

Quarterly Construction Cost Review

China and Hong Kong

2024 | Q2

Arcadis Hong Kong Limited



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China and Hong Kong Market Overview



Based on the Buildings Department Monthly Digest, in June 2024, there were no notifications for the commencement of private domestic building works for the first time in two years. This also marks the first time in two decades that there have been no notifications for private non-domestic building works. Compared to the previous quarter, for both domestic and non-domestic projects, commenced works decreased by 4.6%, consented works dropped by 39.0%, and completed works declined by 46.5%.



In the fiscal year 2024/25, the total gross floor area (GFA) of completed land sales up to July is 16,047 m², which represents only 13% of the total GFA of land sales for the entire fiscal year 2023/24 (122,385 m²). This significant decline suggests a potential slowdown in the land sales market in the region.

Hong Kong has long been one of the cities with the highest construction costs globally, leading Asia in this regard. Since private construction projects account for nearly half of all new builds in Hong Kong, and despite thriving public works, current data indicate a notable cooling-off in overall construction activity.


On a positive note, this may signal a turning point for construction costs, potentially heralding a decline. Stakeholders, particularly the government, have been working diligently to reduce construction costs by implementing various policies and adopting innovative construction technologies. The slowdown in new developments may help ease the burden of material and labour costs, ultimately providing much-needed relief for the industry.

Market movement

Economy

 GDP Growth	Q2/22 - Q2/23 (+) 1.6%	Q1/23 - Q1/24 (+) 2.8%	Q2/23 - Q2/24 (+) 3.3%
 Inflation Rate (CPI)	Jun 22-23 (+) 1.9%	Mar 23-24 (+) 2.0%	Jun 23-24 (+) 1.5%


Construction Output

 Activity Level (Gross output; new + A&A)	Q1/23 HK\$63.221 Bn	Q4/23 HK\$71.147 Bn	Q1/24 HK\$68.711 Bn*
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Basic Costs

 Highways Material Index	Feb - Apr 23 1156.9	Nov 23 - Jan 24 1113.5	Feb - Apr 24 1114.1
 Labour Wages Index	Mar - May 23 155.1	Dec 23 - Feb 24 158.1	Mar - May 24 159.1

Construction Cost Trend

 Tender Price Index (Arcadis)	Q2/23 1910	Q1/24 1945	Q2/24 1950
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*Provisional

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



Market Analysis

China

Data from the National Bureau of Statistics showed that in the first quarter of 2024, China's GDP grew by 4.7% Year-on-Year (YoY), among which the construction industry had an increase of 4.8% while real estate had a decrease of 5%. The growth in construction output primarily driven by infrastructure construction and industrial projects.

By the end of Q2 2024, real estate investment and the sales of commercial buildings had declined by 10.1% and 25% Year-on-year, respectively. According to the National Bureau of Statistics, the completed housing construction area decreased by 12% and the new commencement area decreased by 23.7%.

As of the end of Jun, the area of commercial housing for sale is 738.94 million square meters, an increase of 15.2% YoY, of which the residential area for sale has an increase of 23.5%. However, comparing with last quarter, the stock area on the market decreased by 1.3%.

In Q2 2024, construction wages decreased 1% compared to last quarter. Prices of basic construction materials have fluctuated, with rebar and steel decreasing 3.8%, aluminium prices decreasing 1%, copper price increasing 7.3%, concrete price remaining stable, and cement prices increasing 2%. Tender prices slightly decrease around 1% in Q2 2024. Due to the continued downturn in the performance of the real estate industry in China, construction material prices are expected to be stable. Meanwhile, affected by the global economic environment, metal materials prices are anticipated to fall. The construction market price level is anticipated to be flat or slightly downward in the coming quarters.

Hong Kong

Growth in economy of Hong Kong

The real gross domestic product (GDP) increased by 3.3% in Q2 2024, higher than the previous quarter's 2.8% growth. The Consumer Price Index (CPI) increased by 1.3% in Q2 2024, lower than the previous quarter's 1.9% increase. The CPI over the last 12 months ranged from 1.1% to 2.7%, suggesting inflation is well-managed and under control.

Floor area of commenced and completed work

In Q2 2024, the data reveals some noteworthy trends. The total gross floor area of the consented private construction works decreased by 30.6% compared to the previous quarter and 5.3% over the last 12 months. In contrast, the commenced private construction works increased by 37.5% compared to the previous quarter and 22.5% over the last 12 months. The increment in commenced works over the last 12 months are mainly on non-domestic projects.

The completed private construction works showed a 6.7% increase QoQ and a 12.7% increase over the last 12 months compared to the preceding period. The increment in completed works are mainly on non-domestic projects.

Gross value of performed construction work

In Q1 2024, the gross value of performed new-built private works decreased by 6.4% QoQ, while public works increased by 4.1% QoQ. In contrast, the gross value of performed works at "Locations other than Sites" decreased by 8.3% QoQ. The overall performed construction works showed a decrease of 3.4% QoQ. When compared to the preceding 12 month, the gross value of new-built private works increased by 26.4%, while that of public works increased by 2.7%. The gross value of performed works at "Locations other than Sites" also recorded an increase of 1.3%. The overall gross value of performed construction work shows an 8.8% increase.

Cost of materials and labour

During Q2 2024, the Tender Price Index (TPI) recorded a 2.1% YoY increase. Based on the material average wholesale prices published in April 2024, comparing with preceding quarter, steel price decreased by 3.1% QoQ and dropped by 30.1% from its peak in early 2022. In terms of fuel price, diesel fuel experienced a slight increase of 2.0% QoQ and a 7.0% rise YoY. It almost climbed back to its peak in mid-2022. The price of other materials remained stable QoQ. Based on the average daily wages of workers published in May 2024, the construction labour wages index increased slightly by 0.6% compared to the previous quarter. Year-on-year, wages for general worker, concreter, bar bender and fixer, general welder, joiner, plumber, plasterer, painter, and mechanical fitter increased by 7.4%, 9.1%, 2.8%, 6.4%, 2.8%, 1.6%, 2.4%, 5.3%, and 5.5% respectively. However, wages for bricklayer and carpenter decreased by 8.4% and 0.3% respectively.

Approximate Building Costs Hong Kong

Notes:

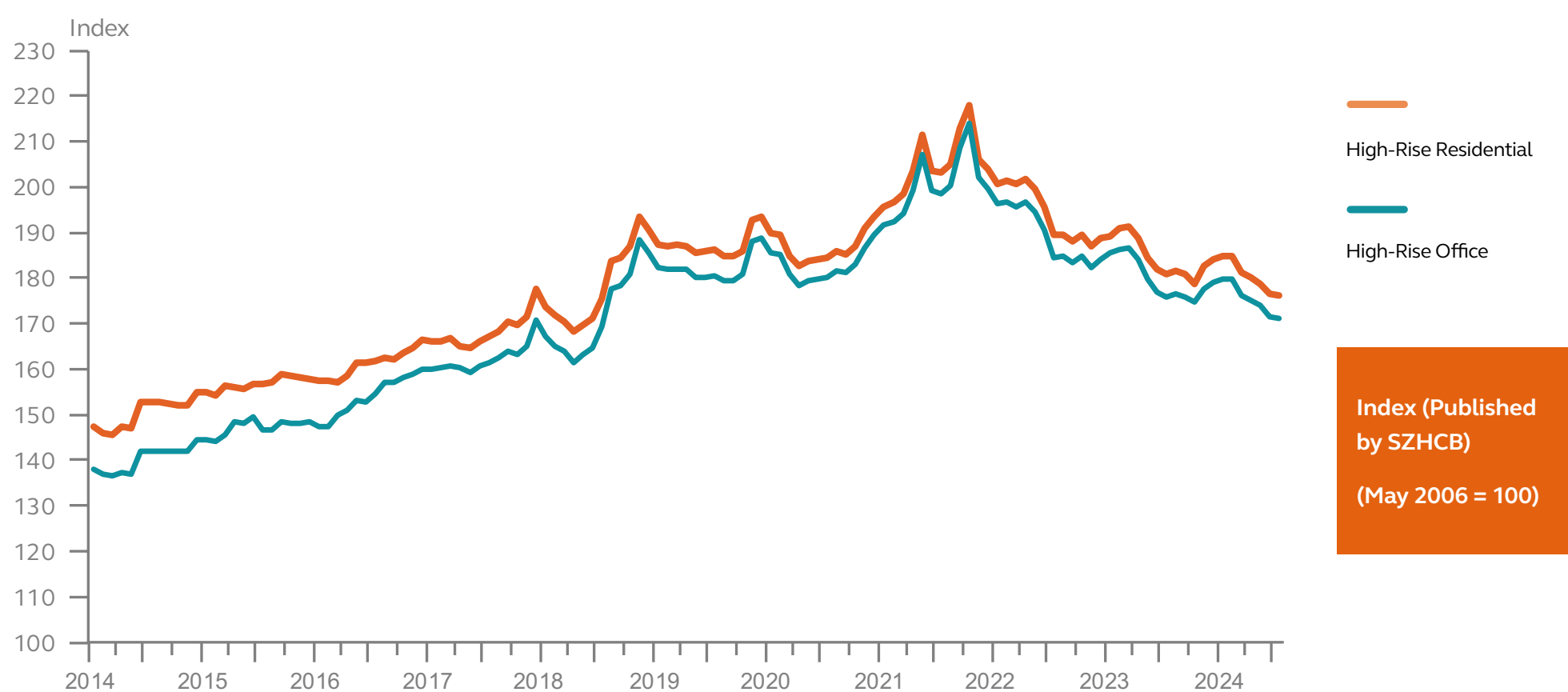
1. The cost for the respective categories given are averages based on fixed price competitive tenders. It must be understood that the actual cost of a building will depend upon the design and many other factors and may vary from the figures shown.
2. The cost per square metre are based on the Construction 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	12,300 - 14,400	Based on Hong Kong Housing Authority Non-standard Cruciform Block design (Rental Housing)
Apartments, high rise, average standard	25,600 - 29,400	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)	28,800 - 33,300	RC structure
Multi storey car parks, above ground (<4 levels)	16,900 - 19,800	RC structure, natural ventilation, no facade enclosure
Schools (primary and secondary)	21,600 - 23,200	Public authority standard including fit-out and a/c, but excluding loose furniture and educational equipment
Students' residences	24,500 - 27,500	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 2nd Quarter 2024 levels.

Building & Building Services Price Index

Mainland China

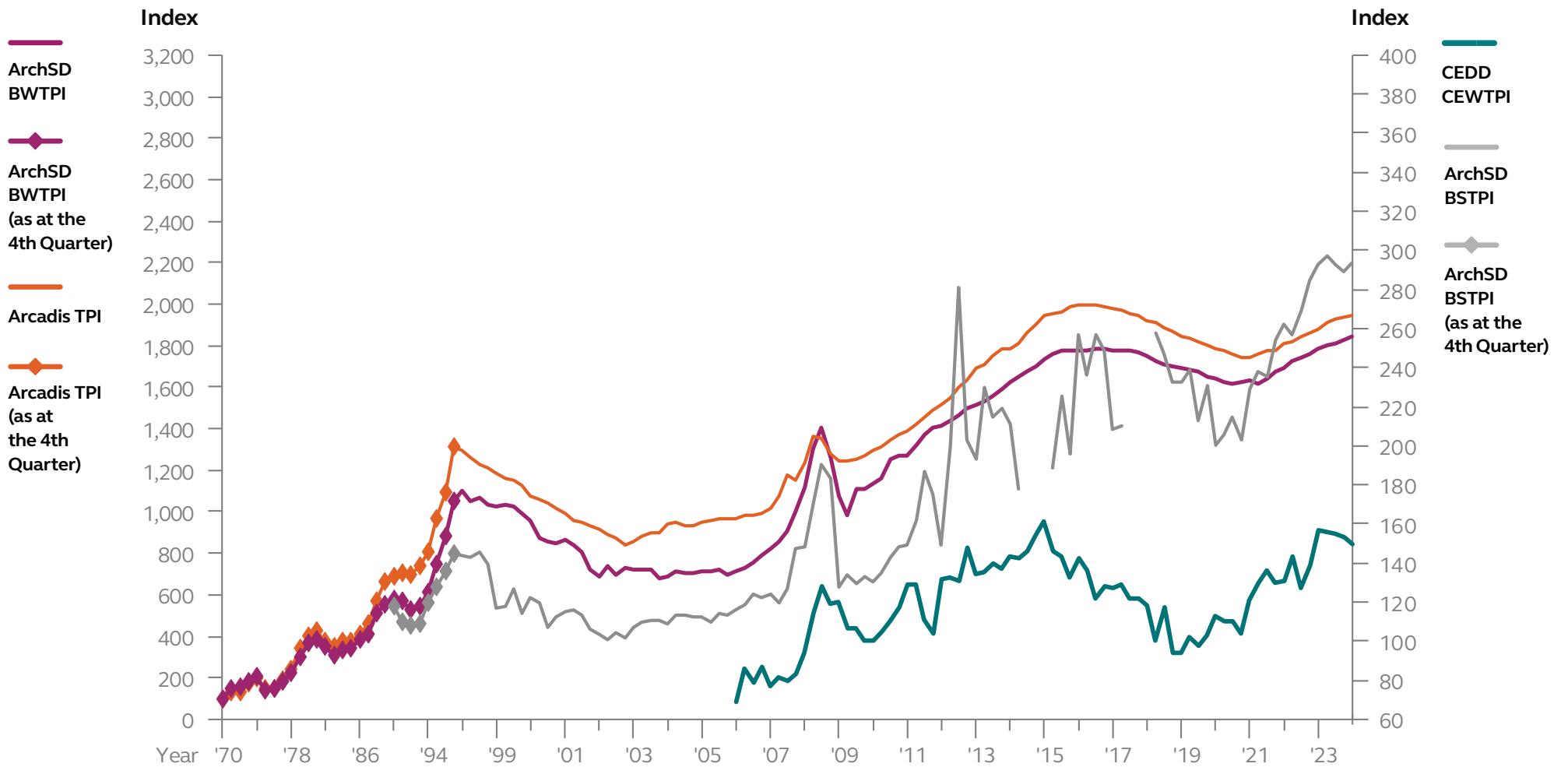


Building & Building Services Price Index												
Index	(Base Index: May 2006 = 100)											
	High-Rise Residential						High-Rise Office					
Month / Year	2019	2020	2021	2022	2023	2024	2019	2020	2021	2022	2023	2024
January	187.5	189.8	195.8	200.8	189.3	184.7	182.4	185.5	191.8	196.3	185.6	179.8
February	187.2	189.4	196.6	201.5	191.1	184.7	182.0	185.2	192.4	196.9	186.4	179.8
March	187.5	185.0	198.5	200.5	191.1	181.2	182.1	180.8	194.3	195.8	186.5	176.3
April	187.2	182.7	203.4	201.6	188.6	180.0	181.9	178.3	199.3	196.7	184.0	175.0
May	185.5	183.8	211.4	199.4	184.5	178.7	180.1	179.3	207.0	194.7	179.7	173.9
June	185.7	184.1	203.5	195.5	181.8	176.6	180.2	179.7	199.1	190.7	176.9	171.6
July	186.1	184.6	203.3	189.6	180.7	176.1	180.6	180.1	198.4	184.6	175.8	171.0
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



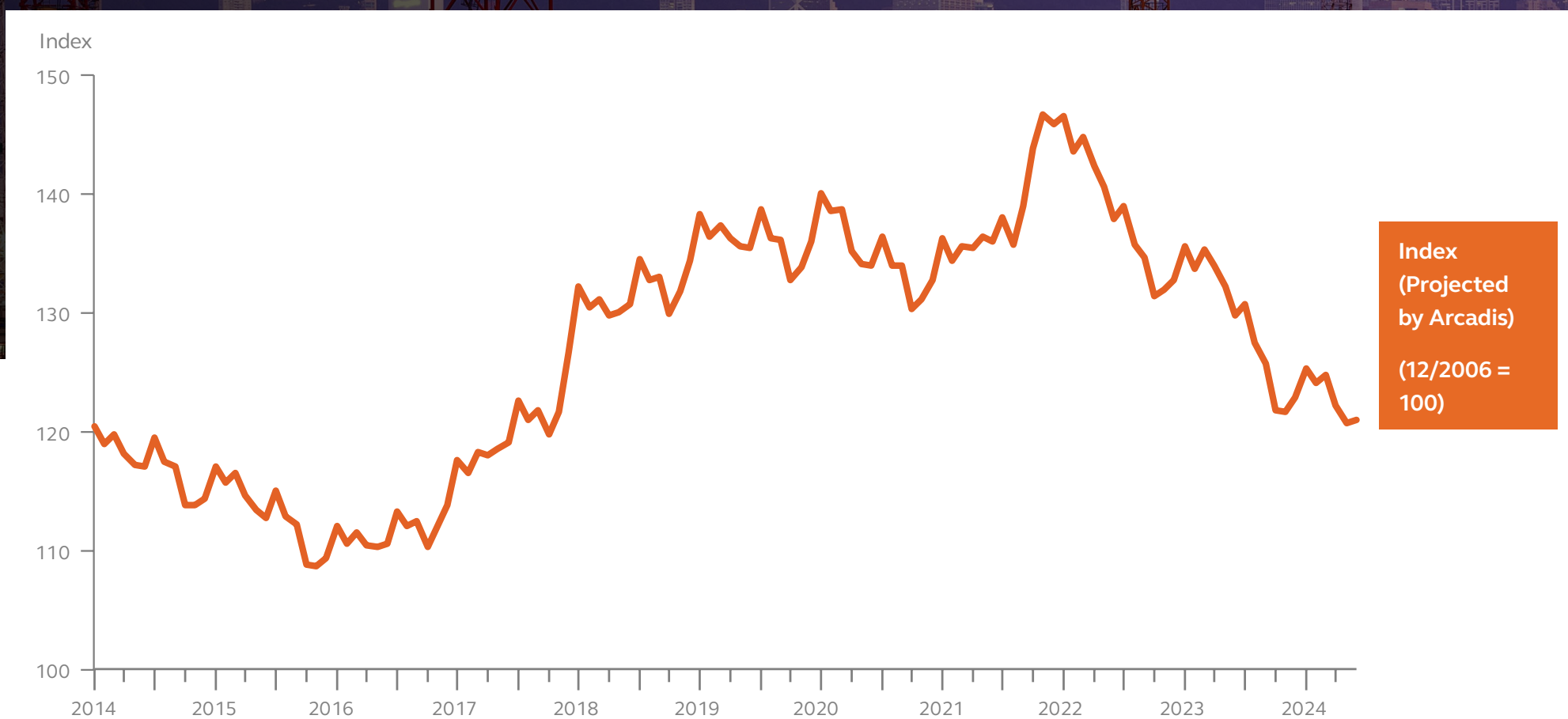
Quarter/Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
ArchSD BWTPI (Base = 100, at Q1 1970)											
Q1	1621	1732	1775	1779	1755	1695	1641	1631	1696	1785	1840
Q2	1648	1761	1776	1776	1727	1686	1623	1620	1726	1806	
Q3	1679	1777	1783	1773	1708	1675	1618	1640	1744	1811	
Q4	1703	1775	1781	1768	1698	1652	1625	1679	1763	1828	
ArchSD BSTPI (Base = 100, at Q4 1989)											
Q1	211	(N/A)	257	208	(N/A)	233	200	229	262	293	294
Q2	178	189	236	210	258	239	206	238	257	297	
Q3	(N/A)	225	257	(N/A)	247	213	215	235	269	293	
Q4	(N/A)	196	249	287	233	231	203	254	285	289	
Arcadis TPI (Base = 100, at Q1 1970)											
Q1	1789	1946	1992	1975	1920	1848	1785	1740	1810	1882	1945
Q2	1808	1958	1992	1968	1910	1835	1775	1760	1820	1910	1950
Q3	1857	1963	1993	1957	1885	1818	1757	1780	1840	1925	
Q4	1903	1984	1986	1946	1868	1800	1740	1780	1860	1935	
CEWTPI (Base = 100, at Q1 2010)											
Q1	143	161	142	127	118	94	113	121	131	157	150*
Q2	142	146	136	129	100	102	110	130	143	156	
Q3	146	143	122	122	117	98	110	136	127	155	
Q4	154	133	128	122	94	103	104	130	139	155*	

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 2014 and onwards are given in detail, whereas indices between year 1970 to 1997 are shown with their 4th Quarter figures.

Materials Mainland China



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	2024	2019	2020	2021	2022	2023	2024
January	104.6	101.3	97.3	107.5	92.5	92.5	138.3	140.1	136.3	146.6	135.6	125.4
February	104.6	101.6	97.0	106.8	93.1	92.8	136.4	138.6	134.5	143.6	133.7	124.1
March	104.7	101.0	97.8	106.7	93.5	92.2	137.3	138.7	135.7	144.8	135.3	124.8
April	105.0	99.2	100.2	105.1	94.1	91.2	136.3	135.2	135.5	142.4	134.0	122.2
May	104.3	98.9	101.7	103.0	94.1	91.3	135.7	134.2	136.5	140.6	132.3	120.8
June	103.6	98.9	101.5	101.4	94.1	93.3	135.5	134.0	136.0	137.9	129.7	121.1
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

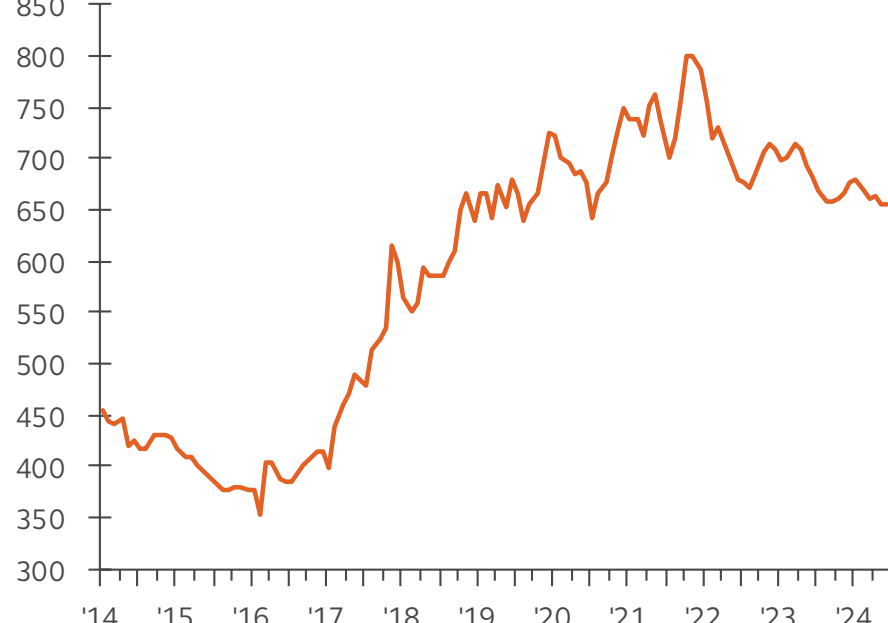
US\$/Tonne



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

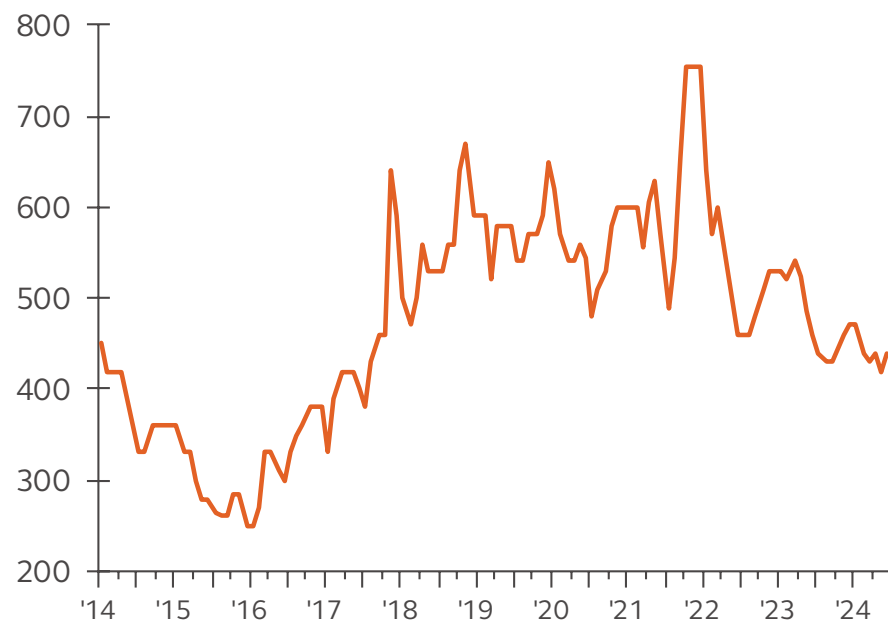
RMB/Tonne



Shanghai Municipal Management Commission of Housing and Urban-Rural Development

Portland Cement, 42.5 MPa

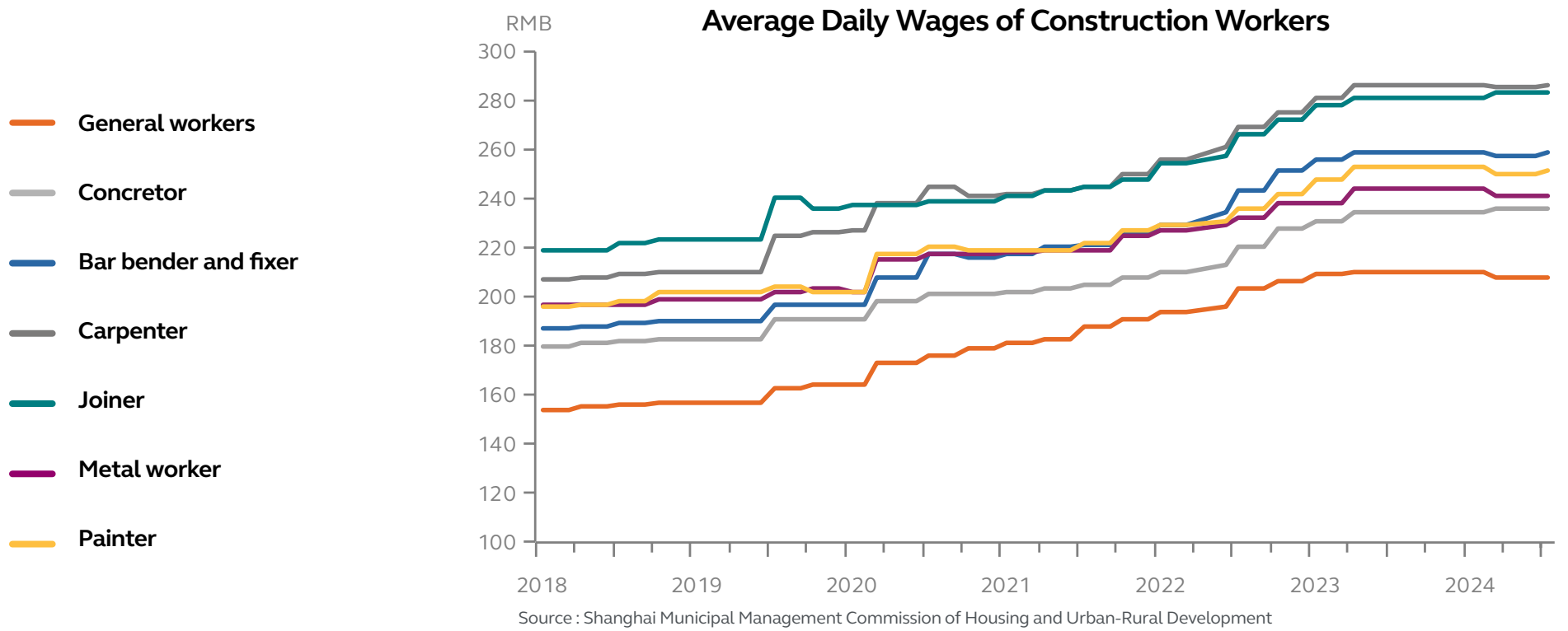
RMB/Tonne



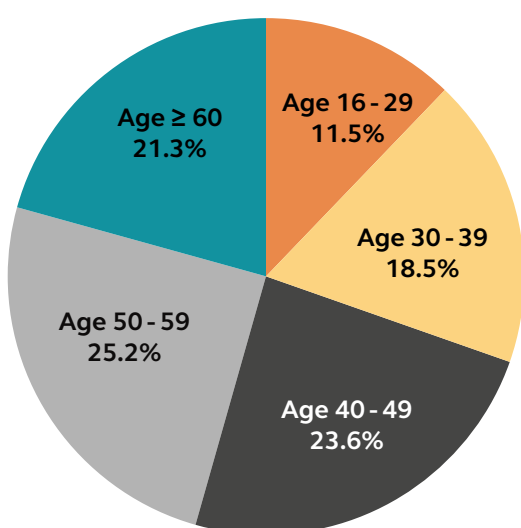
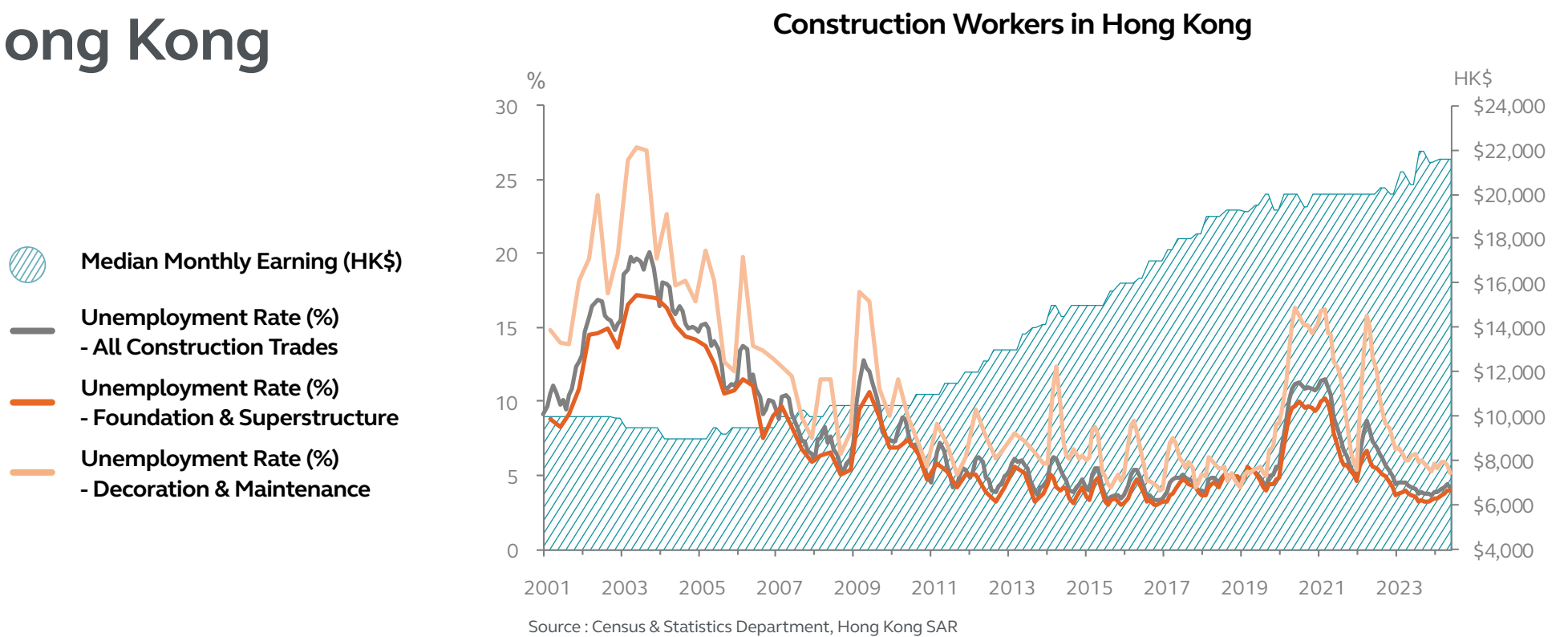
Shanghai Municipal Management Commission of Housing and Urban-Rural Development

Labour

Mainland China



Hong Kong

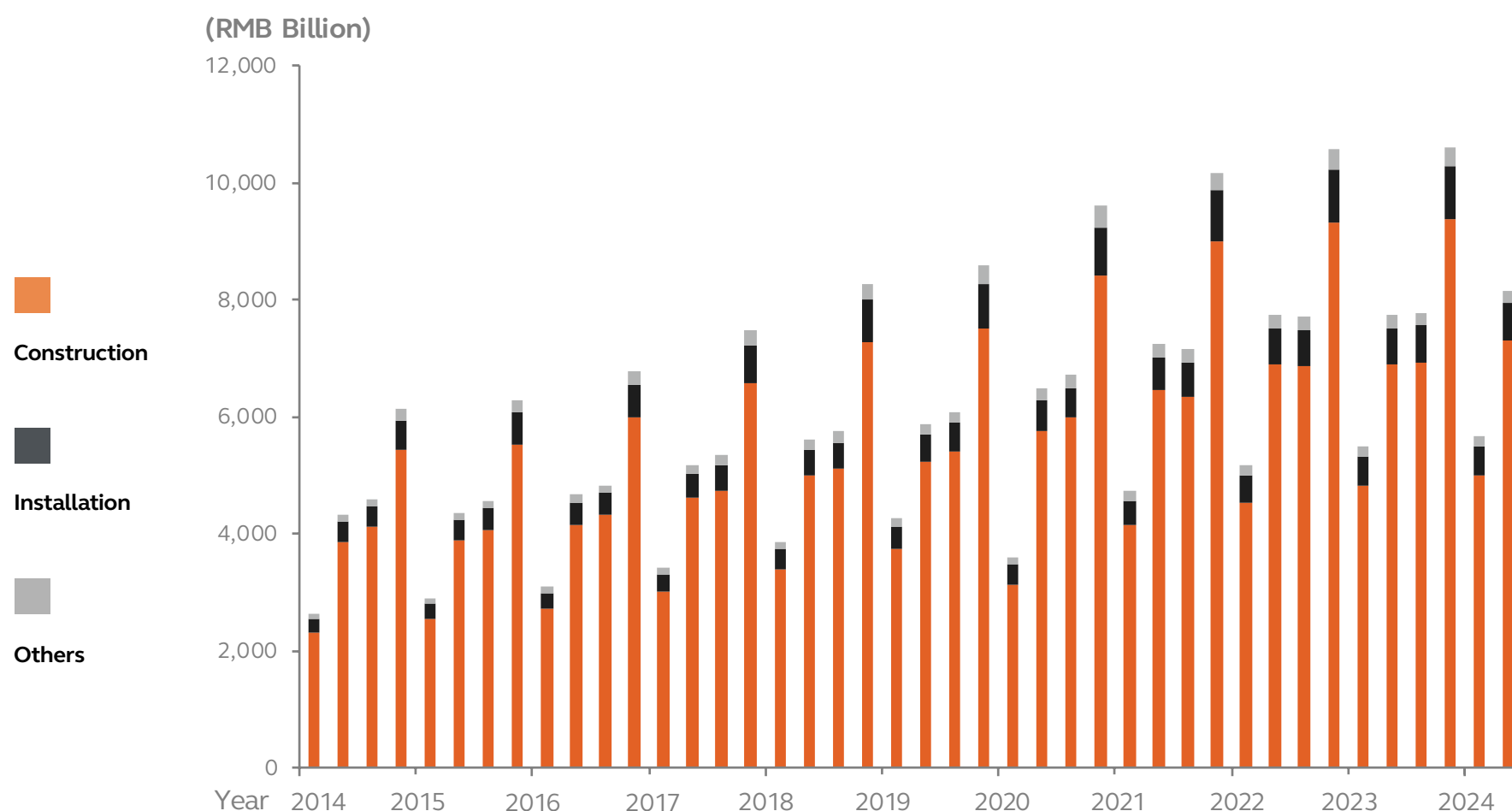


Age Distribution of Workers

Age Group	No. of Workers Employed by Construction Industry	
Age 16 - 29	74,914	11.5%
Age 30 - 39	121,082	18.5%
Age 40 - 49	154,031	23.6%
Age 50 - 59	164,846	25.2%
Age ≥ 60	139,131	21.3%
Total (as at June 2024) :	654,004	100.0%

Source: Construction Industry Council

Gross Value of Construction Work Performed – Mainland China



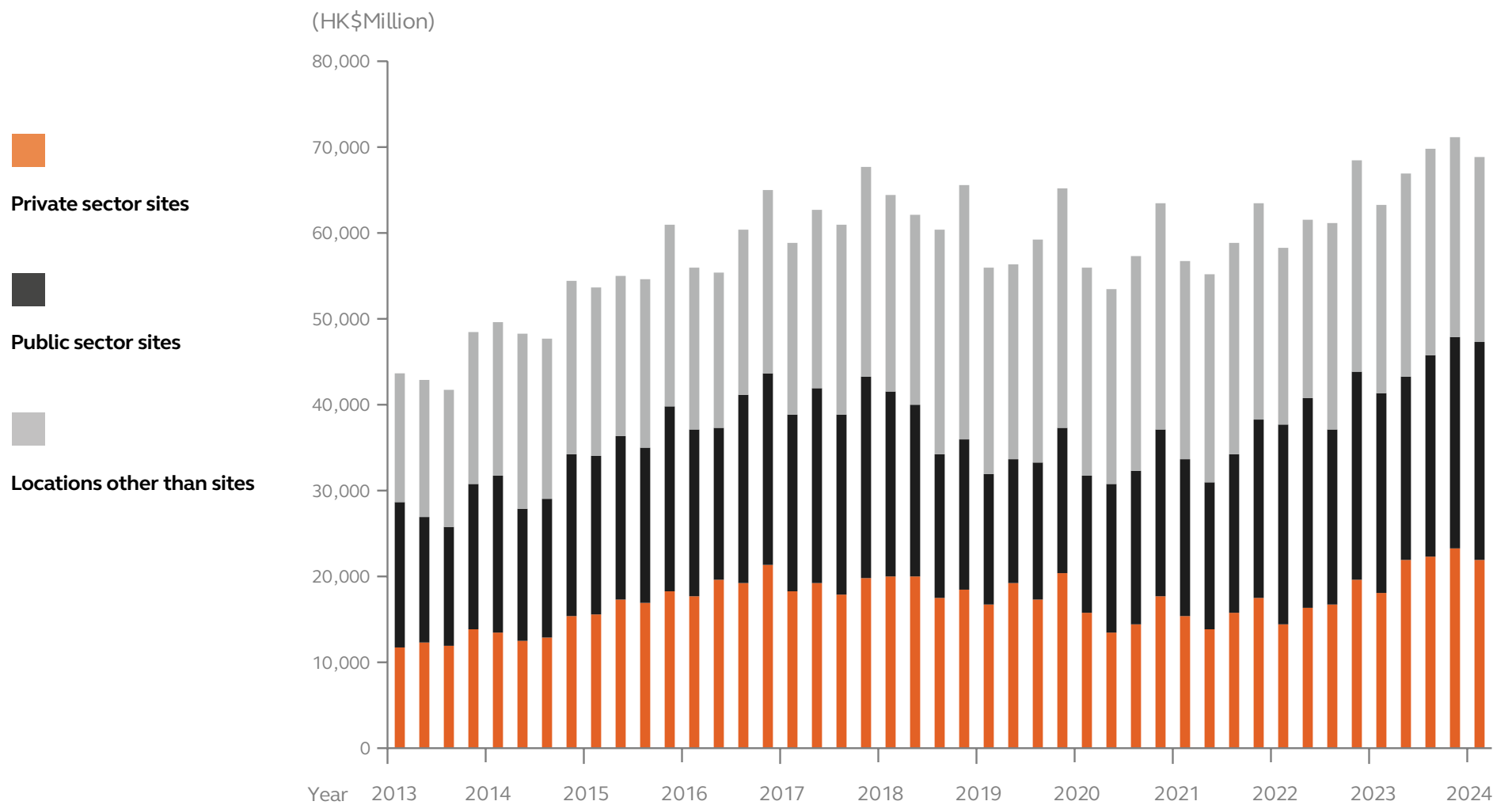
Value Performed (RMB Billion)											
Quarter	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
A. Construction											
1 st Quarter	2,311	2,544	2,712	3,003	3,382	3,727	3,138	4,141	4,533	4,820	4,988
2 nd Quarter	3,866	3,899	4,158	4,609	4,985	5,223	5,753	6,453	6,902	6,907	7,316
3 rd Quarter	4,113	4,068	4,322	4,742	5,106	5,414	5,977	6,336	6,863	6,929	
4 th Quarter	5,425	5,517	5,994	6,562	7,286	7,502	8,405	8,991	9,328	9,378	
Year Total:	15,714	16,028	17,186	18,916	20,759	21,867	23,272	25,921	27,625	28,034	12,305
B. Installation											
1 st Quarter	230	255	277	303	358	393	326	428	463	485	498
2 nd Quarter	333	331	366	405	438	476	523	569	602	614	625
3 rd Quarter	346	363	374	437	459	498	519	579	623	638	
4 th Quarter	517	548	561	646	708	768	840	871	906	890	
Year Total:	1,426	1,498	1,578	1,791	1,963	2,135	2,208	2,448	2,594	2,628	1,123
C. Others											
1 st Quarter	83	91	96	113	129	155	127	164	175	175	180
2 nd Quarter	118	117	138	154	187	186	217	229	223	224	223
3 rd Quarter	126	126	137	160	189	173	213	228	240	194	
4 th Quarter	205	216	222	262	282	328	357	318	340	336	
Year Total:	531	550	593	689	787	843	915	940	978	930	404
Annual gross value performed (A + B + C)											
Total:	17,671	18,076	19,357	21,396	23,509	24,845	26,395	29,308	31,198	31,591	13,831

Source : National Bureau of Statistics of China

Notes:

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

Gross Value of Construction Work Performed – Hong Kong



Value Performed (HK\$ Million)												
Quarter	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
A. Private sector sites												
1 st Quarter	11,675	13,395	15,528	17,652	18,150	19,918	16,583	15,647	15,339	14,351	18,031	21,774*
2 nd Quarter	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	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	13,781	15,259	18,119	21,231	19,813	18,369	20,393	17,685	17,521	19,540	23,267	
Year Total:	49,480	53,953	67,780	77,665	74,945	75,552	73,287	61,124	62,238	66,925	85,480	21,774*
B. Public sector sites												
1 st Quarter	16,829	18,258	18,531	19,414	20,639	21,533	15,338	16,083	18,167	23,356	23,303	25,522*
2 nd Quarter	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	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	16,976	18,915	21,585	22,295	23,455	17,433	16,825	19,400	20,687	24,292	24,517	
Year Total:	62,287	68,823	77,243	81,367	87,855	75,856	62,697	70,578	74,512	92,357	92,573	25,522*
C. Location other than sites												
1 st Quarter	15,140	17,909	19,549	18,809	19,963	22,871	24,032	24,126	23,075	20,526	21,888	21,415*
2 nd Quarter	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	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	17,716	20,088	21,111	21,333	24,406	29,797	27,839	26,398	25,183	24,569	23,363	
Year Total:	64,808	76,960	78,924	77,457	87,119	100,768	100,455	98,169	96,972	89,826	92,851	21,415*
Annual gross value performed (A + B + C)												
Total:	176,575	199,736	223,947	236,489	249,919	252,176	236,439	229,871	233,722	249,108	270,904	68,711*

*Provisional

Source : Census and Statistics Department, Hong Kong SAR

Approximate Building Costs For Major Cities In Asia

Building Type	Shanghai	Beijing	Guangzhou/ Shenzhen	Chongqing/ Chengdu
	Q2/2024	Q2/2024	Q2/2024	Q2/2024
	RMB/ m ² CFA			
Domestic				
Apartments, high rise, average standard				
- Shell and core	2,985 - 3,403	2,715 - 3,132	2,553 - 2,932	2,655 - 3,018
- Full fit	4,880 - 5,380	4,295 - 4,717	4,050 - 4,646	4,058 - 4,705
Apartments, high rise, high end				
- Shell and core	3,589 - 3,887	3,236 - 4,694	2,663 - 3,612	3,280 - 4,175
- Full fit	11,020 - 12,014	10,411 - 11,851	6,580 - 7,502	6,554 - 8,037
Terraced houses, average standard				
- Shell and core	3,342 - 3,626	3,135 - 3,662	2,682 - 3,046	3,278 - 3,920
- Full fit	6,742 - 7,345	6,151 - 6,663	6,136 - 7,337	5,547 - 6,513
Detached houses, high end				
- Shell and core	4,914 - 5,432	4,721 - 5,254	3,732 - 4,240	4,297 - 4,904
- Full fit	11,857 - 12,580	11,821 - 12,333	11,773 - 13,793	7,057 - 8,017
Office / Commercial				
Medium/high rise offices, average standard	6,261 - 8,272	6,127 - 8,255	5,760 - 6,579	6,378 - 7,330
High rise offices, prestige quality	8,043 - 11,001	9,959 - 13,556	8,431 - 10,596	8,043 - 10,690
Out-of-town shopping centre, average standard	N/A	N/A	5,501 - 6,264	5,162 - 6,535
Retail malls, high end	8,501 - 11,460	8,285 - 11,405	8,152 - 11,811	7,669 - 10,587
Industrial				
Industrial units, shell only (Conventional single storey framed units)	1,928 - 2,362	1,892 - 2,307	2,168 - 2,664	3,150 - 3,916
Owner operated factories, low rise, light weight industry	2,982 - 3,735	3,658 - 4,193	N/A	N/A
Hotels				
Budget hotels - 3-star, mid market	6,850 - 8,350	6,778 - 8,350	7,375 - 8,363	6,949 - 8,495
Business hotels - 4/5-star	11,038 - 14,942	11,550 - 15,249	11,921 - 17,545	12,470 - 15,426
Luxury hotels - 5-star	14,925 - 17,840	14,701 - 18,924	16,043 - 18,230	15,355 - 18,258
Others				
Underground/basement car parks (<3 levels)	5,116 - 7,134	5,236 - 5,754	3,818 - 6,247	2,981 - 4,128
Multi storey car parks, above ground (<4 levels)	2,621 - 3,663	3,151 - 3,181	2,720 - 3,082	2,376 - 2,904
Schools (primary and secondary)	3,910 - 4,935	3,645 - 4,706	3,073 - 3,991	3,150 - 3,471
Students' residences	2,862 - 3,904	2,578 - 3,645	2,832 - 3,611	2,205 - 3,154
Sports clubs, multi purpose sports/ leisure centres (dry sports)	6,598 - 8,104	6,241 - 6,296	5,255 - 5,954	4,971 - 5,449
General hospitals - public sector	10,080 - 12,996	8,207 - 10,279	7,957 - 10,255	7,944 - 9,837

The above costs are at 2nd Quarter 2024 levels.

Approximate Building Costs For Major Cities In Asia

Building Type	Hong Kong	Macau	Singapore	Kuala Lumpur
	Q2/2024	Q2/2024	Q2/2024	Q2/2024
	USD/ m2 CFA (See also exchange rates per U.S. dollar below)			
	HK\$ 7.81	MOP 8.04	S\$ 1.35	RM 4.70
Domestic				
Apartments, high rise, average standard				
- Shell and core	N/A	1,844 - 2,732	N/A	N/A
- Full fit	3,280 - 3,760	2,373 - 2,904	1,925 - 2,220	315 - 620 \$
Apartments, high rise, high end				
- Shell and core	N/A	2,732 - 4,098	N/A	N/A
- Full fit	4,230 - 4,880	3,317 - 5,065	3,185 - 4,370	715 - 1,495
Terraced houses, average standard				
- Shell and core	N/A	3,235 - 4,017	N/A	N/A
- Full fit	4,510 - 5,170	4,045 - 4,827	2,445 - 2,740	225 - 365 \$\$
Detached houses, high end				
- Shell and core	N/A	3,910 - 5,635	N/A	N/A
- Full fit	6,530 up	4,934 - 6,418	3,110 - 4,150	760 - 1030
Office / Commercial				
Medium/high rise offices, average standard	3,270 - 3,690	2,732 - 3,527	2,480 - 2,815	595 - 790
High rise offices, prestige quality	3,880 - 4,430	3,527 - 3,861	2,815 - 3,035	935 - 1,340
Out-of-town shopping centre, average standard	3,210 - 3,760	2,572 - 3,861	2,665 - 2,965	435 - 655
Retail malls, high end	4,150 - 4,810	4,045 - 4,880	2,965 - 3,220	690 - 1,050
Industrial				
Industrial units, shell only (Conventional single storey framed units)	N/A	N/A	1,150 - 1,335	325 - 455
Owner operated factories, low rise, light weight industry	2,450 - 3,050	N/A	N/A	425 - 545
Hotels				
Budget hotels - 3-star, mid market	4,110 - 4,370	3,594 - 4,071	3,150 - 3,445	1,005 - 1,480
Business hotels - 4/5-star	4,240 - 4,880	4,880 - 5,834	4,035 - 4,705	1,315 - 2,300
Luxury hotels - 5-star	4,930 - 5,510	5,834 - 6,896	4,035 - 4,705	1,925 - 2,585
Others				
Underground/basement car parks (<3 levels)	3,690 - 4,260	2,135 - 3,129	1,370 - 1,780	310 - 550
Multi storey car parks, above ground (<4 levels)	2,160 - 2,540	1,180 - 1,552	850 - 1,260	205 - 355
Schools (primary and secondary)	2,770 - 2,970	2,361 - 2,732	1,965 - 2,555	255 - 325
Students' residences	3,140 - 3,520	1,870 - 2,174	2,335 - 2,445	300 - 380
Sports clubs, multi purpose sports/ leisure centres (dry sports)	4,100 - 4,610	N/A	2,850 - 3,035	595 - 760
General hospitals - public sector	5,120 - 5,630	N/A	4000 - 4,185	825 - 1,205

The above costs are at 2nd Quarter 2024 levels.

Approximate Building Costs For Major Cities In Asia

Building Type	Bangkok	Bangalore	Manila	Ho Chi Minh
	Q2/2024	Q2/2024	Q2/2024	Q2/2024
	USD/ m2 CFA (See also exchange rates per U.S. dollar below)			
	BAHT 34.34	INR 83.90	PHP 58.87	VND 25,461
Domestic				
Apartments, high rise, average standard				
- Shell and core	524 - 728	609 - 677	N/A	N/A
- Full fit	728 - 903	693 - 836	928 - 1,241	559 - 694
Apartments, high rise, high end				
- Shell and core	728 - 961	966 - 1,173	N/A	N/A
- Full fit	1,165 - 1,601	1,106 - 1,395	1,232 - 2,220	879 - 1,185
Terraced houses, average standard				
- Shell and core	437 - 582	483 - 543	N/A	335 - 387
- Full fit	582 - 728	487 - 545	818 - 1,001	550 - 639
Detached houses, high end				
- Shell and core	582 - 874	525 - 618	N/A	466 - 565
- Full fit	728 - 1,019	617 - 693	1,588 - 2,704	797 - 897
Office / Commercial				
Medium/high rise offices, average standard	728 - 874	511 - 568#	835 - 1,107	729 - 834
High rise offices, prestige quality	1,019 - 1,310	593 - 752#	1,209 - 1,567	842 - 1,134
Out-of-town shopping centre, average standard	699 - 932	522 - 579	712 - 886	615 - 752
Retail malls, high end	932 - 1,106	677 - 797	972 - 1,375	769 - 939
Industrial				
Industrial units, shell only (Conventional single storey framed units)	524 - 699	451 - 557	474 - 610	299 - 372
Owner operated factories, low rise, light weight industry	N/A	421 - 557	636 - 800	339 - 443
Hotels				
Budget hotels - 3-star, mid market	1,223 - 1,310	991 - 1,068	1,060 - 1,311	1,156 - 1,399
Business hotels - 4/5-star	1,601 - 1,893	1,405 - 1,792	1,209 - 2,012	1,332 - 1,611
Luxury hotels - 5-star	2,038 - 2,329	1,931 - 2,256	1,681 - 3,188	1,723 - 2,045
Others				
Underground/basement car parks (<3 levels)	641 - 874	336 - 391	552 - 718	615 - 724
Multi storey car parks, above ground (<4 levels)	349 - 524	277 - 328	437 - 682	396 - 429
Schools (primary and secondary)	582 - 874	349 - 409	622 - 859	546 - 668
Students' residences	437 - 582	362 - 446	697 - 882	521 - 661
Sports clubs, multi purpose sports/ leisure centres (dry sports)	N/A	674 - 763	1,049 - 1,527	1,051 - 1,284
General hospitals - public sector	N/A	762 - 881	1,263 - 1,476	N/A

The above costs are at 2nd Quarter 2024 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 \$\$. **Bangalore:** #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.



Our Offices in Greater China

HONG KONG

17/F, Two Harbour Square,
180 Wai Yip Street,
Kwun Tong, Kowloon,
Hong Kong
T: (852) 2911 2000
F: (852) 2911 2002
E: info-hk@arcadis.com

BAODING

Suite 808-811,
Tower B, Shanggu Plaza Huibo,
No. 2238 Chaoyang North Street,
Baoding, Hebei Province 071000, China
T: (86 312) 588 1301
E: info-cn@arcadis.com

BEIJING

Suite 1835, South Wing Central Tower, Junefield
Plaza 10 Xuan Wu Men Wai Street Beijing
100052, China
T: (86 10) 6310 1136
E: info-cn@arcadis.com

CHANGSHA

Room 2312-2313, 2315-2317,
HUAYUAN International Center,
No.36 Section 2, Xiangjiang Middle Road,
Tianxin District, Changsha, Hunan Province,
410002, China
T: (86 731) 8277 2500
E: info-cn@arcadis.com

CHENGDU

Room11-11, Block2,
West Financial International Center,
258 Lower East Street East Street,
Jinjiang District, Chengdu 610011, China
T: (86 28) 8671 8373
F: (86 28) 8671 8535
E: info-cn@arcadis.com

CHONGQING

Room 3407-3410, Tower A,
International Trade Centre
38 Qing Nian Road
Central District
Chongqing 400010, China
T: (86 23) 8655 1333
F: (86 23) 8655 1616
E: info-cn@arcadis.com

DALIAN

Room 959, Xiwang Tower,
136 Zhongshan Road, Zhongshan District,
Dalian, Liaoning Province 116001, China
T: (86 411) 8800 8018
E: info-cn@arcadis.com

FOSHAN

Room 1002-1004, 10/F,
Lingnan Tiandi, Zu Miao Road, Foshan,
Guangdong Province, 528000, China
T: (86 757) 8203 0028
F: (86 757) 8203 0029
E: info-cn@arcadis.com

GUANGZHOU

3A10-18 Unit, 3A/F
Bank of America Plaza
555 Ren Min Zhong Road Guangzhou
Guangdong Province 510145, China
T: (86 20) 8130 3813
F: (86 20) 8130 3812
E: info-cn@arcadis.com

HAIKOU

Unit C 10/F Times Square
2 Guomao Road Haikou,
Hainan Province 570100, China
T: (86 898) 6652 7808
F: (86 898) 6652 7809
E: info-cn@arcadis.com

HANGZHOU

Room 1306 WinNing International
100 Min Xin Road Hangzhou
Zhejiang Province 310016, China
T: (86 571) 2829 7766
E: info-cn@arcadis.com

HENGQIN

Room 916, 917, 918, 9 Floor, NO 59 Ji Lin Road,
Hengqin New District, Zhuhai, Guangdong
Province 519031, China
T: (86 756) 868 8986
F: (86 756) 868 8969
E: info-cn@arcadis.com

MACAU

12th Floor
Avenida da Praia Grande No. 594
Edificio BCM, Macau
T: (853) 2833 1710
F: (853) 2833 1532
E: info-mo@arcadis.com

NANJING

Room 2413/2422, Deji Plaza, 18 Zhongshan
Road, Xuanwu District, Nanjing
Jiangsu Province, 210009 China
T: (86 25) 5791 1860
F: (86 25) 6698 1860
E: info-cn@arcadis.com

QINGDAO

Room 2701, Office Tower, Shangri-la Centre,
No.9 Xianggang Middle Road, Shinan District,
Qingdao, Shandong Province
266071 China
T: (86 532) 8280 1818
E: info-cn@arcadis.com

SHANGHAI

10th Floor, Building C, The Place
No. 150 Zunyi Road Changning District
Shanghai 200051 China
T: (86 21) 6026 1300
E: info-cn@arcadis.com

SHENYANG

Room 3013-3015
Office Tower 1, Forum66
1-1 Qingnian Avenue Shenhe District
Shenyang Liaoning Province 110063, China
T: (86 24) 3195 8880
E: info-cn@arcadis.com

SHENZHEN

Unit 01-03, 06B-08, 10th Floor, AVIC Center,
1018 Huafu Road Shenzhen
Guangdong Province 518031, China
T: (86 755) 3635 0688
F: (86 755) 2598 1854
E: info-cn@arcadis.com

SUZHOU

Room 906 The Summit,
118 Suzhou Avenue West,
Suzhou, Jiangsu Province 215021, China
T: (86 512) 8777 5599
E: info-cn@arcadis.com

TIANJIN

Room 4004, 40F,
Tianjin World Financial Centre Office Tower
2 Dagubei Road Heping District
Tianjin 300020 China
T: (86 22) 2329 8611
E: info-cn@arcadis.com

WUHAN

Room 1703, Citic Pacific Mansion,
No.1627 Zhongshan Avenue,
Jiangan District, Wuhan,
Hubei Province 430 010, China
T: (86 27) 5920 9299
F: (86 27) 5920 9298
E: info-cn@arcadis.com

XI'AN

Room 1101-07,1101-10,
CapitaMall Office East Tower,
No.64 Western Part of South 2nd Ring Road,
Yanta District, Xi'an
Shaanxi Province 710065, China
T: (86 29) 8720 4885
E: info-cn@arcadis.com



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