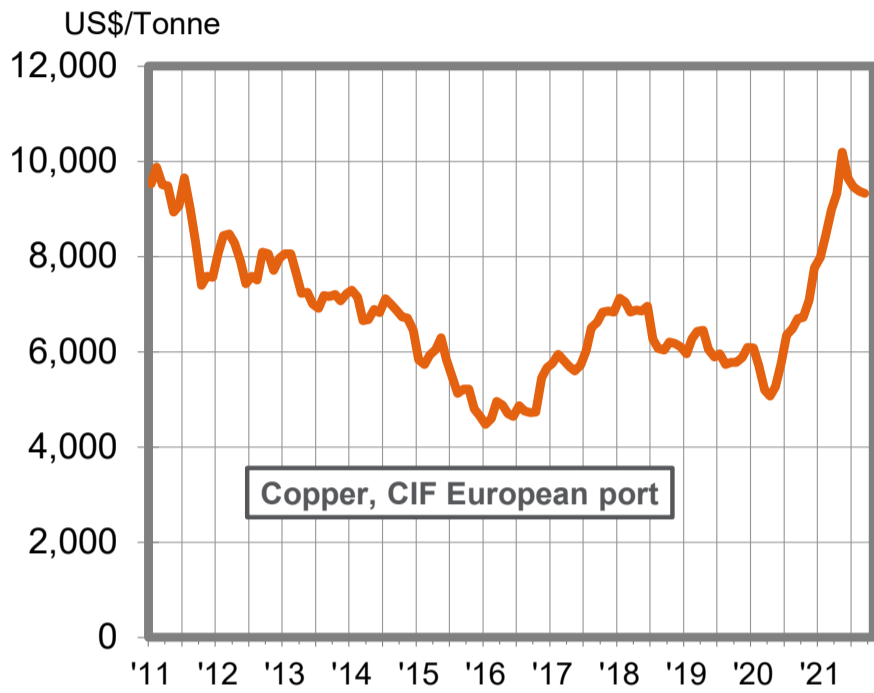
Data are published on a monthly basis, measuring the year-on-year change in price level of each month, but the quarter-on-quarter change is not published, i.e. the changes between consecutive quarters are not given.

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.

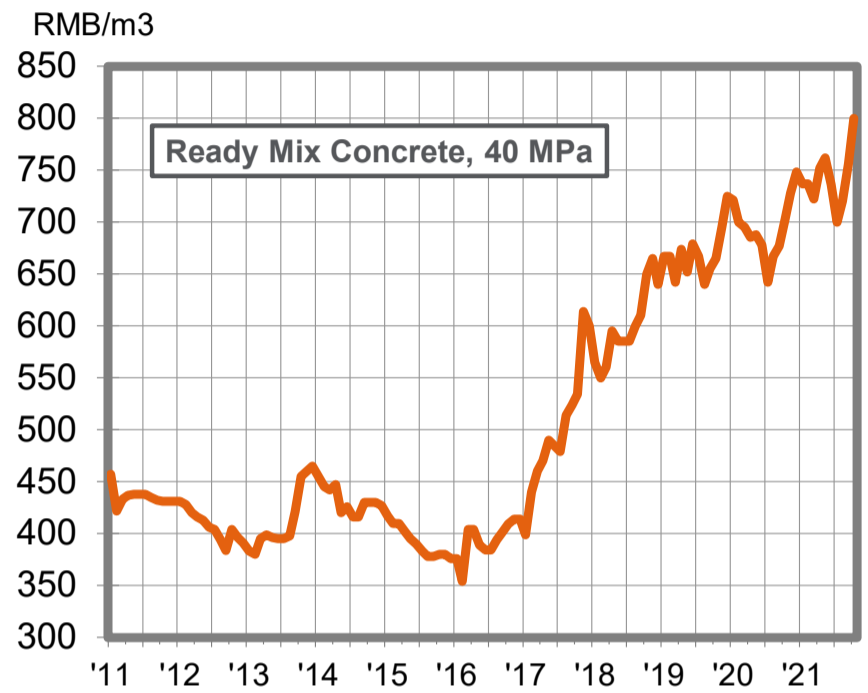


5 Materials Mainland China

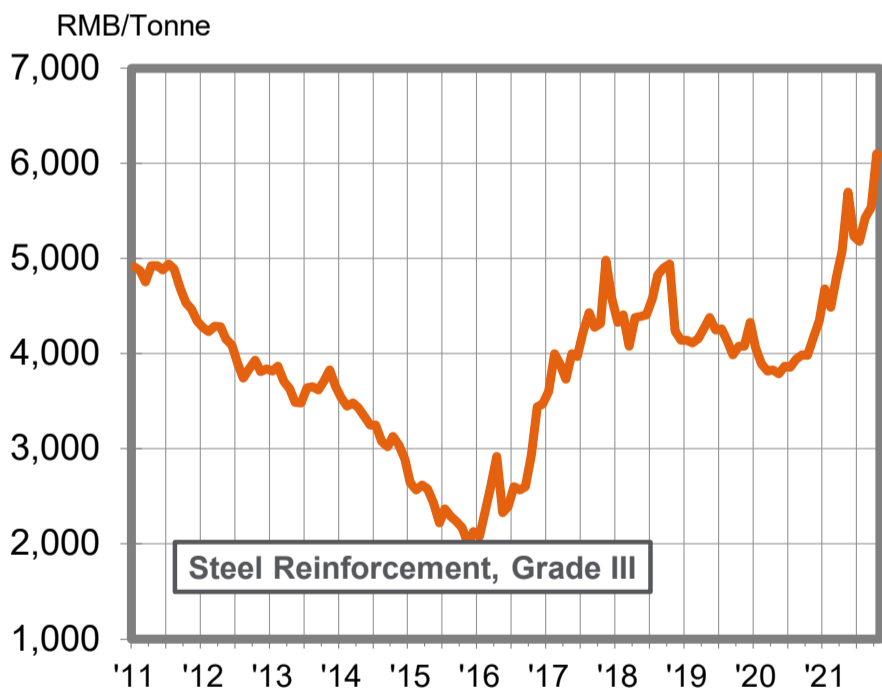
Basic Construction Materials



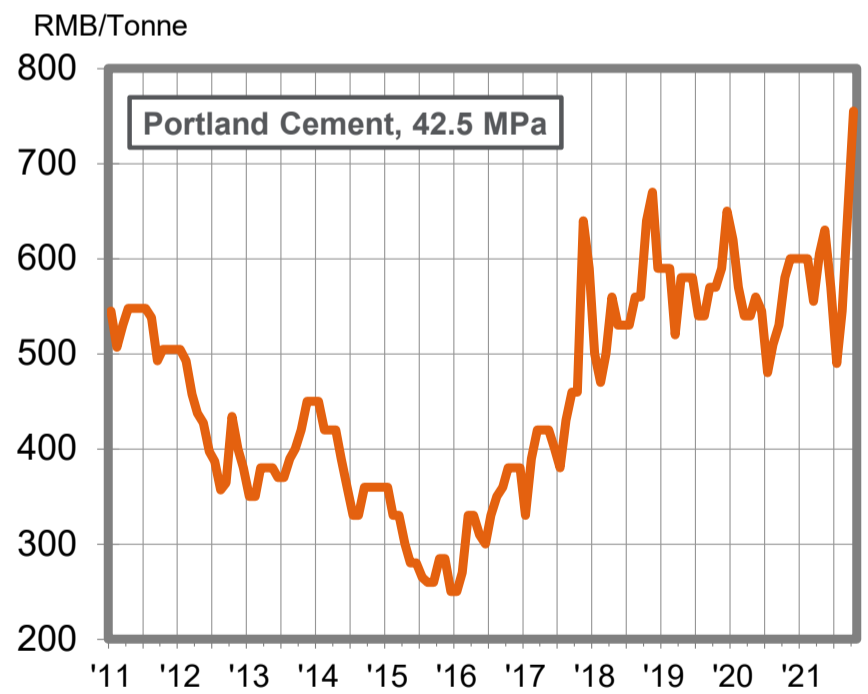
Source : London Metal Exchange



Shanghai Municipal Management Commission of Housing and Urban-Rural Development



Shanghai Municipal Management Commission of Housing and Urban-Rural Development

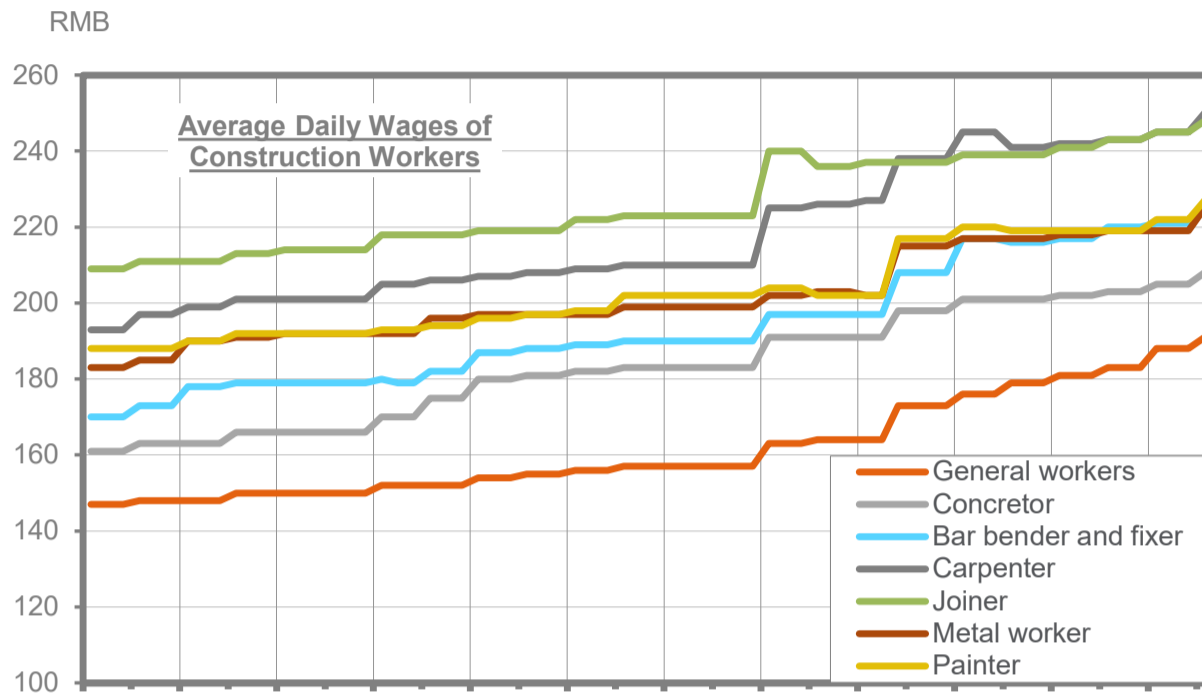


Shanghai Municipal Management Commission of Housing and Urban-Rural Development



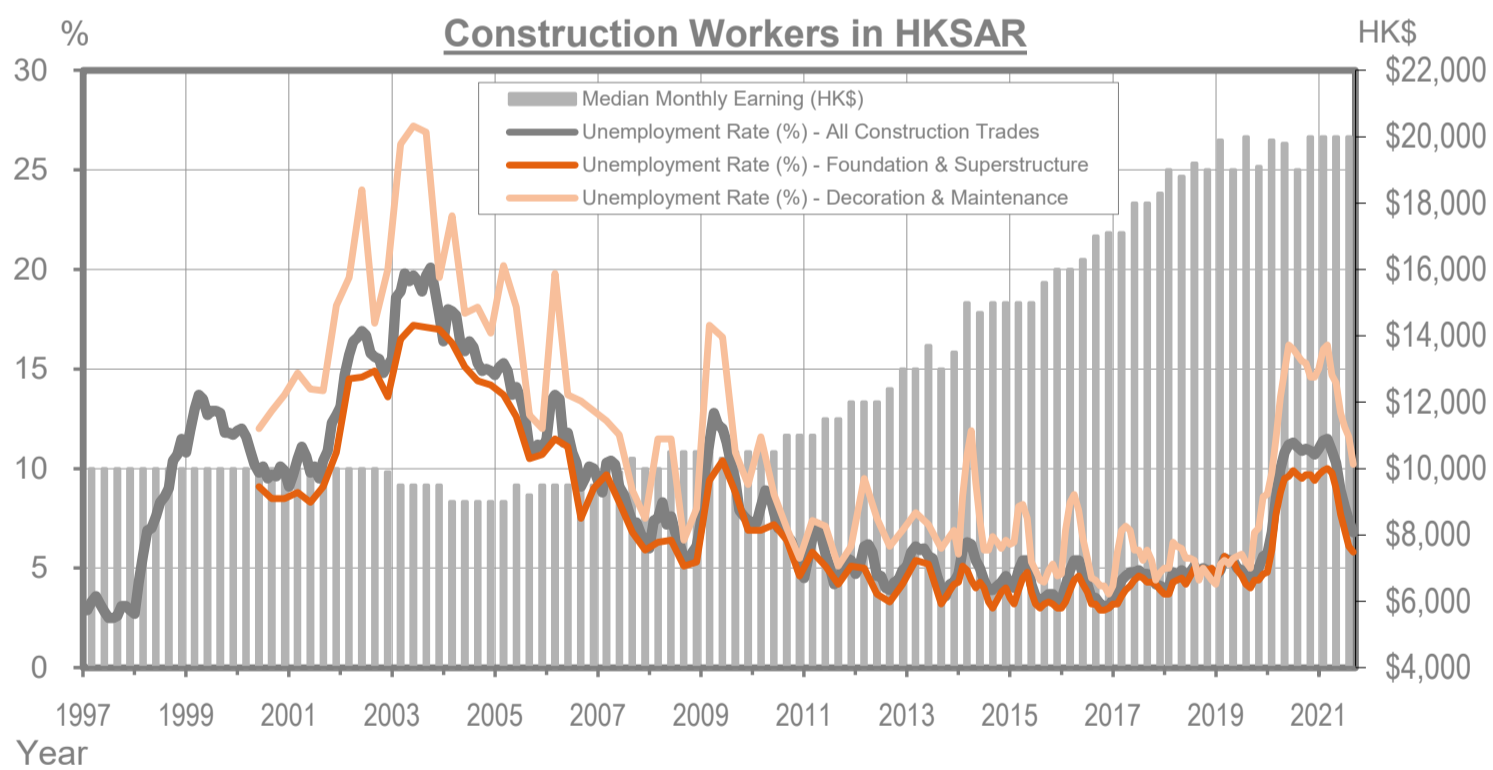
6 Labour

Mainland China



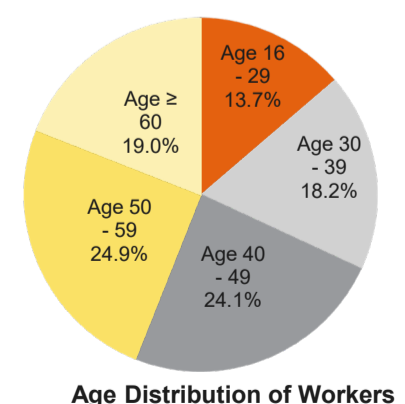
Source : Shanghai Municipal Management Commission of Housing and Urban-Rural Development

Hong Kong SAR



Source : Census & Statistics Department, Hong Kong SAR

Age Group	No. of Workers Employed by Construction Industry	
Age 16 - 29	79,687	13.7%
Age 30 - 39	105,562	18.2%
Age 40 - 49	140,123	24.1%
Age 50 - 59	144,902	24.9%
Age ≥ 60	110,572	19.0%
Total (as at Sep 2021)	580,846	100%



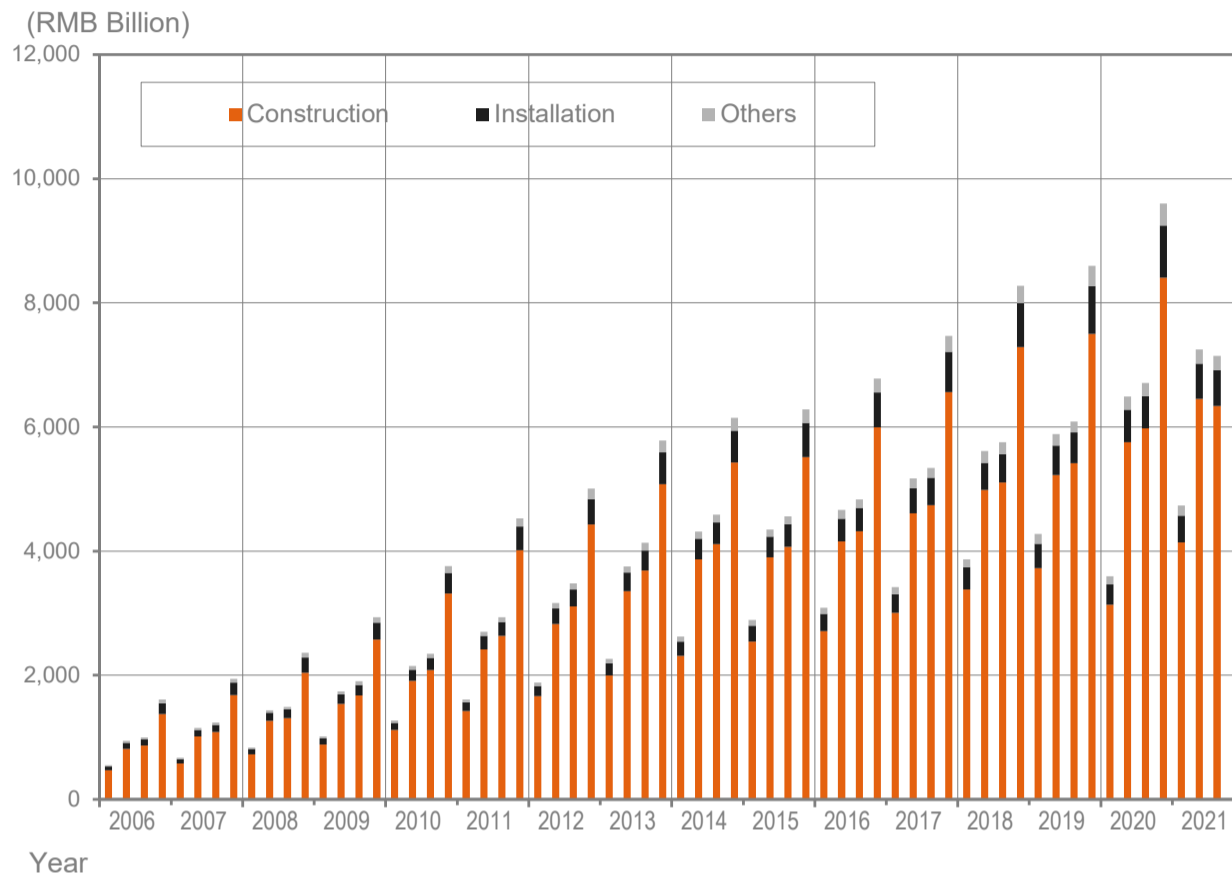
Source : Construction Industry Council



7

Gross Value of Construction Work Performed

Mainland China



Quarter	Value Performed (RMB Billion)									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
A. Construction										
1 st Quarter	1,661	1,994	2,311	2,544	2,712	3,003	3,382	3,727	3,138	4,141
2 nd Quarter	2,826	3,355	3,866	3,899	4,158	4,609	4,985	5,223	5,753	6,453
3 rd Quarter	3,111	3,687	4,113	4,068	4,322	4,742	5,106	5,414	5,977	6,336
4 th 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	16,930
B. Installation										
1 st Quarter	165	200	230	255	277	303	358	393	326	428
2 nd Quarter	251	300	333	331	366	405	438	476	523	569
3 rd Quarter	271	322	346	363	374	437	459	498	519	579
4 th 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	1,577
C. Others										
1 st Quarter	57	69	83	91	96	113	129	155	127	164
2 nd Quarter	86	100	118	117	138	154	187	186	217	229
3 rd Quarter	97	123	126	126	137	160	189	173	213	228
4 th Quarter	166	189	205	216	222	262	282	328	357	
Year Total:	406	481	531	550	593	689	787	843	915	622
Annual gross value performed (A + B + C)										
Total:	13,530	15,931	17,671	18,076	19,357	21,396	23,509	24,845	26,395	19,128

Source : National Bureau of Statistics of China

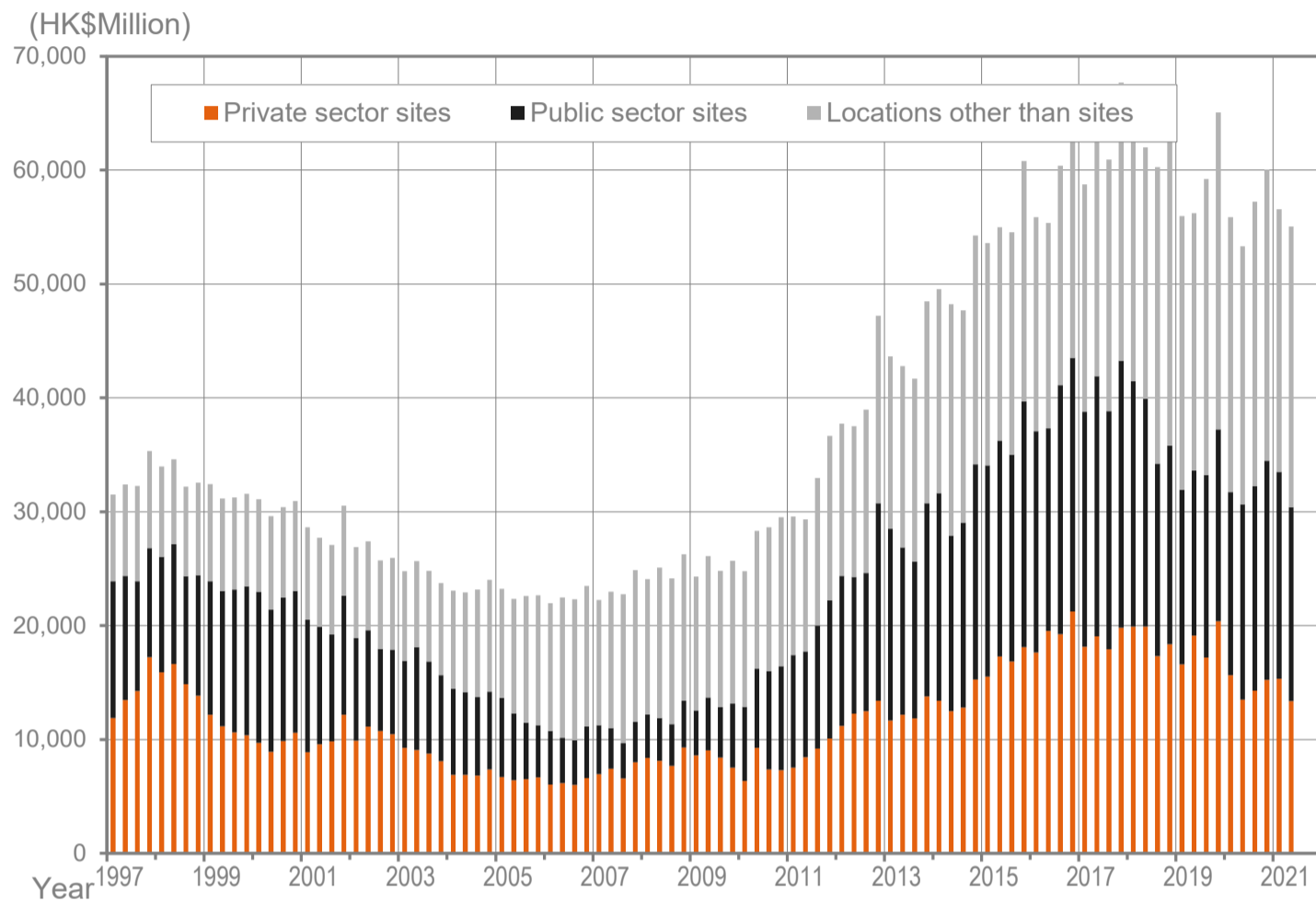
Notes :

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
A. Private sector sites										
1 st Quarter	11,209	11,675	13,395	15,528	17,652	18,150	19,918	16,583	15,647	15,339
2 nd Quarter	12,260	12,176	12,507	17,284	19,530	19,070	19,925	19,112	13,489	13,364*
3 rd Quarter	12,481	11,848	12,792	16,849	19,252	17,912	17,340	17,199	14,303	
4 th Quarter	13,411	13,781	15,259	18,119	21,231	19,813	18,369	20,393	15,225	
Year Total:	49,361	49,480	53,953	67,780	77,665	74,945	75,552	73,287	58,664	28,703*
B. Public sector sites										
1 st Quarter	13,168	16,829	18,258	18,531	19,414	20,639	21,533	15,338	16,083	18,167
2 nd Quarter	12,023	14,690	15,397	18,964	17,780	22,827	20,002	14,512	17,155	17,056*
3 rd Quarter	12,137	13,792	16,253	18,163	21,878	20,934	16,888	16,022	17,940	
4 th Quarter	17,332	16,976	18,915	21,585	22,295	23,455	17,433	16,825	19,250	
Year Total:	54,660	62,287	68,823	77,243	81,367	87,855	75,856	62,697	70,428	35,223*
C. Location other than sites										
1 st Quarter	13,347	15,140	17,909	19,549	18,809	19,963	22,871	24,032	24,126	23,075
2 nd Quarter	13,245	15,914	20,327	18,744	18,041	20,657	22,073	22,592	22,674	24,617*
3 rd Quarter	14,358	16,038	18,636	19,520	19,274	22,093	26,027	25,992	24,971	
4 th Quarter	16,479	17,716	20,088	21,111	21,333	24,406	29,797	27,839	25,572	
Year Total:	57,429	64,808	76,960	78,924	77,457	87,119	100,768	100,455	97,343	47,692*
Annual gross value performed (A + B + C)										
Total:	161,450	176,575	199,736	223,947	236,489	249,919	252,176	236,439	226,435	111,618*

*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
	Q3/2021	Q3/2021	Q3/2021	Q3/2021
RMB/ m ² CFA				
DOMESTIC				
Apartments, high rise, average standard				
- 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
Apartments, high rise, high end				
- 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
Terraced houses, average standard				
- 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
Detached houses, high end				
- 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
OFFICE/COMMERCIAL				
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
INDUSTRIAL				
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
HOTELS				
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
OTHERS				
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 3rd Quarter 2021 levels.



9 Approximate Building Costs for Major Cities

Asia

BUILDING TYPE	Hong Kong	Macau	Singapore	Kuala Lumpur
	Q3 / 2021	Q3 / 2021	Q3 / 2021	Q3 / 2021
	USD/ m ² CFA (See also exchange rates per U.S. dollar below)			
	HK\$ 7.79	MOP 7.980	S\$ 1.35	RM 4.19
DOMESTIC				
Apartments, high rise, average standard				
- Shell and core	N/A	1,886 - 2,795	N/A	N/A
- Full fit	3,030 - 3,504	2,428 - 2,971	1,630 - 1,780	315 - 625 \$
Apartments, high rise, high end				
- Shell and core	N/A	2,795 - 4,192	N/A	N/A
- Full fit	3,928 - 4,570	3,391 - 5,182	2,520 - 3,705	720 - 1,495
Terraced houses, average standard				
- Shell and core	N/A	3,310 - 4,111	N/A	N/A
- Full fit	4,146 - 4,788	4,138 - 4,938	2,110 - 2,335	225 - 370 \$\$
Detached houses, high end				
- Shell and core	N/A	4,002 - 5,766	N/A	N/A
- Full fit	6,059 up	5,047 - 6,566	2,665 - 3,555	765 - 1,045
OFFICE/COMMERCIAL				
Medium/high rise offices, average standard	3,004 - 3,440&	2,795 - 3,609	2,110 - 2,335@	600 - 800 \$\$\$
High rise offices, prestige quality	3,594 - 4,134	3,609 - 3,948	2,370 - 2,555@	935 - 1,355 \$\$\$\$
Out-of-town shopping centre, average standard	2,978 - 3,479	2,633 - 3,948	2,370 - 2,445	545 - 760
Retail malls, high end	3,851 - 4,583	4,138 - 4,992	2,520 - 2,740	700 - 1,070
INDUSTRIAL				
Industrial units, shell only (Conventional single storey framed units)	N/A	N/A	965 - 1,150	325 - 460
Owner operated factories, low rise, light weight industry	2,311 - 2,901	N/A	N/A	435 - 550
HOTELS				
Budget hotels - 3-star, mid market	3,813 - 4,056	3,677 - 4,165	2,630 - 2,890	1,025 - 1,495
Business hotels - 4/5-star	3,941 - 4,596	4,992 - 5,970	3,370 - 3,780	1,340 - 2,315
Luxury hotels - 5-star	4,596 - 5,250	5,970 - 7,055	3,370 - 3,780	1,955 - 2,605
OTHERS				
Underground/basement car parks (<3 levels)	3,261 - 3,890	2,184 - 3,201	1,150 - 1,555	315 - 560
Multi storey car parks, above ground (<4 levels)	1,951 - 2,311	1,207 - 1,588	815 - 1,150@@	220 - 365
Schools (primary and secondary)	2,542 - 2,734*	2,415 - 2,795	N/A	255 - 325 \$\$\$\$
Students' residences	2,901 - 3,261	1,913 - 2,225	1,965 - 2,075	300 - 385 \$\$\$\$\$
Sports clubs, multi purpose sports/leisure centres (dry sports) with a/c and including FF&E	3,800 - 4,326	N/A	2,405 - 2,555	605 - 770
General hospitals - public sector	4,827 - 5,327	N/A	3,370 - 3,555	850 - 1,230

Singapore: Rates are nett of GST.
The above costs are at 3rd Quarter 2021 levels.



9 Approximate Building Costs for Major Cities

Asia

BUILDING TYPE	Bangkok	Bangalore	Manila	Ho Chi Minh
	Q3 / 2021	Q3 / 2021	Q3 / 2021	Q3 / 2021
	USD/ m ² CFA (See also exchange rates per U.S. dollar below)			
	BAHT 32.74	INR 74.08	PHP 50.96	VND 23,450
DOMESTIC				
Apartments, high rise, average standard				
- Shell and core	538 - 687	560 - 625	N/A	N/A
- Full fit	739 - 876	635 - 715	1,043 - 1,379	662 - 821
Apartments, high rise, high end				
- Shell and core	626 - 812	815 - 980	N/A	N/A
- Full fit	986 - 1,213	955 - 1,160	1,422 - 2,505	842 - 965
Terraced houses, average standard				
- Shell and core	305 - 397	370 - 405	N/A	N/A
- Full fit	462 - 568	440 - 465	944 - 1,156	446 - 524
Detached houses, high end				
- Shell and core	535 - 764	485 - 525	N/A	N/A
- Full fit	801 - 968	575 - 615	1,835 - 3,112	509 - 621
OFFICE/COMMERCIAL				
Medium/high rise offices, average standard	817 - 970	495 - 552	964 - 1,259	774 - 895
High rise offices, prestige quality	1,023 - 1,311	620 - 675	1,396 - 1,776	892 - 1,216
Out-of-town shopping centre, average standard	698 - 903	485 - 540	821 - 1,022	N/A
Retail malls, high end	937 - 988	675 - 745	1,120 - 1,569	723 - 946
INDUSTRIAL				
Industrial units, shell only (Conventional single storey framed units)	545 - 682	400 - 465	547 - 705	317 - 400
Owner operated factories, low rise, light weight industry	N/A	425 - 500	735 - 924	359 - 474
HOTELS				
Budget hotels - 3-star, mid market	1,278 - 1,413	895 - 995	1,224 - 1,514	1,436 - 1,757
Business hotels - 4/5-star	1,635 - 1,874	1,395 - 1,675	1,397 - 2,316	N/A
Luxury hotels - 5-star	1,907 - 2,214	1,765 - 1,955	1,932 - 3,669	1,813 - 2,175
OTHERS				
Underground/basement car parks (<3 levels)	613 - 817	315 - 345	610 - 947	657 - 784
Multi storey car parks, above ground (<4 levels)	204 - 334	260 - 285	489 - 743	422 - 463
Schools (primary and secondary)	N/A	325 - 365	719 - 993	555 - 606
Students' residences	N/A	365 - 405	760 - 978	555 - 713
Sports clubs, multi purpose sports/leisure centres (dry sports) with a/c and including FF&E	N/A	660 - 700	1,212 - 1,764	821 - 877
General hospitals - public sector	N/A	715 - 790	1,459 - 1,705	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 3rd Quarter 2021 levels.



9 Approximate Building Costs for Major Cities

Asia

BUILDING TYPE	OUTLINE SPECIFICATION
DOMESTIC	
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
OFFICE / COMMERCIAL	
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	
INDUSTRIAL	
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
HOTEL	
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	
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)	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, 46m² - 83m² 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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