

# CHINA AND HONG KONG

## QUARTERLY CONSTRUCTION COST REVIEW



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# CHINA AND HONG KONG MARKET OVERVIEW

## MARKET OVERVIEW

Hong Kong economy further recovered in the last quarter of 2020 after bottoming out in the first two quarters, however the economy is still facing a hard time due to the interminable COVID-19 epidemic. Overall in the year of 2020, the Hong Kong construction industry experienced a tough year. Construction activities slowed down due to the global COVID-19 pandemic and construction output continued to decline this year.

Construction activities in private market became subdued. Although private flat production, which is 20,888 flats as at 31 December 2020, met the average private housing supply target of 12,900 flats as addressed in Long Term Housing Strategy 2020, low consent and commencement of private developments throughout the year brings pressure to the private housing supply in the coming years.

However, gross value of performed works in the public sector demonstrated YoY growth of (+)9% in Q1 to Q3 2020. Up to the third quarter of financial year of 2020/21, the Hong Kong Legislative Council (LegCo) approved HK\$99 billion Capital Works Reserve Fund for upcoming public works – equivalent to 93% of the total funding in the previous financial year. Such trends indicate that the local construction market will be likely to rely heavily on the public works in the short run.

## MARKET MOVEMENT



### ECONOMY

#### Indicator

	GDP Growth per annum	Q4/18 - Q4/19 (-) 3.0%	Q3/19 - Q3/20 (-) 3.6%	Q4/19 - Q4/20 (-) 3.0%
	Inflation Rate (CPI) per annum	Dec 18 - 19 (+) 2.9%	Sep 19 - 20 (-) 2.2%	Dec 19 - 20 (-) 0.7%



### BASIC COSTS

#### Indicator

	Highways Material Index	Aug - Oct 19 870.8	May - Jul 20 824.0	Aug - Oct 20 842.9
	Labour Wages Index	Sep - Nov 19 153.2	Jun - Aug 20 154.1	Sep - Nov 20 152.8



### SUPPLY & DEMAND

#### Indicator

	Activity Level (Gross output; new + A&A)	Q3/19 HK\$59.213 Bn	Q2/20 HK\$55.908 Bn	Q3/20 HK\$57.264 Bn
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### CONSTRUCTION COST TREND

#### Indicator

	Tender Price Index (Arcadis)	Q4/19 1800	Q3/20 1757	Q4/20 1740
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# 1 MARKET ANALYSIS

## CHINA

The COVID-19 pandemic dealt a double blow on economic and financial fronts. The international community has largely reached a consensus that the global economy went to recession in 2020.

China experienced around two months of lockdown to prevent the spread of COVID-19 at the beginning of 2020 and continues to take effective precautionary measures. The real estate investment in Mainland China in the first two months of this year has decreased by (-)16.3% YoY. The sales of commercial buildings decreased by (-)35.9% YoY. The economic activities began to recover after the completion of lockdown and the real estate market rebounded after March 2020. By the end of 2020, real estate investment and the sales of commercial buildings reached an increase of (+)7.0% and (+)8.7% YoY respectively (according to National Bureau of Statistics (NBS)). The data presented a V-shaped recovery in real estate market.

Despite the impact of the pandemic, China's economy saw GDP growth of (+)2.3% YoY, in 2020. There is a significant drop compared with the growth of (+)6.1% in 2019. Inflation was stable, with the composite Consumer Price Index (CPI) slightly increased by (+)0.2% YoY as recorded in December 2020.

The Chinese government recorded annual reduction of (-)1.1% in land sales in 2020. The completed construction area and new commencement area decreased by (-)4.9% and (-)1.2% respectively.

In Q4 2020, construction wages remain stable. Comparing with last quarter, the average basic construction product costs fluctuated in price with rebar (+)6.6%, steel (+)4.7%, concrete (+)10.0% and cement (+)17.1%. The tender price is indicated to arise.

The growth of construction wages is anticipated to be (+)5% and above in the coming year. Moreover, due to the upward trend of commodities prices (including copper, aluminium and oil, etc.), we anticipate the major material will rise in price. We anticipate that construction costs will increase by 5% in 2021 and 3% in 2022.

## HONG KONG

### DECLINE IN ECONOMIC GROWTH

Hong Kong Gross Domestic Product (GDP) recorded the sixth consecutive negative growth rate of (-)3.0% YoY in Q4 2020 but further narrowly upturned from (-)3.6% YoY in the last quarter. With further resumption of international market activities, exports and imports of goods increased QoQ in Q4 2020, however, decline in exports and imports of services just marginally narrowed down, mostly because the tourism industry is still frozen. Deflation still happened in this quarter. Consumer Price Index (CPI) slightly rebounded from (-)2.2% YoY in September 2020 to (-)0.7% YoY in December 2020.

### SUPPRESSED CONSTRUCTION ACTIVITIES

Due to the limited services provided by government departments, approval to consent and commence of construction works issued by the Buildings Department greatly declined by 27.5% and 3.2% YoY based on the 12-month period from December 2019 to November 2020. In Q4 2020, floor areas of consent and commence of construction works in Hong Kong notably boosted by 463% and 269% QoQ and 98% and 231% YoY. Floor area of completed works increased by 50% QoQ but significantly dropped by 22% YoY. Overall gross value of construction works further increased by 2.4% QoQ yet dropped by 3.3% YoY in Q4 2020. Decline of gross value of new private works was curbed yet still significant in this quarter, with (-)3.2% QoQ and (-)21.9% YoY movements. YoY growth in that of new public works and A&A (alterations and additions) works slowed down in this quarter as well.

### COST OF MATERIALS AND LABOUR

The Tender Price Index (TPI) dropped by 3.3% YoY based on Q4 2020. Prices of steel and diesel fuel decreased by 4% YoY respectively, based on Q3 2020. Portland cement, sand and basic materials remained stable in the same period. The construction labour wages index remained constant based on Q3 2020 comparing to preceding year. There was slight pay rise in most of the trades when comparing to the previous year, especially for mechanical fitter, while wages of bar bender and fixer, concreter, and carpenter dropped. In October 2020, the Hong Kong Construction Industry Employees General Union recommended continuing the pay freeze covering 15 trades in another 12 months.



# 2 APPROXIMATE BUILDING COSTS

## HONG KONG

### Notes:

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

BUILDING TYPE	HK\$/m <sup>2</sup> CFA	OUTLINE SPECIFICATION
<b>DOMESTIC</b>		
Apartments, high rise, public authority standard	10,700 - 12,900	Apartment units with fit-out, based on Hong Kong Housing Authority Non-standard Cruciform Block design
Apartments, high rise, average standard	23,200 - 26,800	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	30,000 - 35,000	Apartment units with good quality fit-out, including air-conditioning, kitchen cabinets and home appliances, but excluding decorative light fittings and loose furniture
Terraced houses, average standard	31,600 - 36,600	Houses with fit-out, including air-conditioning, kitchen cabinets and home appliances, but excluding decorative light fittings, loose furniture, garden and parking
Detached houses, high end	46,300 up	Houses with good quality fit-out, including air-conditioning, kitchen cabinets and home appliances, but excluding decorative light fittings, loose furniture, garden and parking
<b>OFFICE / COMMERCIAL</b>		
Medium/high rise offices, average standard	22,900 - 26,300	RC structure, curtain wall/window wall, including public area fit-out, tenant area with screeded floor, painted wall and ceiling
High rise offices, prestige quality	27,400 - 31,600	RC structure, curtain wall, including public area fit-out, tenant area with raised floor/carpet, painted wall and false ceiling
Out-of-town shopping centre, average standard	22,700 - 26,600	Including public area fit-out and M&E, but excluding shop fit-out
Retail malls, high end	29,400 - 35,000	
<b>INDUSTRIAL</b>		
Owner operated factories, low rise, light weight industry	17,600 - 22,100	RC structure, including small office with simple fit-out and M&E, but excluding a/c and heating
<b>HOTEL</b>		
Budget hotels - 3-star, mid market	29,100 - 31,000	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	30,100 - 35,100	
Luxury hotels - 5-star	35,100 - 40,400	
<b>OTHERS</b>		
Underground/basement car parks (<3 levels)	24,800 - 29,700	RC structure
Multi storey car parks, above ground (<4 levels)	14,800 - 17,600	RC structure, natural ventilation, no facade enclosure
Schools (primary and secondary)	19,300 - 20,800	Public authority standard, including fit-out, no a/c, complete with basic external works but excluding educational equipment
Students' residences	22,100 - 24,900	Including fit-out, loose furniture and a/c
Sports clubs, multi purpose sports/ leisure centres (dry sports)	29,000 - 33,100	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	36,800 - 40,900	Excluding medical and operating equipment

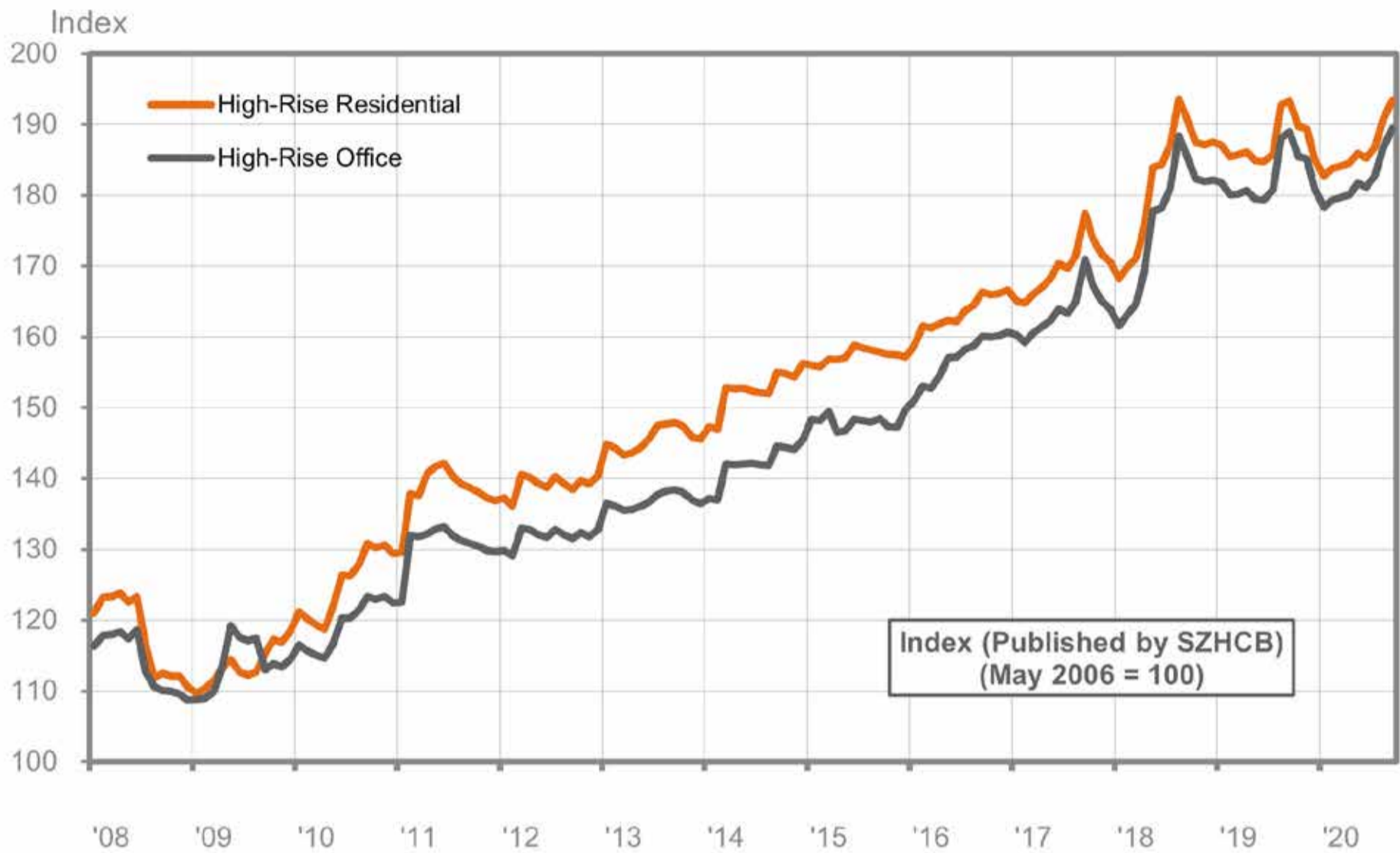
\*The above cost are at 4th Quarter 2020 levels.



# 3

## BUILDING & BUILDING SERVICES PRICE INDEX

MAINLAND CHINA

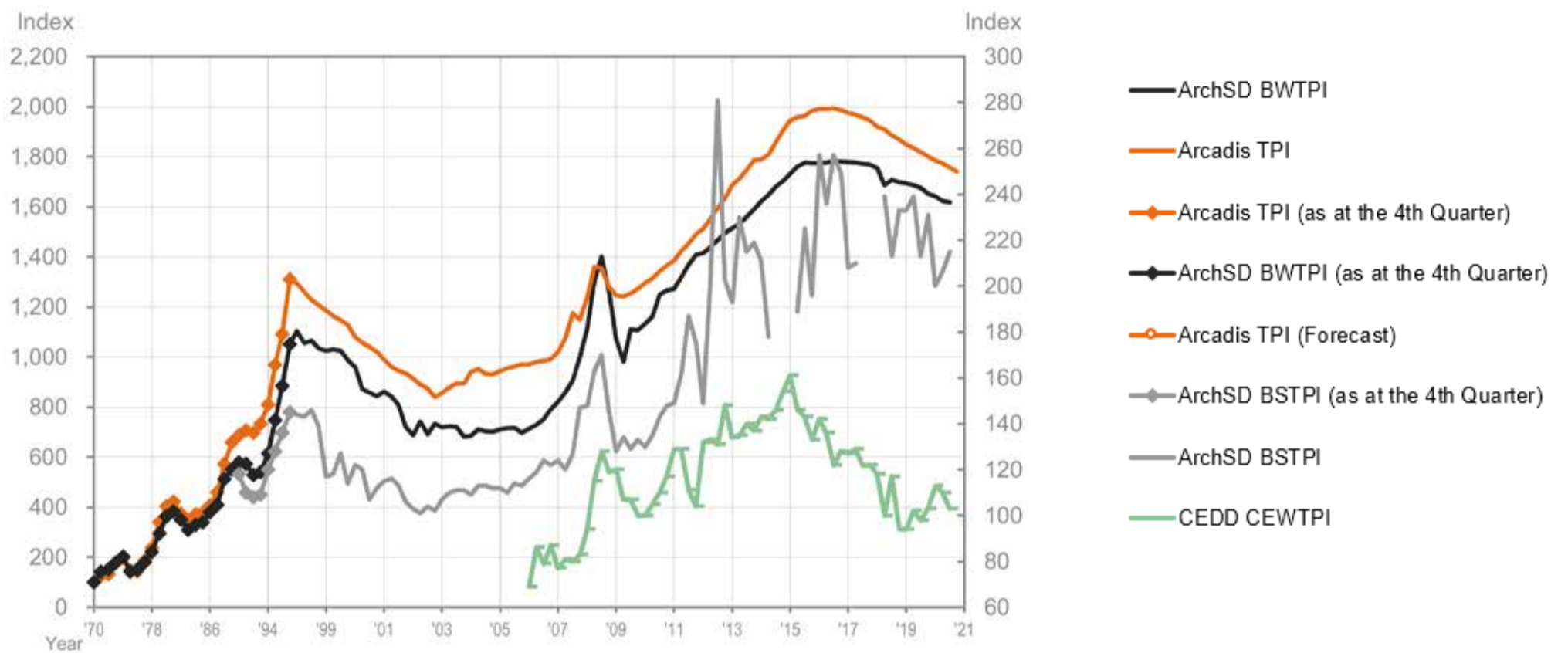


BUILDING & BUILDING SERVICES PRICE INDEX								
Index	(Base Index: May 2006 = 100)							
	High-Rise Residential				High-Rise Office			
Month / Year	2017	2018	2019	2020	2017	2018	2019	2020
January	165.9	173.8	187.5	189.8	160.0	167.2	182.4	185.5
February	166.1	171.7	187.2	189.4	160.2	165.1	182.0	185.2
March	166.7	170.5	187.5	185.0	160.7	163.9	182.1	180.8
April	165.1	168.3	187.2	182.7	160.3	161.5	181.9	178.3
May	164.8	169.9	185.5	183.8	159.2	163.1	180.1	179.3
June	166.1	171.1	185.7	184.1	160.6	164.7	180.2	179.7
July	167.1	175.6	186.1	184.6	161.5	169.3	180.6	180.1
August	168.3	183.9	184.9	186.0	162.3	177.7	179.4	181.7
September	170.4	184.4	184.8	185.3	164.0	178.3	179.3	181.2
October	169.7	187.0	185.7	186.8	163.3	180.9	180.8	182.8
November	171.6	193.5	192.8	190.8	165.1	188.4	188.1	186.8
December	177.5	190.7	193.4	193.4	170.9	185.4	189.0	189.4

Source : Housing and Construction Bureau of Shenzhen

# \$ 4 TENDER PRICE INDEX

## HONG KONG



Quarter/Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>ArchSD BWTPI (Base = 100, at Year 1970)</b>										
1 <sup>st</sup> Quarter	1273	1414	1516	1621	1732	1775	1779	1755	1695	1641
2 <sup>nd</sup> Quarter	1320	1438	1532	1648	1761	1776	1776	1727	1686	1623
3 <sup>rd</sup> Quarter	1369	1467	1559	1679	1777	1783	1773	1708	1675	1618
4 <sup>th</sup> Quarter	1408	1496	1590	1703	1775	1781	1768	1698	1652	
<b>ArchSD BSTPI (Base = 100, at Year 1989)</b>										
1 <sup>st</sup> Quarter	149	149	193	211	(N/A)	257	208	(N/A)	233	200
2 <sup>nd</sup> Quarter	162	200	230	178	189	236	210	258	239	206
3 <sup>rd</sup> Quarter	187	281	215	(N/A)	225	257	(N/A)	247	213	215
4 <sup>th</sup> Quarter	175	203	219	(N/A)	196	249	287	233	231	
<b>Arcadis TPI (Base = 100, at Year 1970)</b>										
1 <sup>st</sup> Quarter	1385	1511	1688	1789	1946	1992	1975	1920	1848	1785
2 <sup>nd</sup> Quarter	1425	1552	1713	1808	1958	1992	1968	1910	1835	1775
3 <sup>rd</sup> Quarter	1452	1595	1747	1857	1963	1993	1957	1885	1818	1757
4 <sup>th</sup> Quarter	1491	1632	1786	1903	1984	1986	1946	1868	1800	1740
<b>CEWTPI (Base = 100, at Year 2010)</b>										
1 <sup>st</sup> Quarter	129	132	134	143	161	142	127	118	94	113
2 <sup>nd</sup> Quarter	129	133	135	142	146	136	129	100	102	110
3 <sup>rd</sup> Quarter	111	131	140	146	143	122	122	117	98	103*
4 <sup>th</sup> Quarter	104	148	137	154	133	128	122	94	103	

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

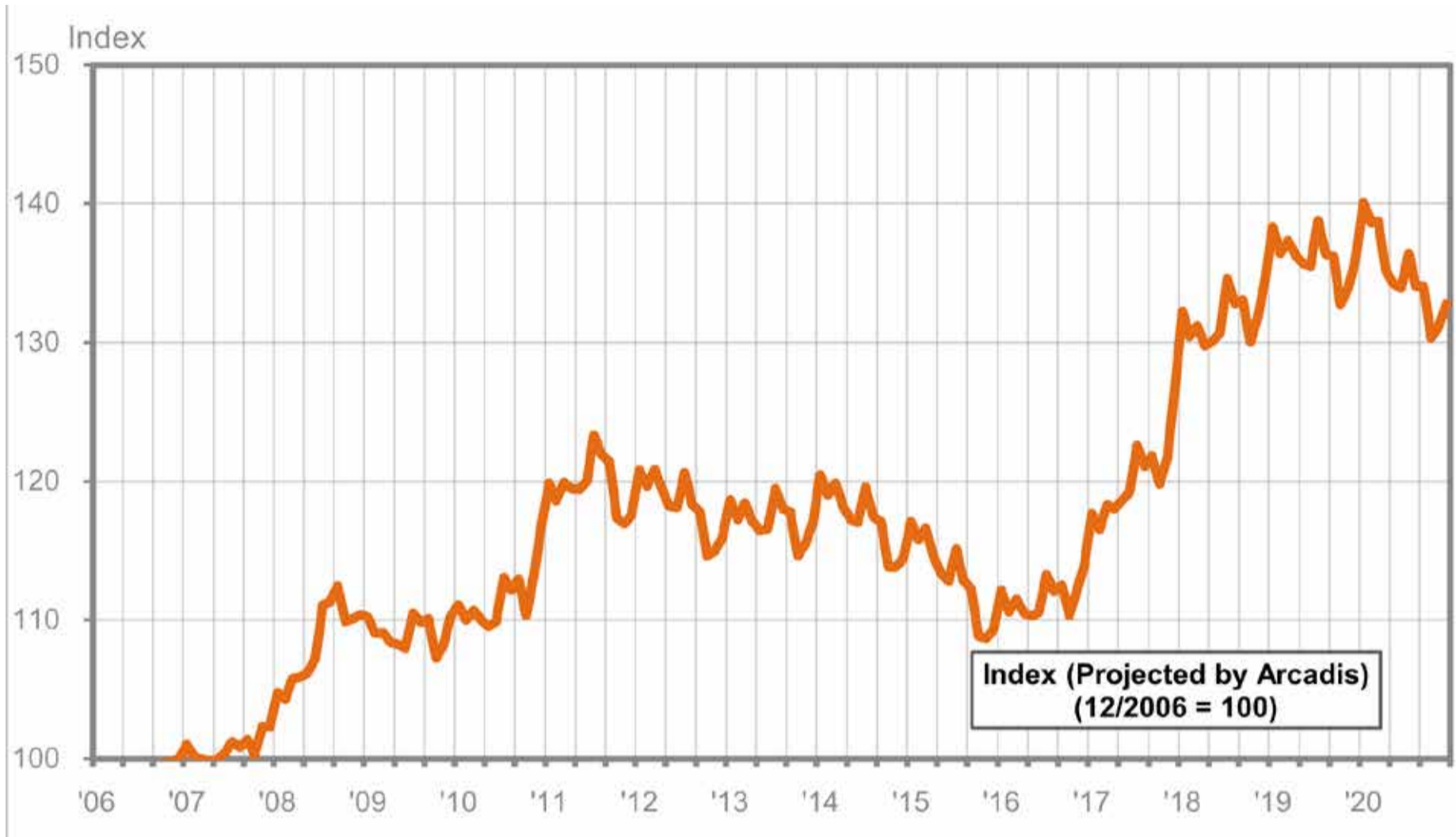
### Notes :

- [\*] 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)			
	2017	2018	2019	2020	2017	2018	2019	2020
Month / Year								
January	104.9	112.4	104.6	101.3	117.6	132.2	138.3	140.1
February	105.4	111.9	104.6	101.6	116.6	130.4	136.4	138.6
March	106.1	110.9	104.7	101.0	118.3	131.2	137.3	138.7
April	106.8	110.0	105.0	99.2	118.0	129.8	136.3	135.2
May	107.5	109.7	104.3	98.9	118.6	130.1	135.7	134.2
June	107.8	109.7	103.6	98.9	119.2	130.7	135.5	134.0
July	108.2	109.8	103.1	98.3	122.6	134.6	138.8	136.4
August	108.0	109.7	102.7	98.3	121.0	132.8	136.4	134.0
September	108.3	109.2	102.4	98.4	121.8	133.0	136.2	134.0
October	108.6	108.5	102.1	98.2	119.8	130.0	132.7	130.3
November	108.6	108.4	101.5	98.0	121.7	131.9	133.9	131.2
December	111.3	106.1	101.2	97.6	126.7	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, ie. the changes between consecutive quarters are not given.

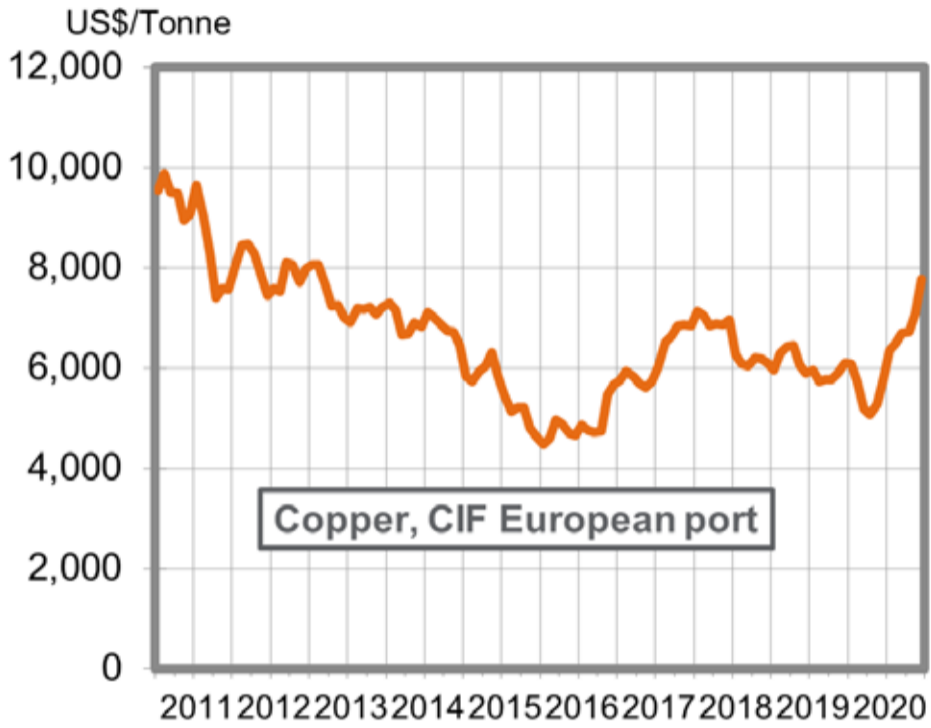
To give an illustration of the price trend over time, Arcadis applies a hypothetical calculation to derive the data table and chart as above. For comparison purpose, December 2006 is referred to as base and the base index as 100.



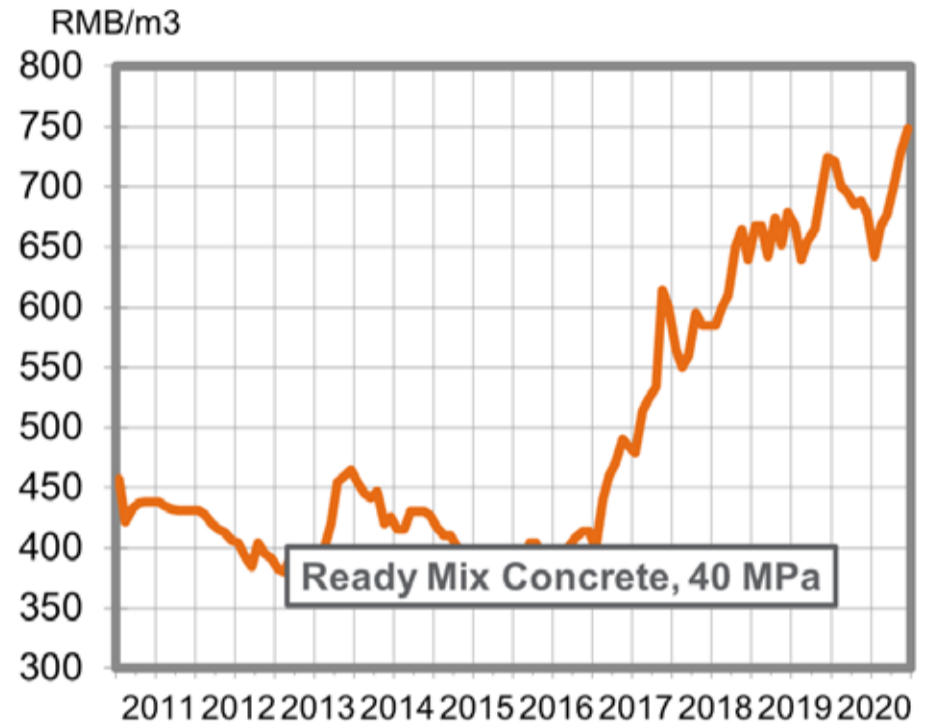


# 5 MATERIALS MAINLAND CHINA

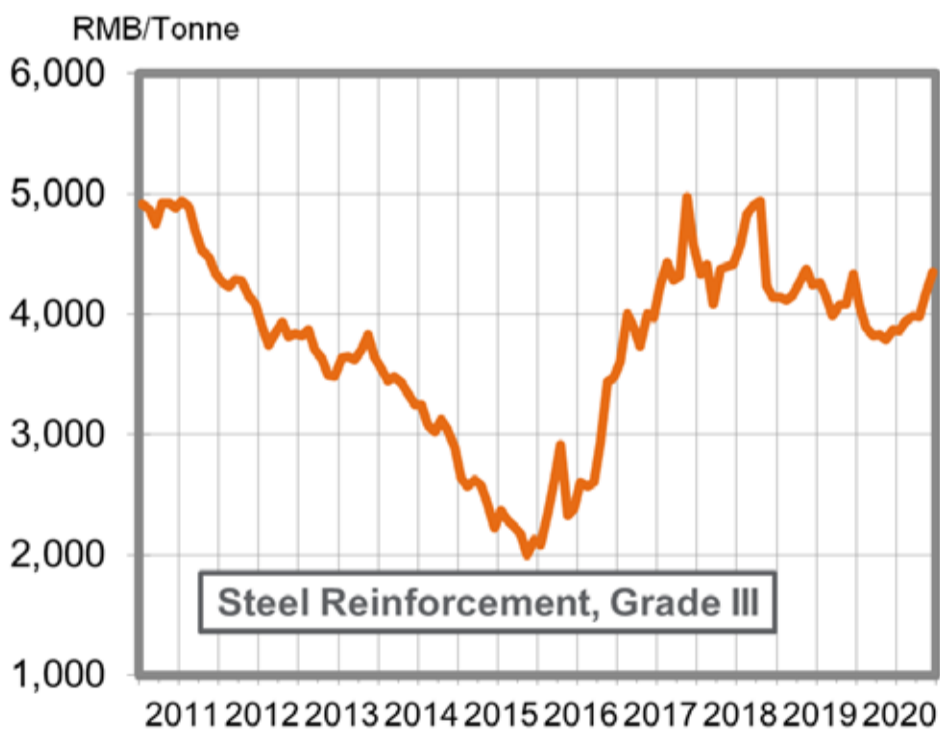
## Basic Construction Materials



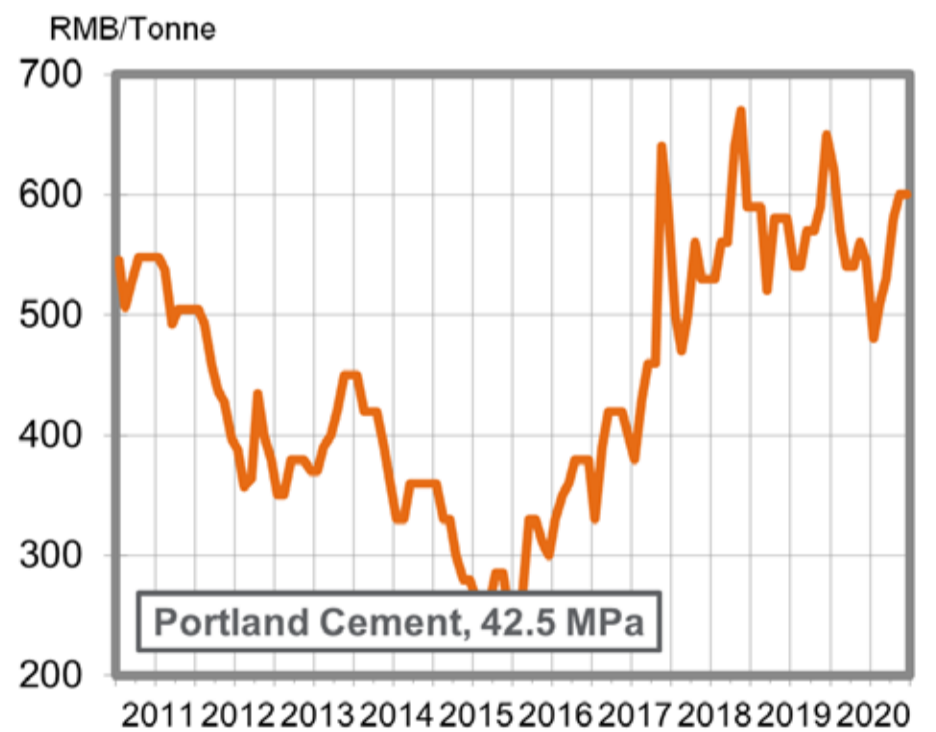
Source : London Metal Exchange



Shanghai Construction & Construction Material Industry Administration Department



Shanghai Construction & Construction Material Industry Administration Department

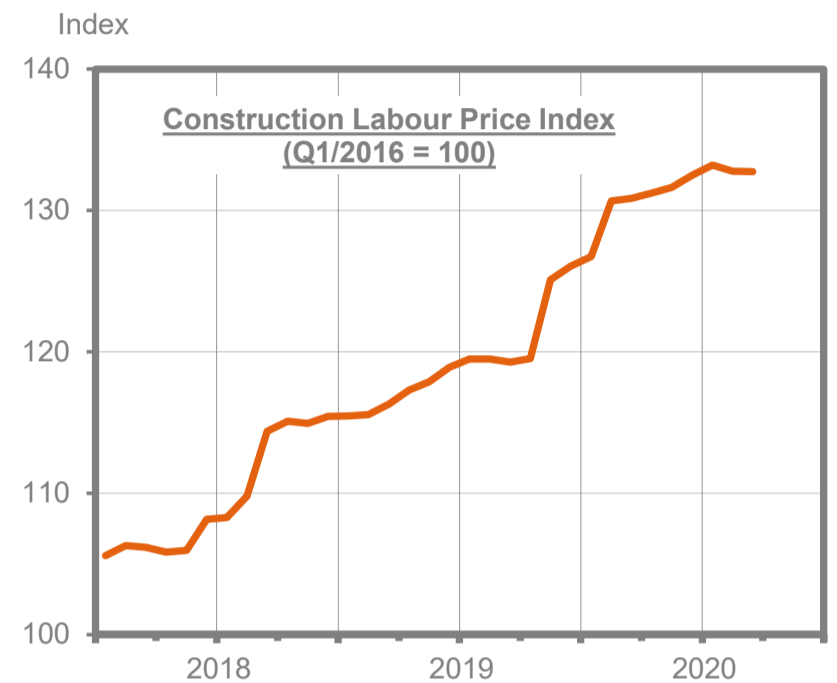


Shanghai Construction & Construction Material Industry Administration Department

# 6 LABOUR

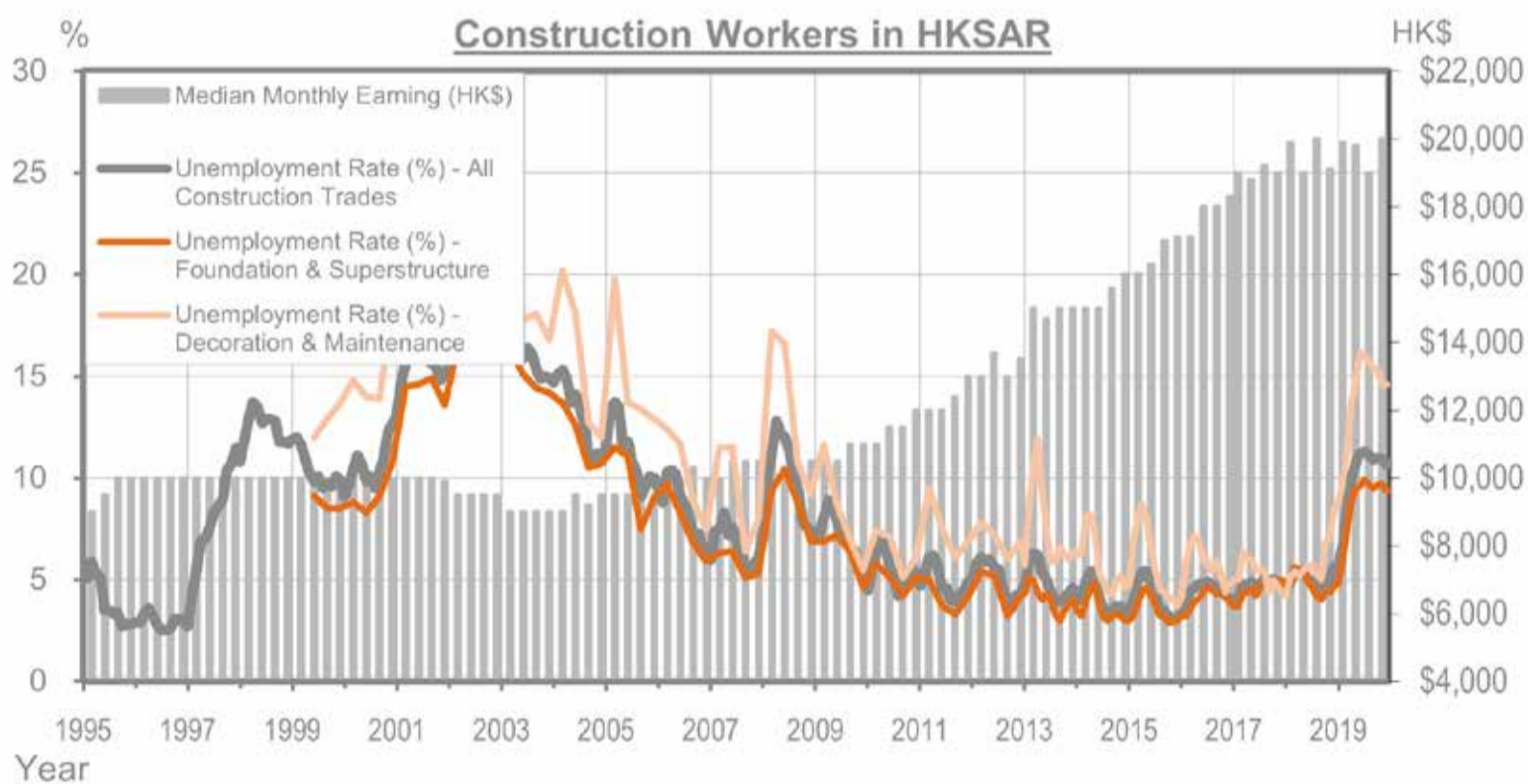
## Mainland China

CONSTRUCTION LABOUR PRICE INDEX (BASED ON SKILLED LABOUR) (BASE INDEX: Q1/2016 = 100)			
Month / Year	2018	2019	2020
January	105.57	115.46	126.74
February	106.28	115.56	130.66
March	106.18	116.30	130.84
April	105.84	117.30	131.23
May	105.96	117.87	131.64
June	108.15	118.89	132.49
July	108.26	119.47	133.22
August	109.78	119.47	132.76
September	114.37	119.28	132.75
October	115.09	119.52	
November	114.93	125.10	
December	115.44	126.04	



Source : Housing and Construction Bureau of Shenzhen

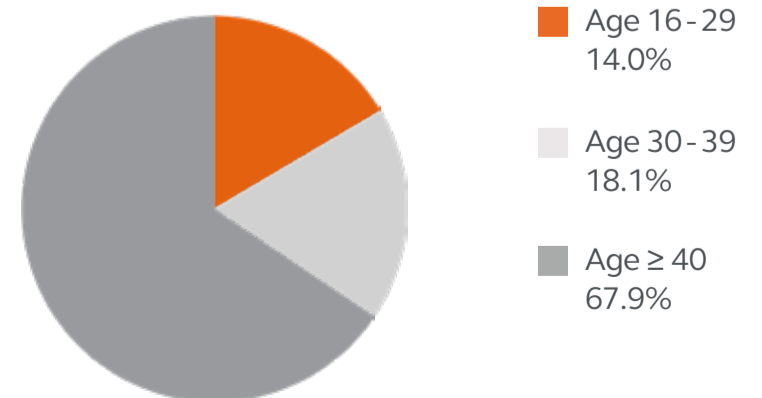
## Hong Kong



Source : Census and Statistics Department

Age Group	No. of Workers Employed by Construction Industry	
Age 16-29	77,373	14.0%
Age 30-39	99,733	18.1%
Age ≥ 40	373,919	67.9%
Total (as at Jan 2021)	551,025	100.0%

Source : Construction Industry Council



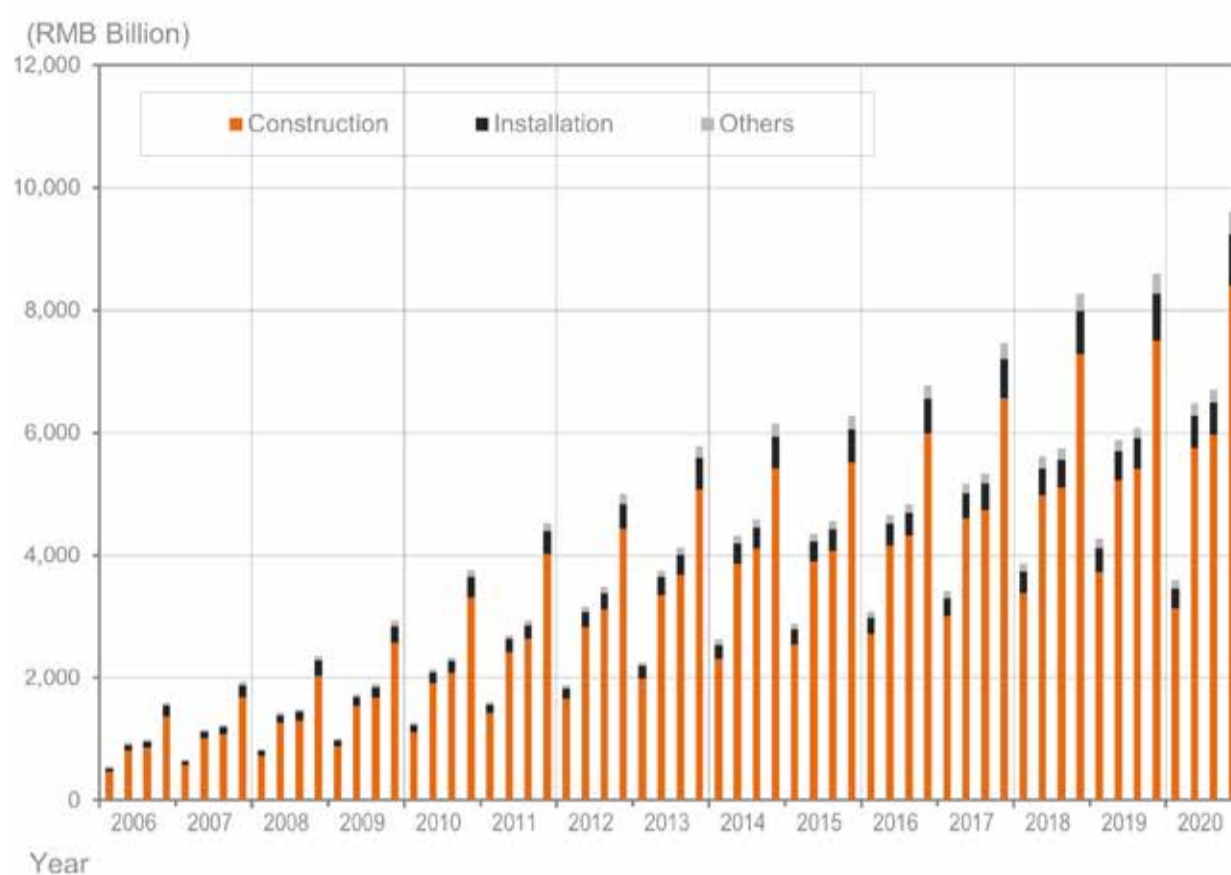
Age Distribution of Workers



# 7

# GROSS VALUE OF CONSTRUCTION WORK PERFORMED

## MAINLAND CHINA



Quarter	Value Performed (RMB Billion)									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>A. Construction</b>										
1 <sup>st</sup> Quarter	1,422	1,661	1,994	2,311	2,544	2,712	3,003	3,382	3,727	3,138
2 <sup>nd</sup> Quarter	2,419	2,826	3,355	3,866	3,899	4,158	4,609	4,985	5,223	5,753
3 <sup>rd</sup> Quarter	2,634	3,111	3,687	4,113	4,068	4,322	4,742	5,106	5,414	5,977
4 <sup>th</sup> Quarter	4,016	4,427	5,078	5,425	5,517	5,994	6,562	7,286	7,502	8,405
Year Total:	10,490	12,025	14,115	15,714	16,028	17,186	18,916	20,759	21,867	23,272
<b>B. Installation</b>										
1 <sup>st</sup> Quarter	141	165	200	230	255	277	303	358	393	326
2 <sup>nd</sup> Quarter	214	251	300	333	331	366	405	438	476	523
3 <sup>rd</sup> Quarter	224	271	322	346	363	374	437	459	498	519
4 <sup>th</sup> Quarter	378	413	514	517	548	561	646	708	768	840
Year Total:	957	1,100	1,336	1,426	1,498	1,578	1,791	1,963	2,135	2,208
<b>C. Others</b>										
1 <sup>st</sup> Quarter	47	57	69	83	91	96	113	129	155	127
2 <sup>nd</sup> Quarter	69	86	100	118	117	138	154	187	186	217
3 <sup>rd</sup> Quarter	77	97	123	126	126	137	160	189	173	213
4 <sup>th</sup> Quarter	133	166	189	205	216	222	262	282	328	357
Year Total:	326	406	481	531	550	593	689	787	843	915
<b>Annual gross value performed (A + B + C)</b>										
<b>Total:</b>	<b>11,773</b>	<b>13,530</b>	<b>15,931</b>	<b>17,671</b>	<b>18,076</b>	<b>19,357</b>	<b>21,396</b>	<b>23,509</b>	<b>24,845</b>	<b>26,395</b>

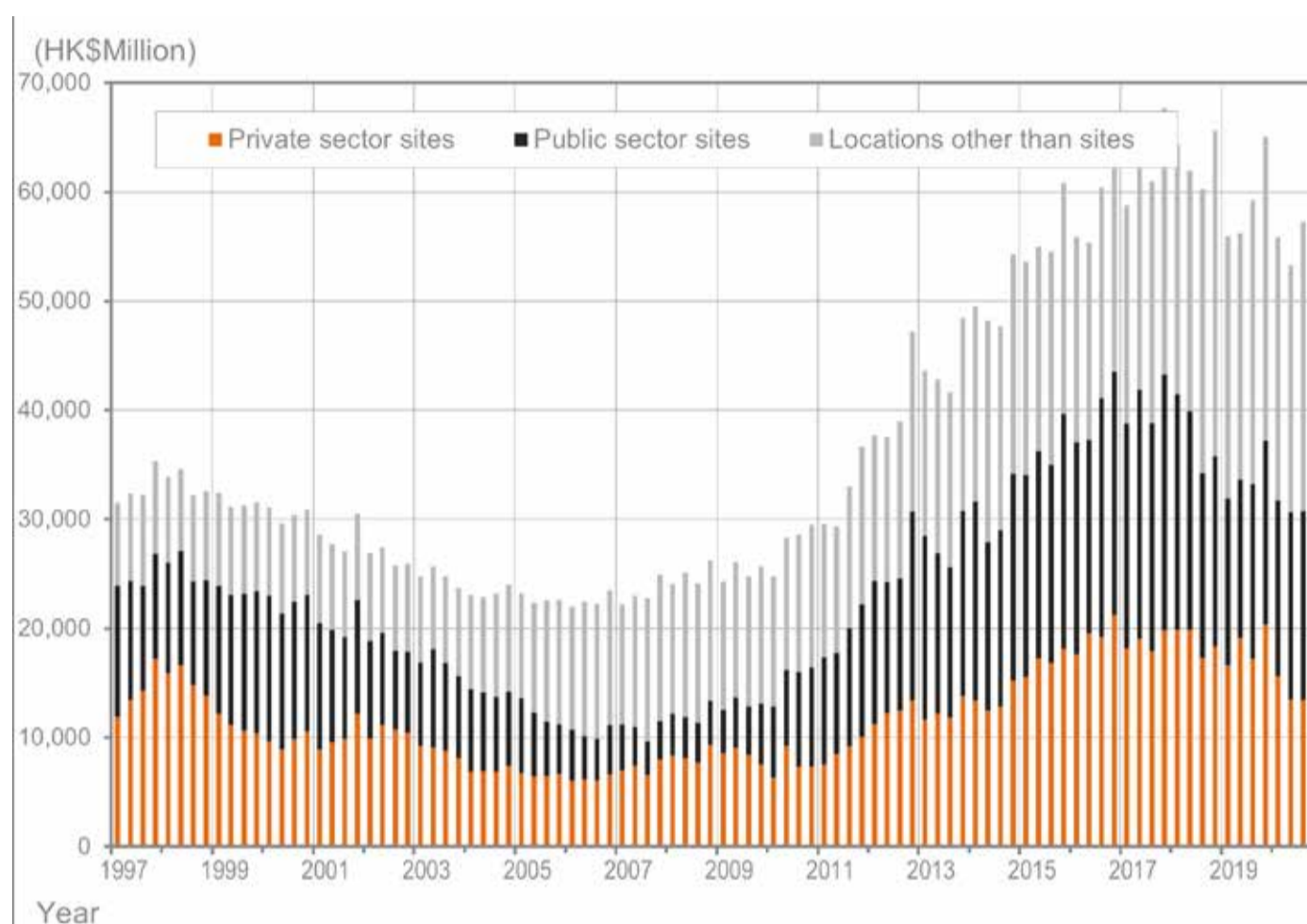
Source : National Bureau of Statistics of China

### 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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>A. Private sector sites</b>										
1 <sup>st</sup> Quarter	7,529	11,209	11,675	13,395	15,528	17,652	18,150	19,918	16,583	15,647
2 <sup>nd</sup> Quarter	8,458	12,260	12,176	12,507	17,284	19,530	19,070	19,925	19,112	13,867
3 <sup>rd</sup> Quarter	9,192	12,481	11,848	12,792	16,849	19,252	17,912	17,340	17,199	13,426*
4 <sup>th</sup> Quarter	10,102	13,411	13,781	15,259	18,119	21,231	19,813	18,369	20,393	
Year Total:	35,281	49,361	49,480	53,953	67,780	77,665	74,945	75,552	73,287	42,940*
<b>B. Public sector sites</b>										
1 <sup>st</sup> Quarter	9,880	13,168	16,829	18,258	18,531	19,414	20,639	21,533	15,338	16,083
2 <sup>nd</sup> Quarter	9,263	12,023	14,690	15,397	18,964	17,780	22,827	20,002	14,512	16,631
3 <sup>rd</sup> Quarter	10,814	12,137	13,792	16,253	18,163	21,878	20,934	16,888	16,022	17,367*
4 <sup>th</sup> Quarter	12,113	17,332	16,976	18,915	21,585	22,295	23,455	17,433	16,825	
Year Total:	42,070	54,660	62,287	68,823	77,243	81,367	87,855	75,856	62,697	50,081*
<b>C. Location other than sites</b>										
1 <sup>st</sup> Quarter	12,172	13,347	15,140	17,909	19,549	18,809	19,963	22,871	24,032	24,126
2 <sup>nd</sup> Quarter	11,620	13,245	15,914	20,327	18,744	18,041	20,657	22,073	22,592	25,410
3 <sup>rd</sup> Quarter	12,953	14,358	16,038	18,636	19,520	19,274	22,093	26,027	25,992	26,472*
4 <sup>th</sup> Quarter	14,439	16,479	17,716	20,088	21,111	21,333	24,406	29,797	27,839	
Year Total:	51,184	57,429	64,808	76,960	78,924	77,457	87,119	100,768	100,455	76,008*
<b>Annual gross value performed (A + B + C)</b>										
<b>Total:</b>	<b>128,535</b>	<b>161,450</b>	<b>176,575</b>	<b>199,736</b>	<b>223,947</b>	<b>236,489</b>	<b>249,919</b>	<b>252,176</b>	<b>236,439</b>	<b>169,029*</b>

\*Provisional

Source : Census and Statistics Department, Hong Kong SAR



# 9 APPROXIMATE BUILDING COSTS FOR MAJOR CITIES

## ASIA

BUILDING TYPE	Shanghai	Beijing	Guangzhou/ Shenzhen	Chongqing/ Chengdu
	Q4 / 2020	Q4 / 2020	Q4 / 2020	Q4 / 2020
	RMB/ m2 CFA			
<b>DOMESTIC</b>				
<b>Apartments, high rise, average standard</b>				
- Shell and core	2,960 - 3,375	2,719 - 3,136	2,652 - 2,924	2,631 - 3,063
- Full fit	4,887 - 5,386	4,303 - 4,726	4,138 - 4,554	3,981 - 4,737
<b>Apartments, high rise, high end</b>				
- Shell and core	3,559 - 3,855	3,240 - 4,700	2,767 - 3,602	3,213 - 4,212
- Full fit	11,035 - 12,027	10,421 - 11,867	6,659 - 7,286	6,445 - 8,124
<b>Terraced houses, average standard</b>				
- Shell and core	3,346 - 3,561	3,139 - 3,666	2,811 - 3,096	3,238 - 3,905
- Full fit	6,752 - 7,352	6,158 - 6,673	6,204 - 7,194	5,498 - 6,501
<b>Detached houses, high end</b>				
- Shell and core	4,873 - 5,386	4,727 - 5,261	3,838 - 4,227	4,252 - 4,883
- Full fit	11,873 - 12,593	11,834 - 12,349	11,900 - 13,523	7,003 - 7,999
<b>OFFICE/COMMERCIAL</b>				
Medium/high rise offices, average standard	6,208 - 8,206	6,019 - 8,105	5,782 - 6,442	6,321 - 7,314
High rise offices, prestige quality	8,054 - 11,017	9,781 - 13,312	8,448 - 10,190	7,987 - 10,749
Out-of-town shopping centre, average standard	N/A	4,587 - 6,131	5,570 - 6,112	5,100 - 6,529
Retail malls, high end	8,540 - 11,017	8,296 - 11,418	8,092 - 11,312	7,605 - 10,645
<b>INDUSTRIAL</b>				
Industrial units, shell only (Conventional single storey framed units)	1,933 - 2,363	1,894 - 2,310	2,158 - 2,574	3,106 - 3,911
Owner operated factories, low rise, light weight industry	2,988 - 3,737	3,663 - 4,198	N/A	N/A
<b>HOTELS</b>				
Budget hotels - 3-star, mid market	6,858 - 8,364	6,785 - 8,362	7,326 - 8,059	6,849 - 8,452
Business hotels - 4/5-star	11,049 - 14,963	11,345 - 14,975	11,840 - 16,903	12,324 - 15,385
Luxury hotels - 5-star	14,942 - 17,864	14,441 - 18,586	16,097 - 17,741	15,183 - 18,188
<b>OTHERS</b>				
Underground/basement car parks (<3 levels)	5,124 - 7,143	5,240 - 5,762	3,821 - 6,098	3,016 - 4,238
Multi storey car parks, above ground (<4 levels)	2,626 - 3,666	3,155 - 3,188	2,726 - 3,010	2,399 - 2,961
Schools (primary and secondary)	3,916 - 4,943*	3,650 - 4,712*	3,029 - 3,333*	3,190 - 3,530*
Students' residences	2,867 - 3,909	2,581 - 3,650	1,914 - 2,112	2,224 - 3,234
Sports clubs, multi purpose sports/leisure centres (dry sports) with a/c and including FF&E	6,606 - 8,112	6,250 - 6,303	5,280 - 5,808	5,049 - 5,557
General hospitals - public sector	10,092 - 13,013	8,217 - 10,289	7,999 - 9,999	8,085 - 10,098

The above costs are at 4th Quarter 2020 levels.



# 9 APPROXIMATE BUILDING COSTS FOR MAJOR CITIES

## ASIA

BUILDING TYPE	Hong Kong	Macau	Singapore	Kuala Lumpur
	Q4 / 2020	Q4 / 2020	Q4 / 2020	Q4 / 2020
	USD/ m2 CFA (See also exchange rates per U.S. dollar below)			
	HK\$ 7.75	MOP 7.980	S\$ 1.36	RM 4.11
<b>DOMESTIC</b>				
<b>Apartments, high rise, average standard</b>				
- Shell and core	N/A	1,793 - 2,657	N/A	N/A
- Full fit	2,990 - 3,460	2,308 - 2,823	1,360 - 1,505	305 - 590 \$
<b>Apartments, high rise, high end</b>				
- Shell and core	N/A	2,657 - 3,984	N/A	N/A
- Full fit	3,870 - 4,520	3,223 - 4,926	2,095 - 3,090	710 - 1,410
<b>Terraced houses, average standard</b>				
- Shell and core	N/A	3,147 - 3,908	N/A	N/A
- Full fit	4,080 - 4,720	3,934 - 4,694	1,765 - 1,950	220 - 350 \$\$
<b>Detached houses, high end</b>				
- Shell and core	N/A	3,804 - 5,480	N/A	N/A
- Full fit	5,970 up	4,798 - 6,242	2,245 - 2,940	740 - 1,000
<b>OFFICE/COMMERCIAL</b>				
Medium/high rise offices, average standard	2,950 - 3,390&	2,657 - 3,430	1,765 - 1,950@	580 - 755 \$\$\$
High rise offices, prestige quality	3,540 - 4,080	3,430 - 3,753	1,985 - 2,130@	900 - 1,280 \$\$\$\$
Out-of-town shopping centre, average standard	2,930 - 3,430	2,502 - 3,753	1,985 - 2,060	545 - 725
Retail malls, high end	3,790 - 4,520	3,934 - 4,746	2,095 - 2,280	680 - 1,015
<b>INDUSTRIAL</b>				
Industrial units, shell only (Conventional single storey framed units)	N/A	N/A	770 - 940	320 - 440
Owner operated factories, low rise, light weight industry	2,270 - 2,850	N/A	N/A	430 - 530
<b>HOTELS</b>				
Budget hotels - 3-star, mid market	3,750 - 4,000	3,495 - 3,959	2,205 - 2,390	1,015 - 1,420
Business hotels - 4/5-star	3,880 - 4,530	4,746 - 5,673	2,830 - 3,160	1,340 - 2,210
Luxury hotels - 5-star	4,530 - 5,210	5,673 - 6,706	2,830 - 3,160	1,935 - 2,475
<b>OTHERS</b>				
Underground/basement car parks (<3 levels)	3,200 - 3,830	2,076 - 3,044	955 - 1,270	310 - 540
Multi storey car parks, above ground (<4 levels)	1,910 - 2,270	1,148 - 1,509	660 - 940@@	220 - 350
Schools (primary and secondary)	2,490 - 2,680*	2,295 - 2,657	N/A	250 - 315 \$\$\$\$\$
Students' residences	2,850 - 3,210	1,818 - 2,115	1,620 - 1,730	295 - 370 \$\$\$\$\$\$
Sports clubs, multi purpose sports/leisure centres (dry sports) with a/c and including FF&E	3,740 - 4,270	N/A	2,020 - 2,130	595 - 740
General hospitals - public sector	4,750 - 5,280	N/A	2,830 - 2,940	850 - 1,170

Singapore: Rates are nett of GST.  
The above costs are at 4th Quarter 2020 levels.



# 9 APPROXIMATE BUILDING COSTS FOR MAJOR CITIES

## ASIA

BUILDING TYPE	Bangkok	Bangalore	Manila	Ho Chi Minh
	Q4 / 2020	Q4 / 2020	Q4 / 2020	Q4 / 2020
	USD/ m2 CFA (See also exchange rates per U.S. dollar below)			
	BAHT 30.28	INR 74.39	PHP 48.94	VND 23,500
<b>DOMESTIC</b>				
<b>Apartments, high rise, average standard</b>				
- Shell and core	578 - 743	520 - 580	N/A	N/A
- Full fit	800 - 947	585 - 665	1,009 - 1,422	638 - 791
<b>Apartments, high rise, high end</b>				
- Shell and core	677 - 875	765 - 910	N/A	N/A
- Full fit	1,066 - 1,312	880 - 1,060	1,363 - 2,590	812 - 931
<b>Terraced houses, average standard</b>				
- Shell and core	330 - 429	345 - 375	N/A	N/A
- Full fit	500 - 614	405 - 425	983 - 1,203	430 - 505
<b>Detached houses, high end</b>				
- Shell and core	578 - 826	460 - 490	N/A	N/A
- Full fit	866 - 1,046	530 - 560	1,909 - 3,237	491 - 599
<b>OFFICE/COMMERCIAL</b>				
Medium/high rise offices, average standard	800 - 947	460 - 500	999 - 1,236	746 - 864
High rise offices, prestige quality	999 - 1,279	580 - 610	1,446 - 1,823	861 - 1,173
Out-of-town shopping centre, average standard	683 - 880	450 - 490	849 - 1,058	N/A
Retail malls, high end	916 - 963	630 - 675	1,160 - 1,626	697 - 913
<b>INDUSTRIAL</b>				
Industrial units, shell only (Conventional single storey framed units)	533 - 664	365 - 420	566 - 633	306 - 386
Owner operated factories, low rise, light weight industry	N/A	385 - 450	761 - 951	347 - 457
<b>HOTELS</b>				
Budget hotels - 3-star, mid market	1,249 - 1,378	865 - 960	1,269 - 1,415	1,384 - 1,694
Business hotels - 4/5-star	1,599 - 1,827	1,350 - 1,600	1,430 - 2,389	N/A
Luxury hotels - 5-star	1,866 - 2,159	1,705 - 1,870	1,965 - 3,783	1,748 - 2,098
<b>OTHERS</b>				
Underground/basement car parks (<3 levels)	600 - 797	295 - 320	594 - 783	633 - 756
Multi storey car parks, above ground (<4 levels)	200 - 325	245 - 265	504 - 725	407 - 447
Schools (primary and secondary)	N/A	305 - 340	744 - 1,026	535 - 584
Students' residences	N/A	335 - 370	787 - 1,010	535 - 687
Sports clubs, multi purpose sports/leisure centres (dry sports) with a/c and including FF&E	N/A	620 - 650	1,259 - 1,831	791 - 846
General hospitals - public sector	N/A	675 - 740	1,512 - 1,753	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 4th Quarter 2020 levels.



# 9 APPROXIMATE BUILDING COSTS FOR MAJOR CITIES

## ASIA

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

### Notes :

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





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