

Quarterly Construction Cost Review

China and Hong Kong

2023 | Q4

Arcadis Hong Kong Limited



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China and Hong Kong Market Overview



The level of construction activity in Hong Kong indicated a recovery in 2023. The overall gross value of works performed, including those in the private and public sectors, as well as works performed at locations other than sites, increased by 8.8%, 27.0%, 0.7% and 3.6% respectively, compared to 2022.



The Hong Kong Legislative Council approved a total of HK\$97.0 billion from the Capital Works Reserve Fund for proposed public works for the fiscal year 2022/23. The approved fund is 24% lower than the funding approved in the preceding fiscal year. As of February 2024, the approved funding for the fiscal year 2023/24 has remained at a low level, reaching HK\$99.3 billion. With the completion of most of the projects supported by higher approved funding in the previous years (ranging from 107 billion to 167 billion during fiscal year 2019/20 to 2021/22) and without sufficient funding injection into the capital works, it is anticipated the level of construction output in public sector may diminish in the coming years.

On the other hand, according to the 2024-25 Budget, the government will continue to alleviate the housing problem and shorten the waiting time for public rental housing. The projected supply target for public housing demand in the next 10 years is 308,000 units, with the goal of completing an average of 19,000 private residential units annually over a 5-year period starting from 2024.


To meet future labour demand in the construction industry, 6,349 quotas of imported construction workers were approved under the Labor Importation Schemes in 2023. These quotas were approved with the premise of safeguarding the employment priority of local workers. It is believed that the influx of new labour will alleviate the shortage problem and, in turn, stabilize labour costs.

Market movement


Economy

	Q4/21 - Q4/22	Q3/22 - Q3/23	Q4/22 - Q4/23
 GDP Growth	(-) 4.3%	(+) 4.1%	(+) 4.3%
 Inflation Rate (CPI)	Dec 21-22 (+) 2.0%	Sep 22-23 (+) 2.0%	Dec 22-23 (+) 2.4%


Construction Output

	Q4/22	Q3/23	Q4/23
 Activity Level (Gross output; new + A&A)	HK\$68.402 Bn	HK\$69.764 Bn	HK\$71.267 Bn*

Basic Costs

	Oct - Dec 22	Jul - Sep 23	Oct - Dec 23
 Highways Material Index	1172.1	1119.3	1115.8
 Labour Wages Index	154.2	155.8	157.6

Construction Cost Trend

	Q4/22	Q3/23	Q4/23
 Tender Price Index (Arcadis)	1860	1925	1935

*Provisional

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



Market Analysis

China

Data from the National Bureau of Statistics showed that in Q4 2023, China's GDP expanded by 5.2%, which is 2.2% higher than the GDP growth of 3% in 2022. This growth was primarily driven by the economic boost following the reopening of the economy after the COVID-19 pandemic. Furthermore, the annual contribution of final consumption expenditure to economic growth reached 82.5%, representing a significant improvement of 43.1% points year on year.

By the end of 2023, real estate investment and the sales of commercial buildings had declined by 9.6% and 6.5% Year-on-year, respectively. According to the National Bureau of Statistics, the completed housing construction area decreased by 7.2% and the new commencement area decreased by 20.4%. However, the construction output in 2023 experienced a growth of 5.8%, primarily driven by infrastructure construction in transportation and industrial projects.

In the July 2023 meeting of the Political Bureau of the CPC Central Committee, it was pointed out that the relationship between supply and demand in China's real estate market has undergone significant changes. A series of easing policies have been implemented, and the restrictive policies that were in place during the overheating period of real estate have been lifted. It is expected that the real estate market will gradually recover in 2024, although there are currently no significant signs of that.

As the Chinese economy is going through transformation, new drivers are emerging to shape China's growth path. Among these, green transition, urban renewal, and industrial upgrading will be the key drivers of China's growth in the future. Additionally, China's decarbonization road map, which aims to peak carbon dioxide emissions before 2030 and achieve carbon neutrality before 2060, has created many new opportunities for green industries.

The construction wages have remained stable. Year on year, the prices of basic construction products have fluctuated, with steel (-)4.0%, rebar (-)3.5%, concrete (-)4.6%, cement (-)10.4%, Copper (+)5.2% and Aluminium (+)6.8%. Additionally, tender prices recorded an average decrease of 3% of in 2023.

The growth of construction wages is anticipated to remain stable in the coming year due to a stable consumer price index. In addition, material prices have fallen to lower levels as the real estate market has gradually recovered. We anticipate that the cost of major construction materials will rebound, resulting in a slight increase in construction costs of approximately 2% annually in 2024 and 2025.

Hong Kong

Growth in economy of Hong Kong

The real gross domestic product (GDP) in Q4 2023 increased by 4.3%, demonstrating further growth compared to the previous quarter's rate of 4.1%. This positive trend indicates stable economic growth over the past 6 months. Additionally, by the end of the fourth quarter of 2023, the Consumer Price Index (CPI) has a slight increase to 2.4%. The CPI for 2023 ranged from 1.7% to 2.7%. This stability suggests that inflation is well managed and under control.

Floor area of commenced and completed works

In Q4 2023, the data reveals some noteworthy trends. The total gross floor area of the consented private construction works experienced a significant increase of 41% compared to the previous quarter and a 32% increase over the last 12 months compared to the preceding period. Moreover, there was a noticeable surge in commenced private construction works, with a rise of 21% compared to the previous quarter and a 102% increase over the last 12 months compared to the preceding period. In contrast, completed private construction works showed a substantial decrease of 49% QoQ and a 25% decrease over the last 12 months.

Gross value of performed construction works

The gross value of performed new-built private works increased by 2.2% QoQ, while public works increased by 6.6% QoQ in Q4 2023. In contrast, the gross value of performed A&A works decreased by 2.2% QoQ. When compared to the fourth quarter of the previous year, the gross value of new-built private works increased by 16.5%, while that of public works increased by 2.6%. The gross value of performed A&A works also recorded a decrease of 4.1% during the same period. Overall, the performed construction works showed an increase of 4.2% in Q4 2023 compared to the previous year, and the total value in 2023 shows an 8.8% increase compared to 2022.

Cost of materials and labour

During Q4 2023, the Tender Price Index (TPI) recorded a 4.03% YoY increase. During this period, steel price slightly increased by 1.4% QoQ and dropped by 25.4% from its peak in early 2022. The price of homogeneous floor tiles remained stable compared to the previous quarter but witnessed a year-on-year increase of 6%. In terms of fuel price, diesel fuel experienced a slight rise of 3.2% QoQ and a 4% rise YoY. It also fell by 4% from its peak in mid-2022. The construction labour wages index increased by 1.2% compared to the previous quarter. Year-on-year, wages for general worker, concreter, general welder, joiner, plumber, painter, electrical fitter and mechanical fitter increased by 5.5%, 3.6%, 3.3%, 1.5%, 2.8%, 7.5%, 2.0% and 1.5% respectively. However, wages for bricklayer and carpenter decreased by 5.1% and 1.6% respectively.

Approximate Building Costs Hong Kong

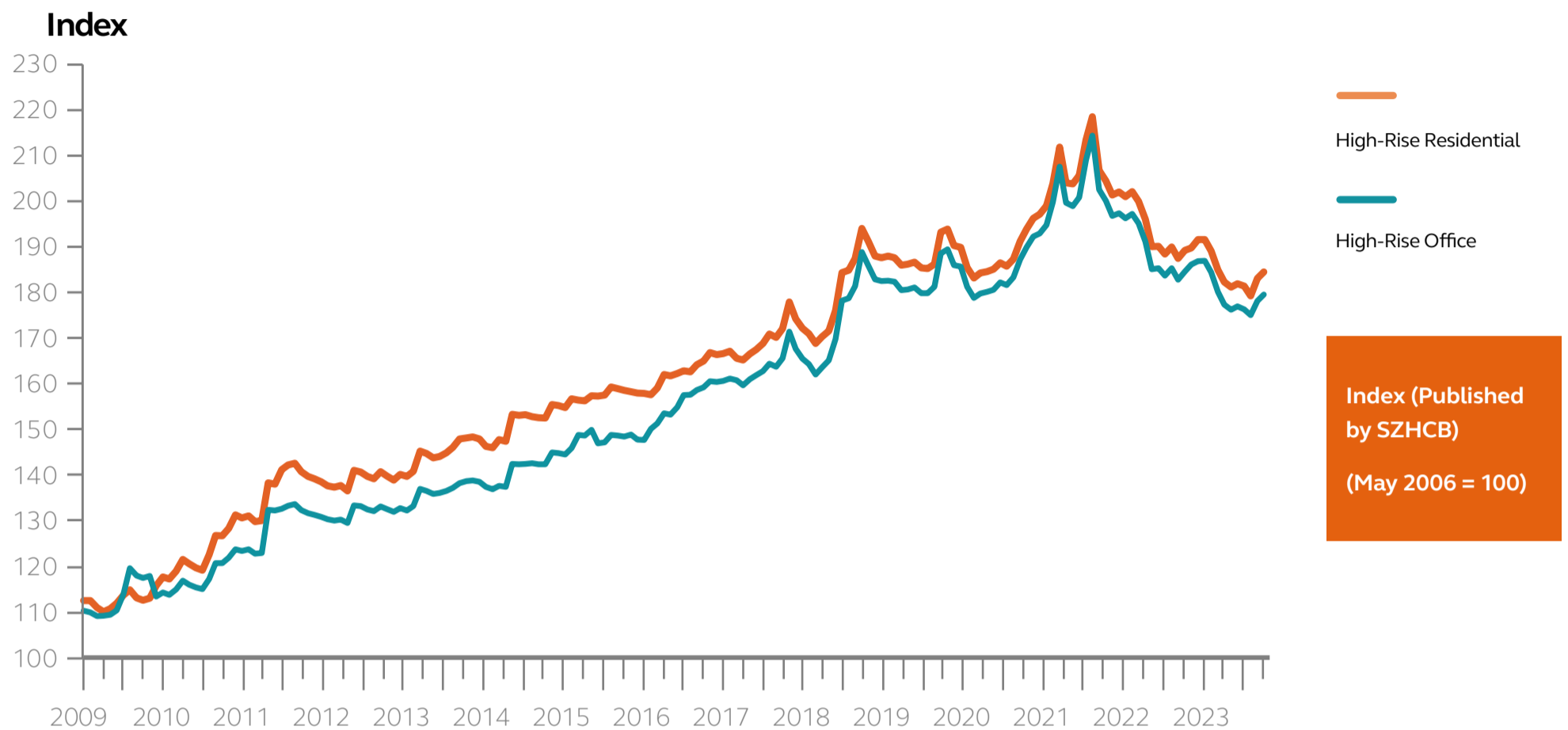
Notes:

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	12,200 - 14,300	Based on Hong Kong Housing Authority Non-standard Cruciform Block design (Rental Housing)
Apartments, high rise, average standard	25,500 - 29,300	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	33,000 - 38,100	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	35,200 - 40,400	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	51,000 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	25,500 - 28,800	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	30,300 - 34,600	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	25,100 - 29,400	Including public area fit-out and M&E, but excluding shop fit-out
Retail malls, high end	32,400 - 37,600	
Industrial		
Owner operated factories, low rise, light weight industry	19,100 - 23,800	RC structure, including small office with simple fit-out and M&E, but excluding a/c
Hotel		
Budget hotels - 3-star, mid market	32,100 - 34,100	1) Interior decoration
Business hotels - 4/5-star	33,100 - 38,100	2) Furniture (fixed and movable)
Luxury hotels - 5-star	38,500 - 43,000	3) Special light fittings (chandeliers, etc.) 4) Operating Supplies and Equipment (OS&E) excluded
Others		
Underground/basement car parks (<3 levels)	27,800 - 33,100	RC structure
Multi storey car parks, above ground (<4 levels)	16,800 - 19,700	RC structure, natural ventilation, no facade enclosure
Schools (primary and secondary)	21,500 - 23,100	Public authority standard including fit-out and a/c, but excluding loose furniture and educational equipment
Students' residences	24,400 - 27,400	Including fit-out, loose furniture and a/c
Sports clubs, multi purpose sports/ leisure centres (dry sports)	32,000 - 36,000	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 4th Quarter 2023 levels.

Building & Building Services Price Index Mainland China

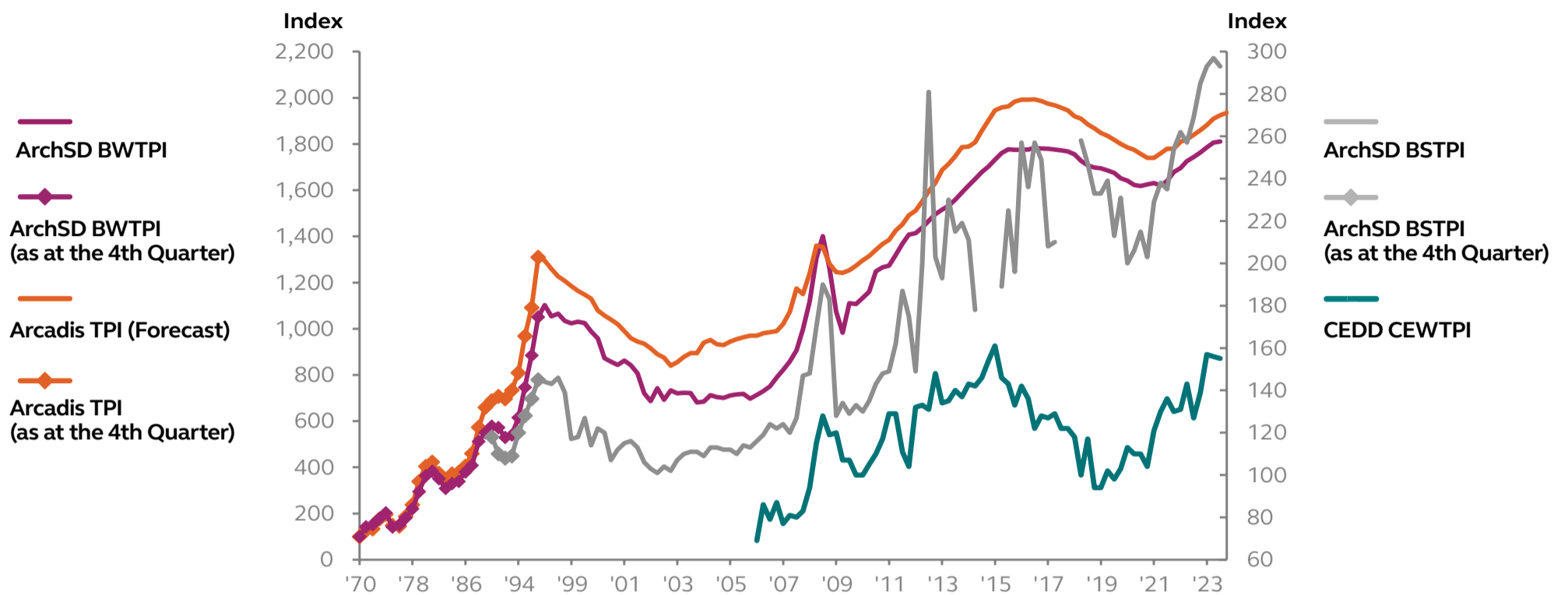


Building & Building Services Price Index										
Index	(Base Index: May 2006 = 100)									
	High-Rise Residential					High-Rise Office				
Month / Year	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
January	187.5	189.8	195.8	200.8	189.3	182.4	185.5	191.8	196.3	185.6
February	187.2	189.4	196.6	201.5	191.1	182.0	185.2	192.4	196.9	186.4
March	187.5	185.0	198.5	200.5	191.1	182.1	180.8	194.3	195.8	186.5
April	187.2	182.7	203.4	201.6	188.6	181.9	178.3	199.3	196.7	184.0
May	185.5	183.8	211.4	199.4	184.5	180.1	179.3	207.0	194.7	179.7
June	185.7	184.1	203.5	195.5	181.8	180.2	179.7	199.1	190.7	176.9
July	186.1	184.6	203.3	189.6	180.7	180.6	180.1	198.4	184.6	175.8
August	184.9	186.0	205.2	189.6	181.4	179.4	181.7	200.3	184.8	176.5
September	184.8	185.3	212.9	187.9	180.9	179.3	181.2	208.4	183.2	175.8
October	185.7	186.8	218.0	189.5	178.7	180.8	182.8	213.8	184.9	174.6
November	192.8	190.8	206.2	187.0	182.6	188.1	186.8	202.0	182.3	177.7
December	193.4	193.4	204.0	188.7	184.0	189.0	189.4	199.6	184.1	179.1

Source : Housing and Construction Bureau of Shenzhen

Tender Price Index

Hong Kong



Quarter/Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
ArchSD BWTPI (Base = 100, at Q1 1970)											
Q1	1516	1621	1732	1775	1779	1755	1695	1641	1631	1696	1785
Q2	1532	1648	1761	1776	1776	1727	1686	1623	1620	1726	1806
Q3	1559	1679	1777	1783	1773	1708	1675	1618	1640	1744	1811
Q4	1590	1703	1775	1781	1768	1698	1652	1625	1679	1763	
ArchSD BSTPI (Base = 100, at Q4 1989)											
Q1	193	211	(N/A)	257	208	(N/A)	233	200	229	262	293
Q2	230	178	189	236	210	258	239	206	238	257	297
Q3	215	(N/A)	225	257	(N/A)	247	213	215	235	269	293
Q4	219	(N/A)	196	249	287	233	231	203	254	285	
Arcadis TPI (Base = 100, at Q1 1970)											
Q1	1688	1789	1946	1992	1975	1920	1848	1785	1740	1810	1882
Q2	1713	1808	1958	1992	1968	1910	1835	1775	1760	1820	1910
Q3	1747	1857	1963	1993	1957	1885	1818	1757	1780	1840	1925
Q4	1786	1903	1984	1986	1946	1868	1800	1740	1780	1860	1935
CEDD CEWTPI (Base = 100, at Q1 2010)											
Q1	134	143	161	142	127	118	94	113	121	131	157
Q2	135	142	146	136	129	100	102	110	130	143	156
Q3	140	146	143	122	122	117	98	110	136	127	155*
Q4	137	154	133	128	122	94	103	104	130	139	

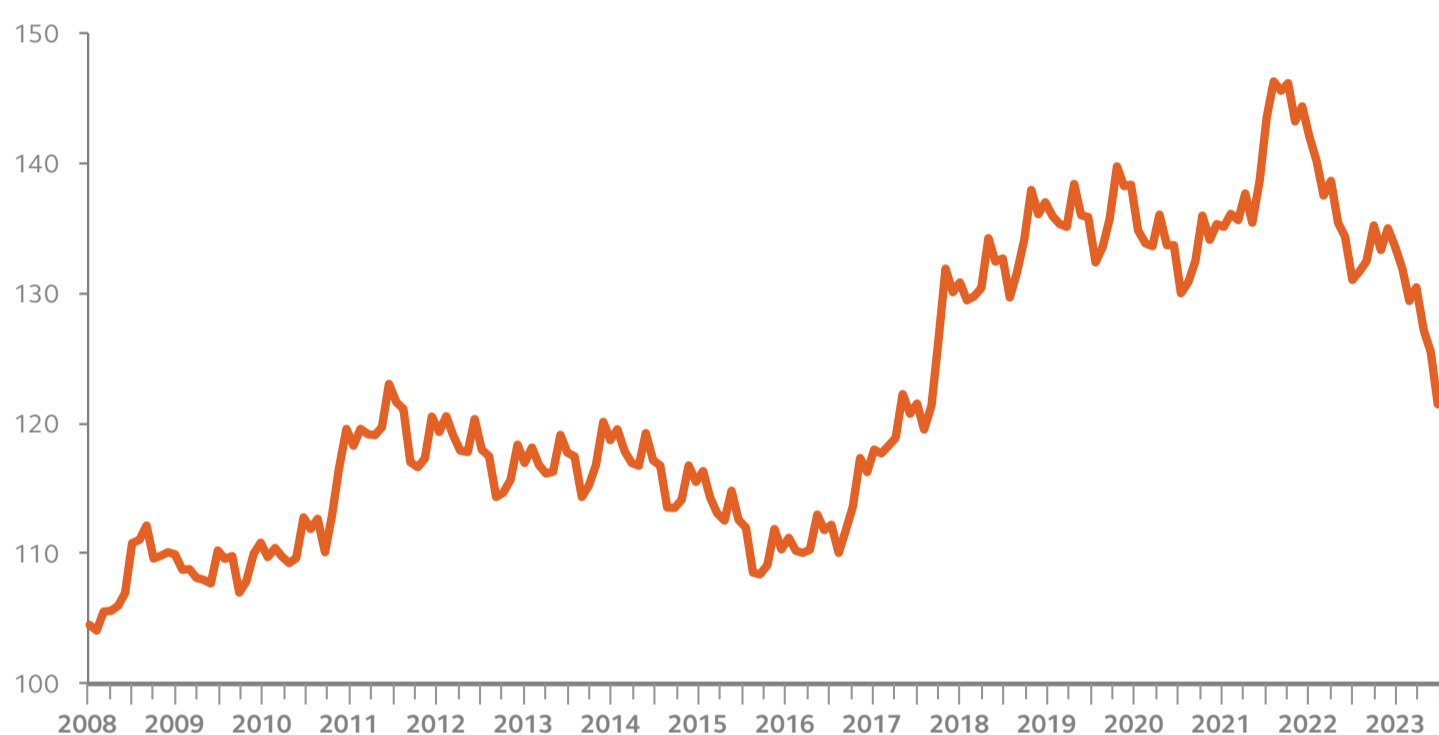
Source : Competitive tenders received by Arcadis, Building Works Tender Price Index (BWTPI) and Building Services Tender Price Index (BSTPI) of Architectural Services Department (ArchSD) of HKSAR, and Civil Engineering Works Tender Price Index (CEWTPI) of Civil Engineering and Development Department (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)				
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
January	104.6	101.3	97.3	107.5	92.5	138.3	140.1	136.3	146.6	135.6
February	104.6	101.6	97.0	106.8	93.1	136.4	138.6	134.5	143.6	133.7
March	104.7	101.0	97.8	106.7	93.5	137.3	138.7	135.7	144.8	135.3
April	105.0	99.2	100.2	105.1	94.1	136.3	135.2	135.5	142.4	134.0
May	104.3	98.9	101.7	103.0	94.1	135.7	134.2	136.5	140.6	132.3
June	103.6	98.9	101.5	101.4	94.1	135.5	134.0	136.0	137.9	129.7
July	103.1	98.3	101.2	100.7	94.1	138.8	136.4	138.0	139.0	130.8
August	102.7	98.3	101.3	100.0	93.9	136.4	134.0	135.8	135.8	127.5
September	102.4	98.4	103.7	96.9	93.4	136.2	134.0	139.0	134.7	125.8
October	102.1	98.2	110.4	91.3	92.7	132.7	130.3	143.9	131.4	121.8
November	101.5	98.0	111.8	90.0	92.2	133.9	131.2	146.7	132.0	121.7
December	101.2	97.6	109.9	91.0	92.5	136.1	132.8	146.0	132.8	122.9

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

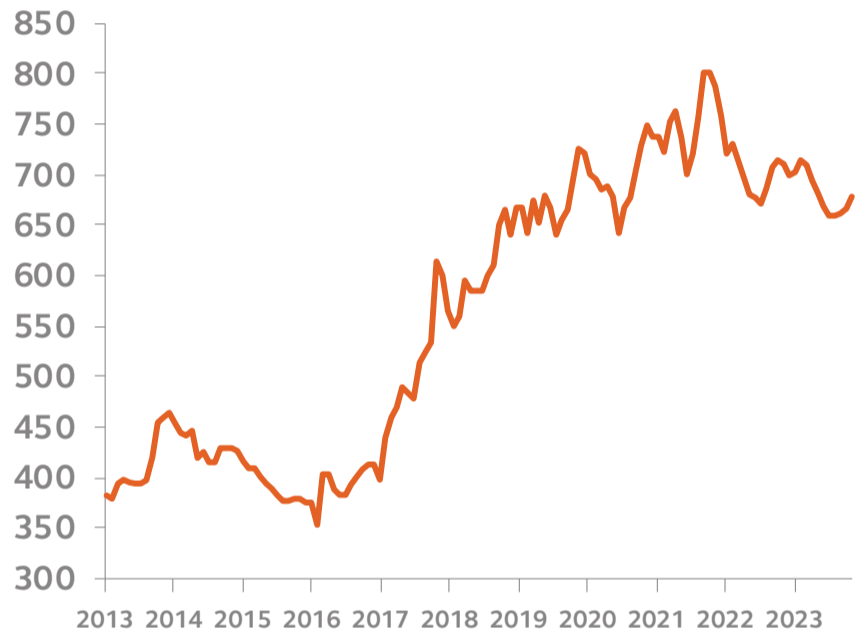
US\$/Tonne



Source : London Metal Exchange

Ready Mix Concrete, 40 MPa

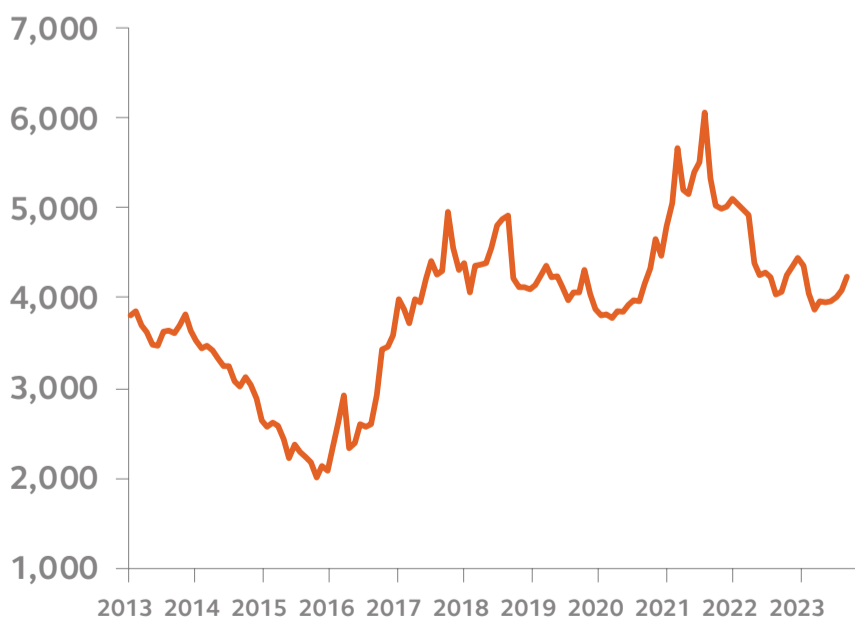
RMB/m3



Shanghai Municipal Management Commission of Housing and Urban-Rural Development

Steel Reinforcement, Grade III

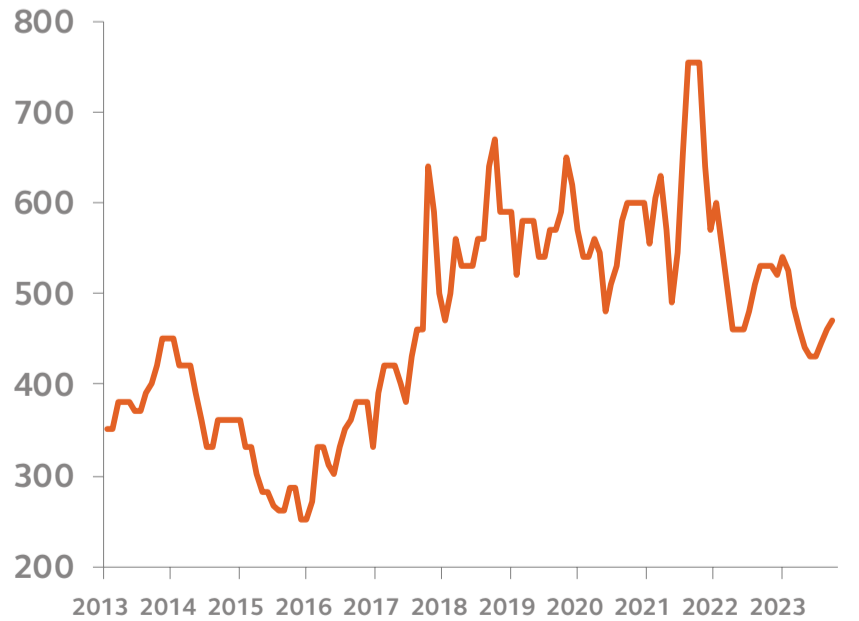
RMB/Tonne



Shanghai Municipal Management Commission of Housing and Urban-Rural Development

Portland Cement, 42.5 MPa

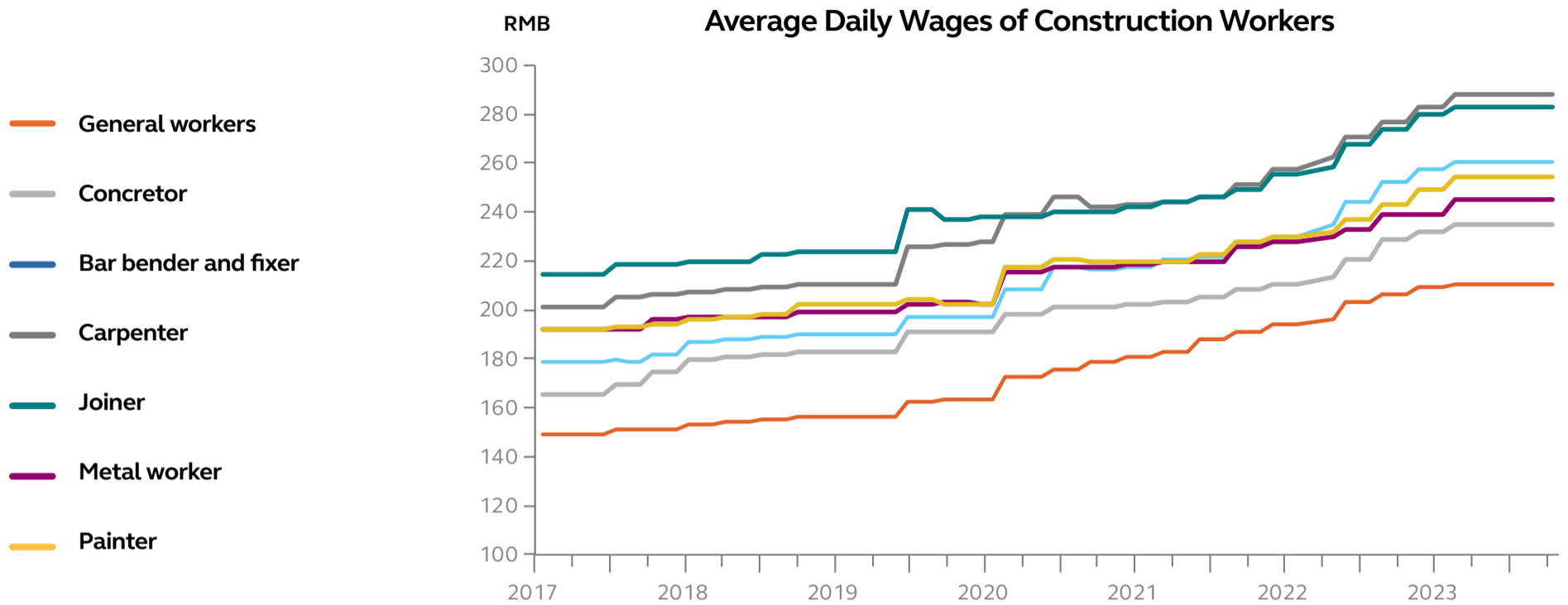
RMB/Tonne



Shanghai Municipal Management Commission of Housing and Urban-Rural Development

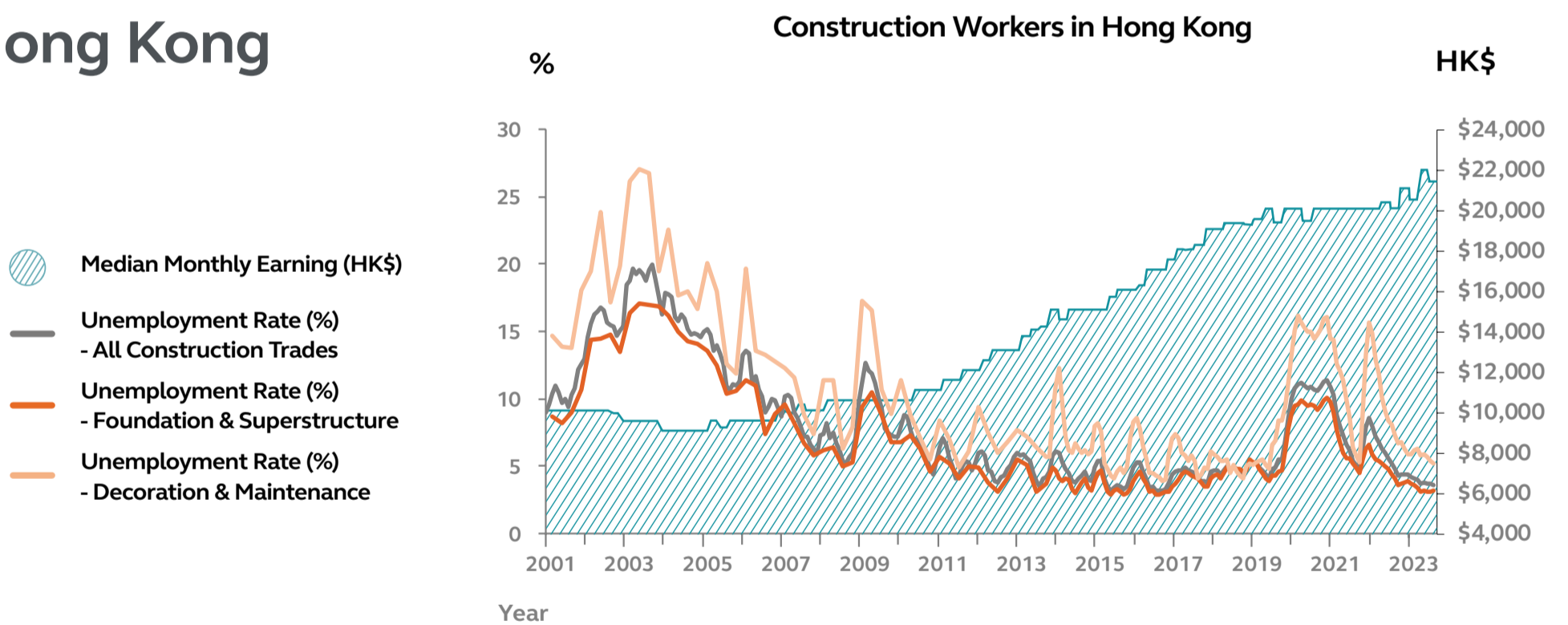
Labour

Mainland China

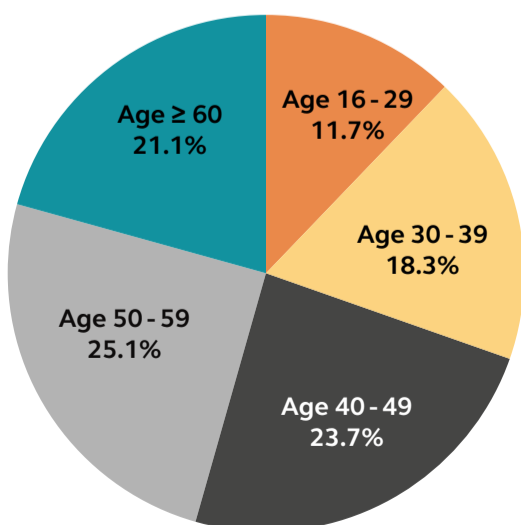


Source : Shanghai Municipal Management Commission of Housing and Urban-Rural Development

Hong Kong



Source : Census & Statistics Department, Hong Kong SAR

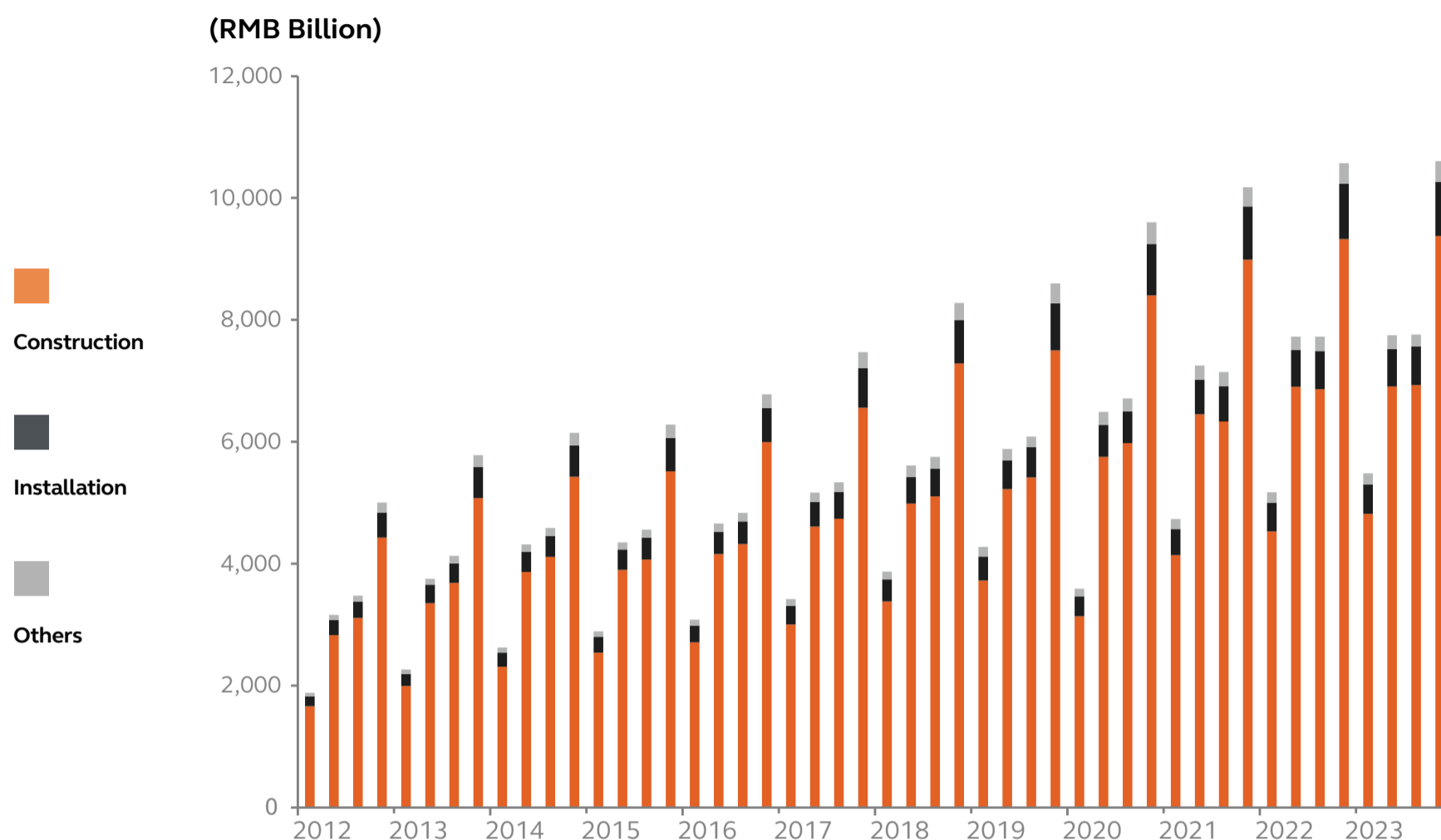


Age Distribution of Workers

Age Group	No. of Workers Employed by Construction Industry	
Age 16 - 29	75,140	11.7%
Age 30 - 39	117,811	18.3%
Age 40 - 49	152,201	23.7%
Age 50 - 59	161,407	25.1%
Age ≥ 60	135,641	21.1%
Total (as at Jan 2024) :	642,200	100.0%

Source : Construction Industry Council

Gross Value of Construction Work Performed – Mainland China



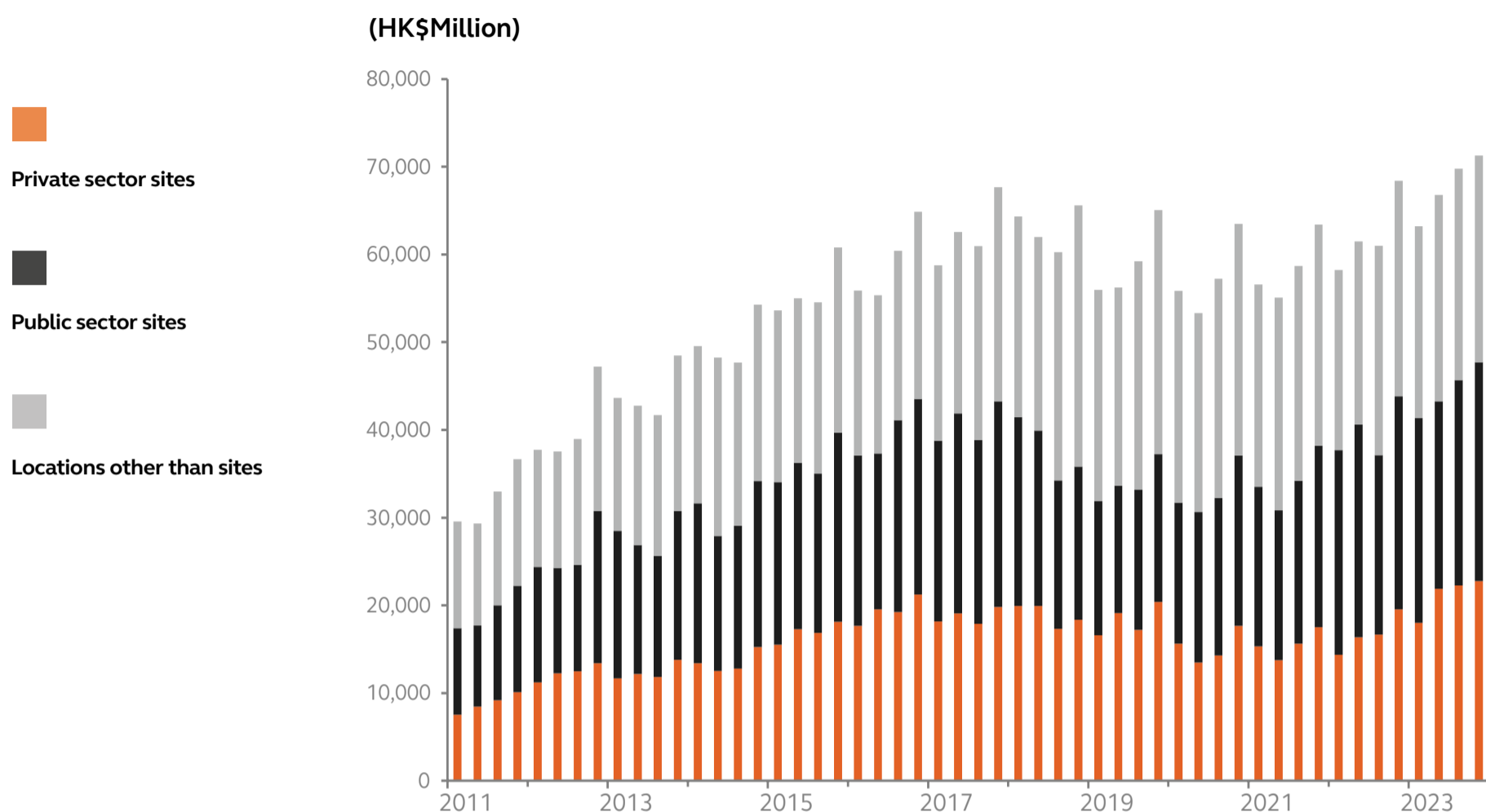
Value Performed (RMB Billion)											
Quarter	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
A. Construction											
1 st Quarter	1,994	2,311	2,544	2,712	3,003	3,382	3,727	3,138	4,141	4,533	4,820
2 nd Quarter	3,355	3,866	3,899	4,158	4,609	4,985	5,223	5,753	6,453	6,902	6,907
3 rd Quarter	3,687	4,113	4,068	4,322	4,742	5,106	5,414	5,977	6,336	6,863	6,929
4 th Quarter	5,078	5,425	5,517	5,994	6,562	7,286	7,502	8,405	8,991	9,328	9,378
Year Total:	14,115	15,714	16,028	17,186	18,916	20,759	21,867	23,272	25,921	27,625	28,034
B. Installation											
1 st Quarter	200	230	255	277	303	358	393	326	428	463	485
2 nd Quarter	300	333	331	366	405	438	476	523	569	602	614
3 rd Quarter	322	346	363	374	437	459	498	519	579	623	638
4 th Quarter	514	517	548	561	646	708	768	840	871	906	890
Year Total:	1,336	1,426	1,498	1,578	1,791	1,963	2,135	2,208	2,448	2,594	2,628
C. Others											
1 st Quarter	69	83	91	96	113	129	155	127	164	175	175
2 nd Quarter	100	118	117	138	154	187	186	217	229	223	224
3 rd Quarter	123	126	126	137	160	189	173	213	228	240	194
4 th Quarter	189	205	216	222	262	282	328	357	318	340	336
Year Total:	481	531	550	593	689	787	843	915	940	978	930
Annual gross value performed (A + B + C)											
Total:	15,931	17,671	18,076	19,357	21,396	23,509	24,845	26,395	29,308	31,198	31,591

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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	14,351	18,031
2 nd Quarter	12,260	12,176	12,507	17,284	19,530	19,070	19,925	19,112	13,489	13,758	16,360	21,900
3 rd Quarter	12,481	11,848	12,792	16,849	19,252	17,912	17,340	17,199	14,303	15,620	16,674	22,282
4 th Quarter	13,411	13,781	15,259	18,119	21,231	19,813	18,369	20,393	17,685	17,521	19,540	22,771*
Year Total:	49,361	49,480	53,953	67,780	77,665	74,945	75,552	73,287	61,124	62,238	66,925	84,984*
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	23,356	23,303
2 nd Quarter	12,023	14,690	15,397	18,964	17,780	22,827	20,002	14,512	17,155	17,054	24,247	21,367
3 rd Quarter	12,137	13,792	16,253	18,163	21,878	20,934	16,888	16,022	17,940	18,604	20,462	23,386
4 th Quarter	17,332	16,976	18,915	21,585	22,295	23,455	17,433	16,825	19,400	20,687	24,292	24,931*
Year Total:	54,660	62,287	68,823	77,243	81,367	87,855	75,856	62,697	70,578	74,512	92,357	92,987*
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	20,526	21,888
2 nd Quarter	13,245	15,914	20,327	18,744	18,041	20,657	22,073	22,592	22,674	24,249	20,867	23,504
3 rd Quarter	14,358	16,038	18,636	19,520	19,274	22,093	26,027	25,992	24,971	24,465	23,864	24,096
4 th Quarter	16,479	17,716	20,088	21,111	21,333	24,406	29,797	27,839	26,398	25,183	24,569	23,565*
Year Total:	57,429	64,808	76,960	78,924	77,457	87,119	100,768	100,455	98,169	96,972	89,826	93,053*
Annual gross value performed (A + B + C)												
Total:	161,450	176,575	199,736	223,947	236,489	249,919	252,176	236,439	229,871	233,722	249,108	271,024*

*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
	Q4/2023	Q4/2023	Q4/2023	Q4/2023
	RMB/ m ² CFA			
Domestic				
Apartments, high rise, average standard				
- Shell and core	3,015 - 3,438	2,743 - 3,164	2,601 - 2,987	2,673 - 3,039
- Full fit	4,930 - 5,434	4,339 - 4,765	4,127 - 4,734	4,087 - 4,739
Apartments, high rise, high end				
- Shell and core	3,626 - 3,927	3,269 - 4,741	2,714 - 3,681	3,303 - 4,204
- Full fit	11,131 - 12,136	10,516 - 11,971	6,705 - 7,644	6,599 - 8,094
Terraced houses, average standard				
- Shell and core	3,375 - 3,663	3,167 - 3,698	2,733 - 3,103	3,297 - 3,942
- Full fit	6,810 - 7,419	6,213 - 6,730	6,252 - 7,475	5,578 - 6,549
Detached houses, high end				
- Shell and core	4,964 - 5,487	4,769 - 5,307	3,803 - 4,320	4,321 - 4,931
- Full fit	11,976 - 12,707	11,941 - 12,458	11,995 - 14,054	7,097 - 8,062
Office / Commercial				
Medium/high rise offices, average standard	6,324 - 8,356	6,189 - 8,338	5,879 - 6,715	6,414 - 7,370
High rise offices, prestige quality	8,125 - 11,112	10,059 - 13,693	8,606 - 10,816	8,088 - 10,749
Out-of-town shopping centre, average standard	N/A	N/A	5,602 - 6,369	5,190 - 6,569
Retail malls, high end	8,586 - 11,576	8,368 - 11,520	8,289 - 12,010	7,709 - 10,642
Industrial				
Industrial units, shell only (Conventional single storey framed units)	1,947 - 2,386	1,911 - 2,330	2,200 - 2,704	3,162 - 3,932
Owner operated factories, low rise, light weight industry	3,013 - 3,773	3,695 - 4,235	N/A	N/A
Hotels				
Budget hotels - 3-star, mid market	6,920 - 8,434	6,847 - 8,434	7,519 - 8,527	7,000 - 8,556
Business hotels - 4/5-star	11,150 - 15,093	11,667 - 15,403	12,154 - 17,889	12,561 - 15,537
Luxury hotels - 5-star	15,075 - 18,020	14,849 - 19,115	16,357 - 18,587	15,467 - 18,390
Others				
Underground/basement car parks (<3 levels)	5,167 - 7,206	5,289 - 5,812	3,886 - 6,357	3,015 - 4,175
Multi storey car parks, above ground (<4 levels)	2,648 - 3,700	3,182 - 3,213	2,768 - 3,136	2,403 - 2,938
Schools (primary and secondary)	3,950 - 4,985	3,682 - 4,753	3,127 - 4,062	3,186 - 3,510
Students' residences	2,891 - 3,943	2,604 - 3,682	2,882 - 3,675	2,230 - 3,190
Sports clubs, multi purpose sports/ leisure centres (dry sports)	6,664 - 8,186	6,305 - 6,360	5,343 - 6,054	5,027 - 5,510
General hospitals - public sector	10,182 - 13,127	8,290 - 10,382	8,091 - 10,428	8,033 - 9,947

The above costs are at 4th Quarter 2023 levels.

Approximate Building Costs For Major Cities In Asia

Building Type	Hong Kong	Macau	Singapore	Kuala Lumpur
	Q4/2023	Q4/2023	Q4/2023	Q4/2023
	USD/ m2 CFA (See also exchange rates per U.S. dollar below)			
	HK\$ 7.81	MOP 8.01	S\$ 1.35	RM 4.67
Domestic				
Apartments, high rise, average standard				
- Shell and core	N/A	1,926 - 2,854	N/A	N/A
- Full fit	3,270 - 3,750	2,480 - 3,033	1,890 - 2,185	310 - 610
Apartments, high rise, high end				
- Shell and core	N/A	2,854 - 4,279	N/A	N/A
- Full fit	4,230 - 4,880	3,463 - 5,291	3,150 - 4,335	700 - 1,460
Terraced houses, average standard				
- Shell and core	N/A	3,380 - 4,197	N/A	N/A
- Full fit	4,510 - 5,170	4,224 - 5,041	2,445 - 2,740	220 - 360
Detached houses, high end				
- Shell and core	N/A	4,085 - 5,886	N/A	N/A
- Full fit	6,530 up	5,153 - 6,704	3,110 - 4,150	745 - 1,015
Office / Commercial				
Medium/high rise offices, average standard	3,270 - 3,690	2,854 - 3,685	2,445 - 2,780 [®]	590 - 775
High rise offices, prestige quality	3,880 - 4,430	3,685 - 4,031	2,780 - 3,000 [®]	920 - 1,320
Out-of-town shopping centre, average standard	3,210 - 3,760	2,687 - 4,031	2,630 - 2,925	430 - 645
Retail malls, high end	4,150 - 4,810	4,224 - 5,098	2,925 - 3,185	680 - 1,035
Industrial				
Industrial units, shell only (Conventional single storey framed units)	N/A	N/A	1,150 - 1,335 ^{®@}	320 - 450
Owner operated factories, low rise, light weight industry	2,450 - 3,050	N/A	N/A	420 - 535
Hotels				
Budget hotels - 3-star, mid market	4,110 - 4,370	3,755 - 4,253	3,110 - 3,405	990 - 1,455
Business hotels - 4/5-star	4,240 - 4,880	5,098 - 6,094	4,000 - 4,665	1,290 - 2,265
Luxury hotels - 5-star	4,930 - 5,510	6,094 - 7,203	4,000 - 4,665	1,895 - 2,540
Others				
Underground/basement car parks (<3 levels)	3,560 - 4,240	2,229 - 3,269	1,370 - 1,780	305 - 545
Multi storey car parks, above ground (<4 levels)	2,150 - 2,520	1,232 - 1,622	850 - 1,260 ^{®@}	200 - 355
Schools (primary and secondary)	2,750 - 2,960	2,466 - 2,854	N/A	250 - 320
Students' residences	3,120 - 3,510	1,953 - 2,271	2,295 - 2,405	295 - 375
Sports clubs, multi purpose sports/leisure centres (dry sports)	4,100 - 4,610	N/A	2,815 - 3,000	590 - 750
General hospitals - public sector	5,120 - 5,630	N/A	3,965 - 4,150	815 - 1,185

The above costs are at 4th Quarter 2023 levels.

Approximate Building Costs For Major Cities In Asia

Building Type	Bangkok	Bangalore	Manila	Ho Chi Minh
	Q4/2023	Q4/2023	Q4/2023	Q4/2023
	USD/ m2 CFA (See also exchange rates per U.S. dollar below)			
	BAHT 35.81	INR 82.98	PHP 55.57	VND 24,440
Domestic				
Apartments, high rise, average standard				
- Shell and core	503 - 698	615 - 684	N/A	N/A
- Full fit	698 - 866	693 - 841	983 - 1,315	573 - 710
Apartments, high rise, high end				
- Shell and core	698 - 922	977 - 1,186	N/A	N/A
- Full fit	1,117 - 1,536	1,118 - 1,410	1,305 - 2,352	900 - 1,213
Terraced houses, average standard				
- Shell and core	419 - 559	488 - 549	N/A	346 - 399
- Full fit	559 - 698	493 - 551	866 - 1,060	567 - 659
Detached houses, high end				
- Shell and core	559 - 838	531 - 625	N/A	481 - 583
- Full fit	698 - 977	624 - 701	1,682 - 2,864	823 - 925
Office / Commercial				
Medium/high rise offices, average standard	698 - 838	517 - 574 [#]	884 - 1,173	745 - 852
High rise offices, prestige quality	977 - 1,257	600 - 761 [#]	1,280 - 1,660	859 - 1,157
Out-of-town shopping centre, average standard	670 - 894	527 - 585	755 - 939	628 - 768
Retail malls, high end	894 - 1,061	684 - 806	1,029 - 1,456	785 - 959
Industrial				
Industrial units, shell only (Conventional single storey framed units)	503 - 670	456 - 563	502 - 646	306 - 381
Owner operated factories, low rise, light weight industry	N/A	426 - 563	674 - 847	347 - 453
Hotels				
Budget hotels - 3-star, mid market	1,173 - 1,257	1,002 - 1,080	1,123 - 1,388	1,185 - 1,433
Business hotels - 4/5-star	1,563 - 1,815	1,421 - 1,811	1,281 - 2,132	1,365 - 1,652
Luxury hotels - 5-star	1,955 - 2,234	1,952 - 2,281	1,780 - 3,378	1,766 - 2,096
Others				
Underground/basement car parks (<3 levels)	614 - 838	339 - 395	585 - 761	630 - 743
Multi storey car parks, above ground (<4 levels)	335 - 503	280 - 332	463 - 722	406 - 440
Schools (primary and secondary)	559 - 838	353 - 413	659 - 910	560 - 685
Students' residences	419 - 559	366 - 451	738 - 935	534 - 678
Sports clubs, multi purpose sports/ leisure centres (dry sports)	N/A	682 - 770	1,111 - 1,618	1,077 - 1,317
General hospitals - public sector	N/A	771 - 891	1,338 - 1,564	N/A

The above costs are at 4th 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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