

CHINA AND HONG KONG

QUARTERLY CONSTRUCTION COST REVIEW



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CHINA AND HONG KONG MARKET OVERVIEW



MARKET OVERVIEW

Following the quiet market in last year, Hong Kong's construction industry is facing another demanding year in 2020. The ongoing Coronavirus Disease 2019 (COVID-19) pandemic has deepened global economic recession, bringing high uncertainties to wide range of economic activities including construction market.

Since Hong Kong is not in the eye of the pandemic storm, COVID-19 has only caused short-term impacts on construction industry over the previous months. During the early stage of outbreak, shutdown of transportation and logistics caused delivery delay of construction materials. Government's special measure on extending building covenant by 6 months also increased risk of project delays, consequently brought difficulties such as cashflow problem to companies and

reduced property supply. Although it is predicted that local economy will not recover in the short run, industry should still be optimistic on the outlook as the situation is improving with gradual recovery of economic activities under government's effective public health policies.

MARKET MOVEMENT



ECONOMY

Indicator

	GDP Growth per annum	Q1/18 - Q1/19 (+) 0.7%	Q4/18 - Q4/19 (-) 2.9%	Q1/19 - Q1/20 (-) 8.9%
	Inflation Rate (CPI) per annum	Mar 18 - 19 (+) 2.1%	Dec 18 - 19 (+) 2.9%	Mar 19 - 20 (+) 2.3%



SUPPLY & DEMAND

Indicator

	Activity Level (Gross output; new + A&A)	Q4/18 HK\$65.598 Bn	Q3/19 HK\$59.212 Bn	Q4/19 HK\$62.830 Bn
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BASIC COSTS

Indicator

	Highways Material Index	Nov 18 - Jan 19 854.2	Aug - Oct 19 870.8	Nov 19 - Jan 20 865.5
	Labour Wages Index	Dec 18 - Jan 19 148.5	Sep - Nov 19 153.2	Dec 19 - Feb 20 154.4



CONSTRUCTION COST TREND

Indicator

	Tender Price Index (Arcadis)	Q1/19 1848	Q4/19 1800	Q1/20 1785
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1 MARKET ANALYSIS

CHINA

The worldwide COVID-19 pandemic dealt a double blow on economic and financial fronts, the international community has largely reached a consensus: The global economy is heading for a recession this year.

China experienced around two months lockdown period of epidemic prevention, in beginning of 2020. The real estate investment in Mainland China in the first 2 months of this year has been decreased by (-)16.3% year-on-year (YoY). The sales of commercial buildings amounted had a decrease of (-)39.9% YoY (according to National Bureau of Statistics (NBS)). The growth of real estate and construction markets are slowing down. In addition, the land sales area drops (-)29.3% in the first 2 months of this year. However, by the end of Q1 2020, the statistics indicated a recovery in the real estate, the decrease of the real estate investment, the sales of commercial buildings amount and the land sales area are narrowed to (-)7.7%, (-)26.3% and (-)22.6%.

China government released a series fiscal and tax policy to stimulate economic growth, which should continue to be proactive to facilitate more issuance of government bonds to finance major infrastructure projects. It is expected to have a rebound in the value of construction works performed.

In Q1 2020, construction wages remain stable. Comparing with last quarter, the average basic construction product costs fluctuated in price with rebar (-)7%, steel 0%, concrete (+)2% and cement (+)2%. However, the extra cost of epidemic precaution on site and labour quarantines offset the lower rebar cost, the tender price recorded remain stable. The construction market price level is anticipated to remain stable in the next quarter.

HONG KONG

DECLINE IN ECONOMIC GROWTH

In the first quarter of 2020, Gross Domestic Product (GDP) has continued to decline and recorded a negative growth rate of (-)8.9% Year-on-Year (YoY) and (-)5.3% Quarter-to-Quarter (QoQ), both are the largest decline on record since Q1 1974. As a result of social distancing restrictions, fall in private consumption expenditure widened sharply among the domestic demands with a record of (-)10.2% YoY in this quarter. The overall Composite Consumer Price Index (CPI) kept slightly dropping in this quarter, with a record of (+)2.3% YoY based on March 2020.

SUPPRESSED CONSTRUCTION ACTIVITIES

Similar as last year, construction activities in both public and private sectors are still under suppression in Q1 2020. The overall gross value of construction works performed dropped by 4.2% YoY based on Q4 2019, with a rise in private sector and a drop in public sector. The decline in public sector was significant, which is (-)7.8% YoY based on Q4 2019. The stagnant public work progress is expected to maintain the status quo due to the slow-moving capital funding process in LegCo. For private sector, floor areas of commenced and completed building works decreased in this quarter, with no private work commenced in February 2020. Regarding construction cost trend, the Tender Price Index (TPI) kept declining by (-)3.4% YoY based on Q1 2020.

COST OF MATERIALS AND LABOUR

Drop in steel price slightly narrowed in recent three months, from November 2019 to January 2020, with a drop of 2% QoQ. Sand price continued to increase while prices of basic architectural products and diesel remained stable. The overall labour wage index slightly increased by 4% YoY and 1% QoQ based on Q1 2020. Wages of carpenter, bar bender and concreter kept dropping in this quarter since late 2019. However, wages of other workers such as bricklayer, plasterer and E&M fitters increased in this quarter and bricklayer enjoys the highest rise in wage of (+)15% QoQ. Wage of general workers has been slightly rising since September 2019 as well.



2 APPROXIMATE BUILDING COSTS

HONG KONG

Notes:

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

BUILDING TYPE	HK\$/m ² CFA	OUTLINE SPECIFICATION
DOMESTIC		
Apartments, high rise, public authority standard	11,000 - 13,200	Apartment units with fit-out, based on Hong Kong Housing Authority Non-standard Cruciform Block design
Apartments, high rise, average standard	23,500 - 27,200	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	30,400 - 35,400	Apartment units with good quality fit-out, including air-conditioning, kitchen cabinets and home appliances, but excluding decorative light fittings and loose furniture
Terraced houses, average standard	32,000 - 37,100	Houses with fit-out, including air-conditioning, kitchen cabinets and home appliances, but excluding decorative light fittings, loose furniture, garden and parking
Detached houses, high end	47,000 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	23,000 - 26,600	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	27,700 - 32,100	RC structure, curtain wall, including public area fit-out, tenant area with raised floor/carpet, painted wall and false ceiling
Out-of-town shopping centre, average standard	23,000 - 27,000	Including public area fit-out and M&E, but excluding shop fit-out
Retail malls, high end	29,800 - 35,600	
INDUSTRIAL		
Owner operated factories, low rise, light weight industry	17,800 - 22,400	RC structure, including small office with simple fit-out and M&E, but excluding a/c and heating
HOTEL		
Budget hotels - 3-star, mid market	29,500 - 31,400	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	30,600 - 35,600	
Luxury hotels - 5-star	35,600 - 41,000	
OTHERS		
Underground/basement car parks (<3 levels)	25,000 - 30,000	RC structure
Multi storey car parks, above ground (<4 levels)	15,000 - 17,800	RC structure, natural ventilation, no facade enclosure
Schools (primary and secondary)	19,500 - 21,000	Public authority standard, including fit-out, no a/c, complete with basic external works but excluding educational equipment
Students' residences	22,300 - 25,300	Including fit-out, loose furniture and a/c
Sports clubs, multi purpose sports/ leisure centres (dry sports)	29,200 - 33,500	Dry sports (no swimming pool) and are for 'leisure centre' type schemes including main sports hall, ancillary sports facilities, changing and showers, restaurant / cafe, bar, etc. Costs include a/c, Furniture, Fittings and Equipment (FF&E)
General hospitals - public sector	37,200 - 41,500	Excluding medical and operating equipment

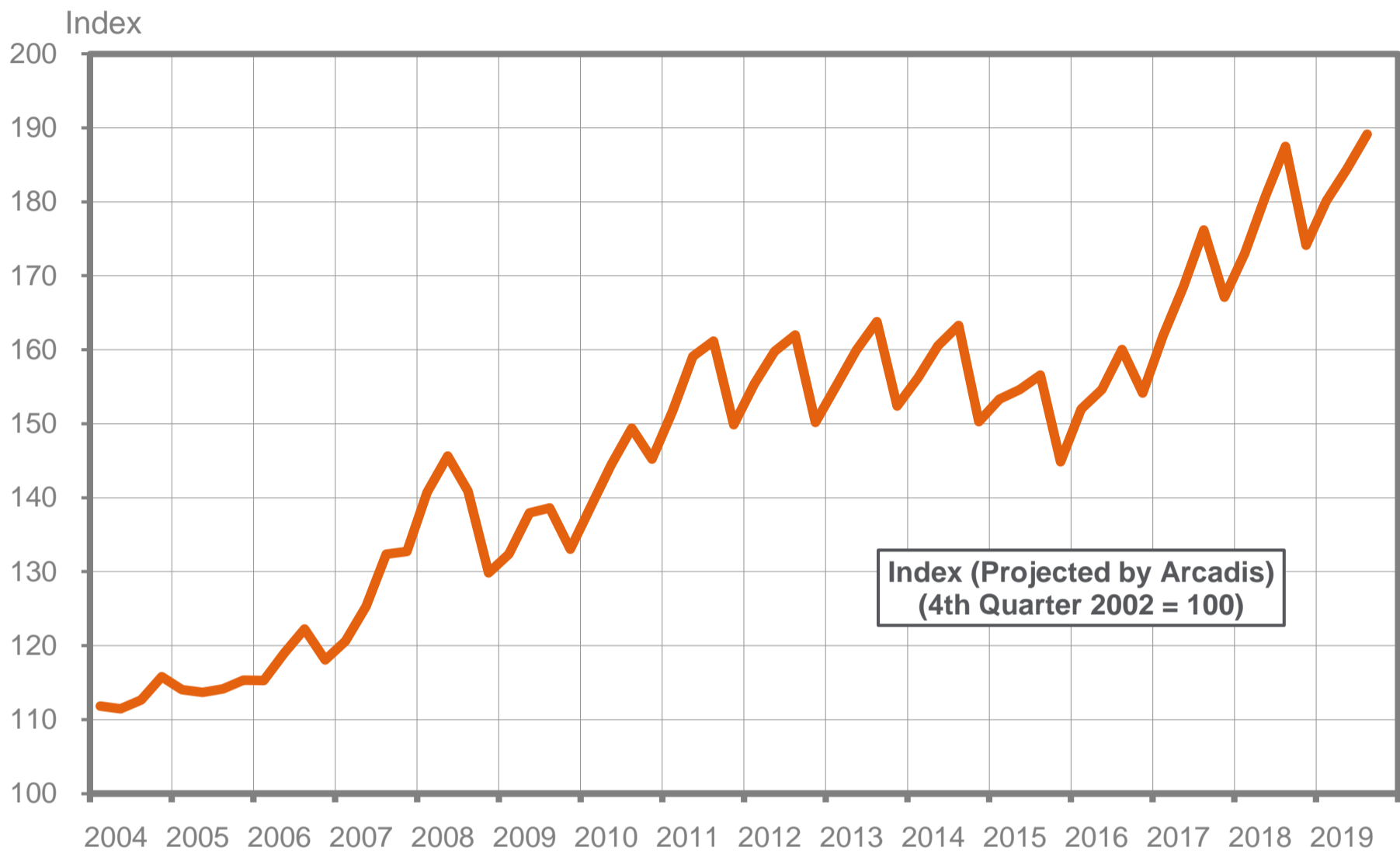
*The above cost are at 1st Quarter 2020 levels.



3

BUILDING & BUILDING SERVICES PRICE INDEX

MAINLAND CHINA



BUILDING & BUILDING SERVICES PRICE INDEX								
Index	Published (by NBS of China) (Base: Corresponding Quarter in Preceding Year = 100)				Projected (by Arcadis) (Base: Q4/2002 = 100) (see explanatory notes below)			
	Quarter / Year	2016	2017	2018	2019	2016	2017	2018
1st Quarter	96.4	106.4	108.4	104.2	144.9	154.1	167.1	174.1
2nd Quarter	99.1	106.5	106.9	104.1	152.0	161.8	173.0	180.1
3rd Quarter	100.0	109.0	107.2	102.1	154.6	168.5	180.7	184.5
4th Quarter	102.2	110.1	106.4	100.9	160.0	176.2	187.5	189.2

Source : National Bureau of Statistics (NBS) of China

Notes:

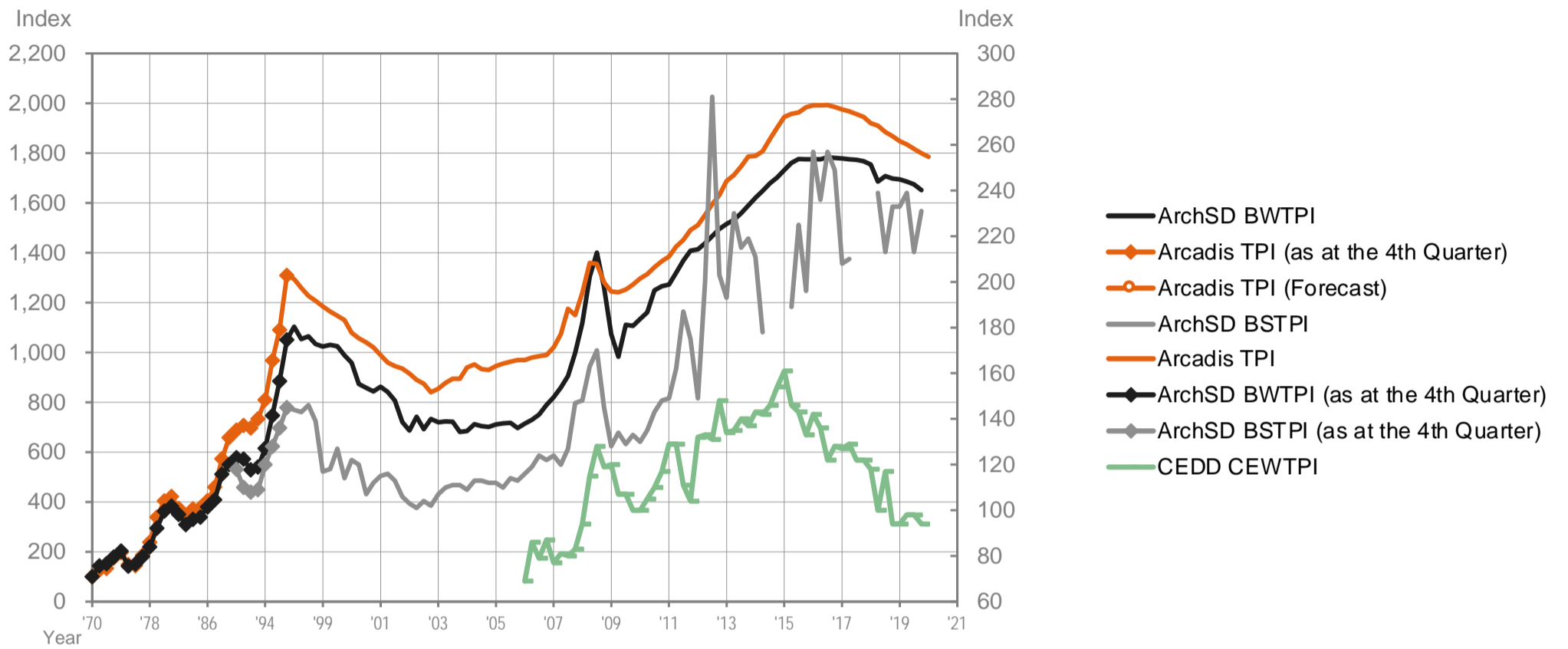
Data are published on a quarterly basis, measuring the year-on-year change in price level of each quarter, but the quarter-on-quarter change is not published, ie. the changes between consecutive quarters are not given.

To give an illustration of the price trend over time, Arcadis applies a hypothetical calculation to derive the data table and chart as above, basing on the following understanding and assumptions:

1. Only indices from 1st Quarter 2003 and onwards are published.
2. For 2002 and before, indices were only published annually. This annual index indicates that the average fluctuation of 2002 was moderate. Arcadis' own in-house data further substantiates that the construction costs in 2002 were rather stable throughout the year.
3. Changes between quarters in 2002 are assumed to be evenly distributed throughout the year. This establishes a notional relationship between the four quarters in 2002 and can be compared with the published data for 2003 to find their notional quarter-on-quarter changes.
4. For comparison purposes, 4th Quarter 2002 is referred to as base and the base index as 100.

\$ 4 TENDER PRICE INDEX

HONG KONG



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

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.

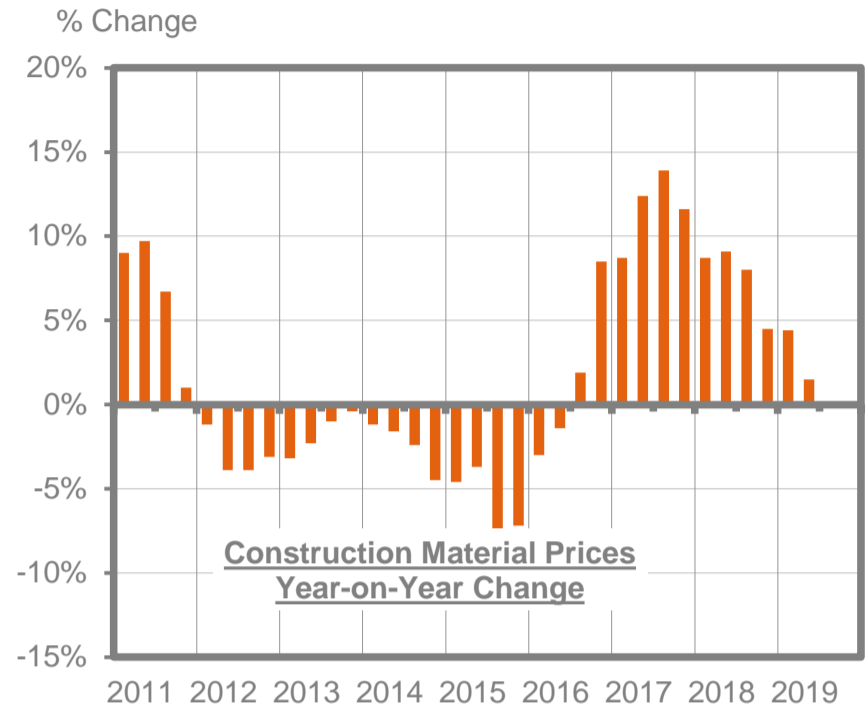


5 MATERIALS

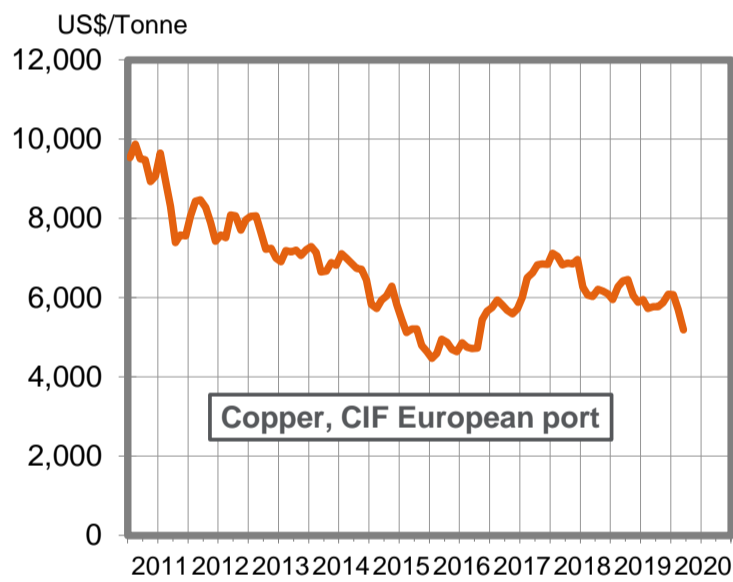
MAINLAND CHINA

CONSTRUCTION MATERIAL PRICES YEAR-ON-YEAR CHANGE			
Quarter / Year	2017	2018	2019
1st Quarter	(+) 8.5%	(+) 11.6%	(+) 4.5%
2nd Quarter	(+) 8.7%	(+) 8.7%	(+) 4.4%
3rd Quarter	(+) 12.4%	(+) 9.1%	(+) 1.5%
4th Quarter	(+) 13.9%	(+) 8.0%	Flat

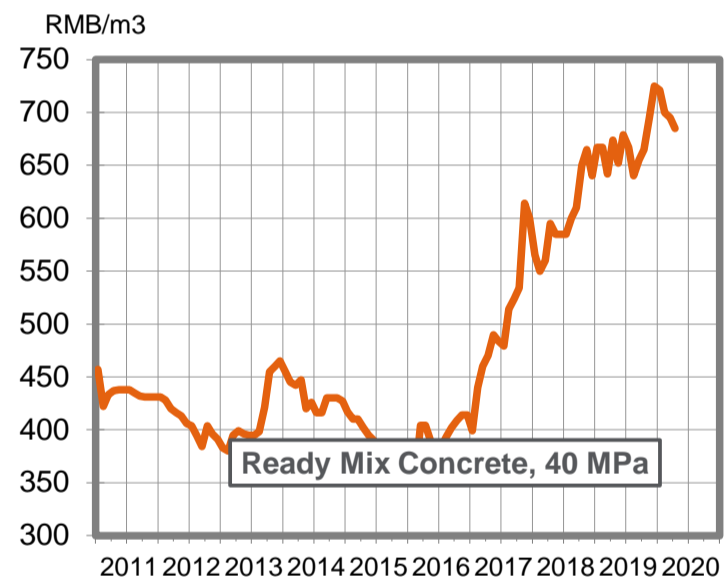
Source : National Bureau of Statistics of China



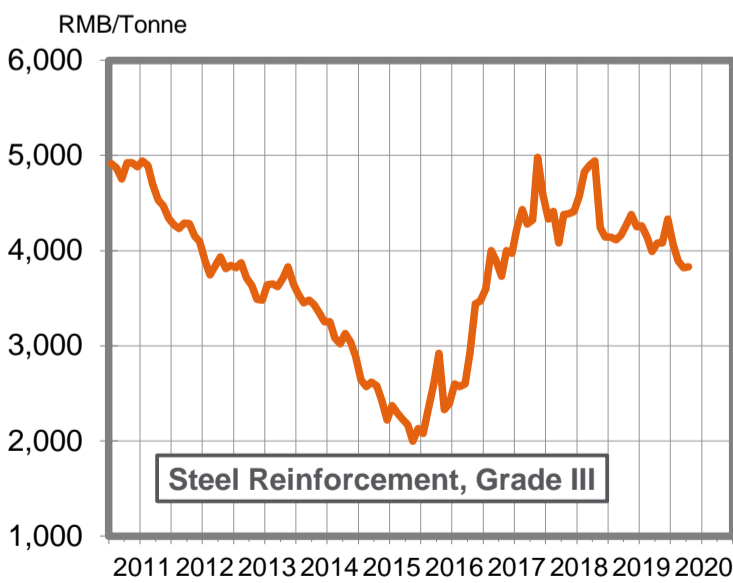
Basic Construction Materials



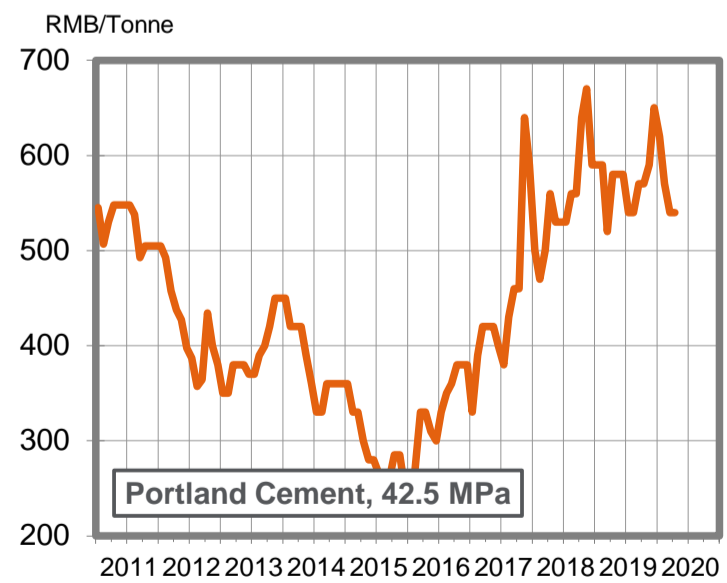
Source : London Metal Exchange



Shanghai Construction & Construction Material Industry Administration Department



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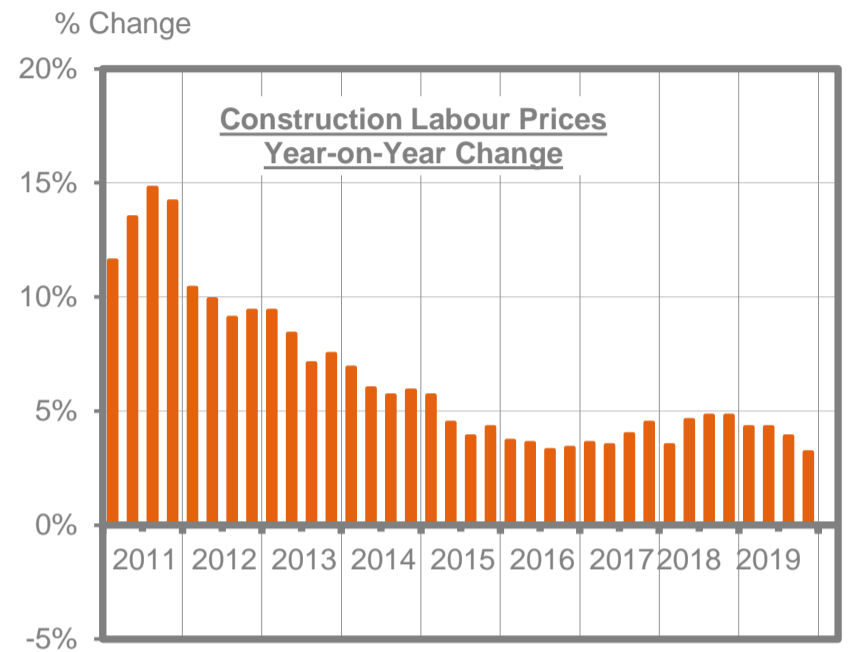
Shanghai Construction & Construction Material Industry Administration Department

6 LABOUR

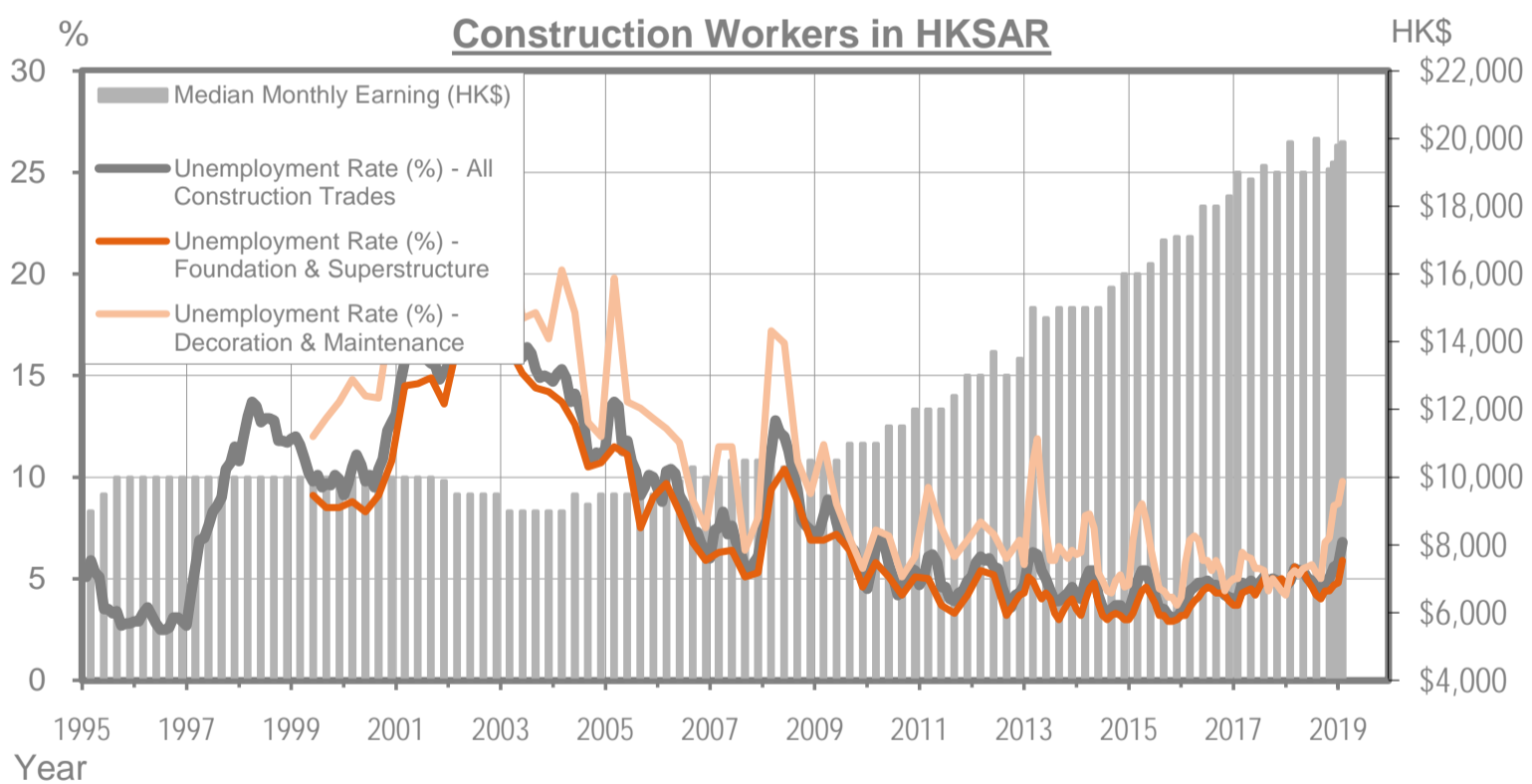
Mainland China

CONSTRUCTION LABOUR PRICES YEAR-ON-YEAR CHANGE			
Quarter / Year	2017	2018	2019
1st Quarter	(+) 3.6%	(+) 3.5%	(+) 4.3%
2nd Quarter	(+) 3.5%	(+) 4.6%	(+) 4.3%
3rd Quarter	(+) 4.0%	(+) 4.8%	(+) 3.9%
4th Quarter	(+) 4.5%	(+) 4.8%	(+) 3.2%

Source : National Bureau of Statistics of China

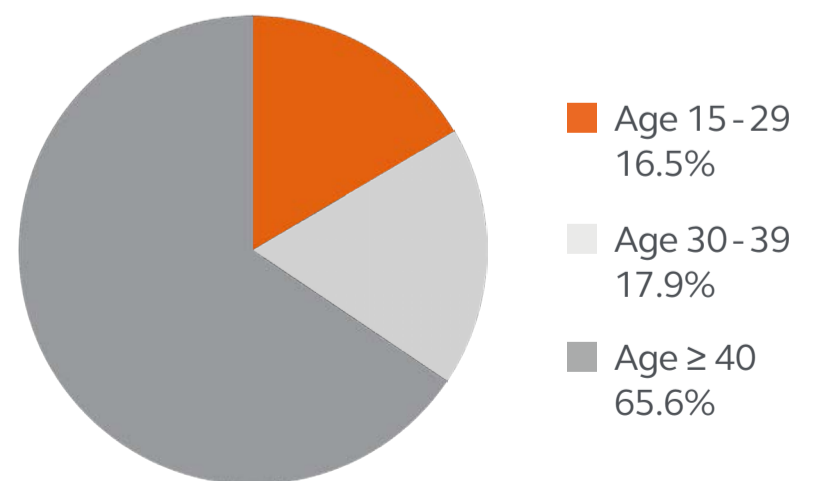


Hong Kong



Age Group	No. of Workers Employed by Construction Industry	
Age 15 - 29	75,320	16.5%
Age 30 - 39	81,818	17.9%
Age ≥ 40	299,254	65.6%
Total (as at June 2018)	456,392	100.0%

Source : Construction Industry Council



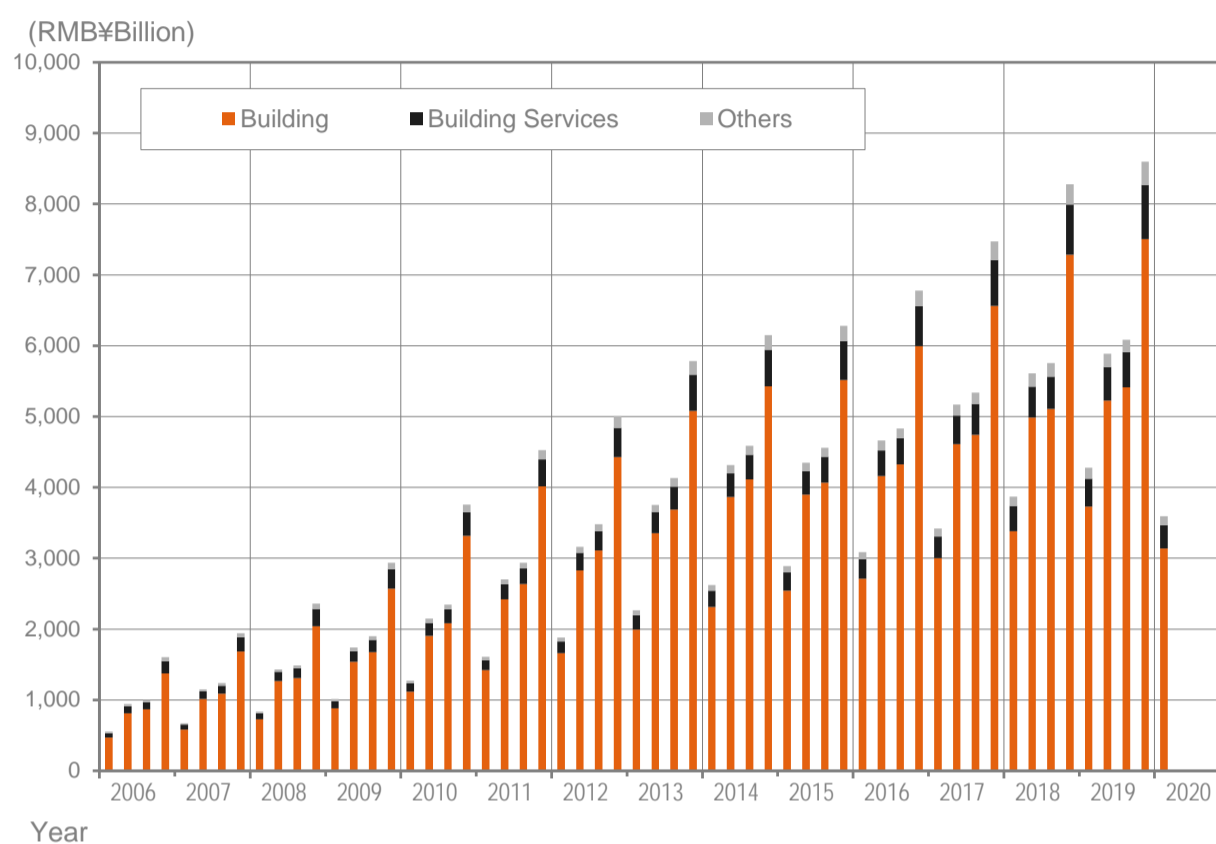
Age Distribution of Workers



7

GROSS VALUE OF CONSTRUCTION WORK PERFORMED

MAINLAND CHINA



Quarter	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
A. Building										
1 st Quarter	1,422	1,661	1,994	2,311	2,544	2,712	3,003	3,382	3,727	3,138
2 nd Quarter	2,419	2,826	3,355	3,866	3,899	4,158	4,609	4,985	5,223	
3 rd Quarter	2,634	3,111	3,687	4,113	4,068	4,322	4,742	5,106	5,414	
4 th Quarter	4,016	4,427	5,078	5,425	5,517	5,994	6,562	7,286	7,502	
Year Total:	10,490	12,025	14,115	15,714	16,028	17,186	18,916	20,759	21,867	3,138
B. Building Services										
1 st Quarter	141	165	200	230	255	277	303	358	393	326
2 nd Quarter	214	251	300	333	331	366	405	438	476	
3 rd Quarter	224	271	322	346	363	374	437	459	498	
4 th Quarter	378	413	514	517	548	561	646	708	768	
Year Total:	957	1,100	1,336	1,426	1,498	1,578	1,791	1,963	2,135	326
C. Other										
1 st Quarter	47	57	69	83	91	96	113	129	155	127
2 nd Quarter	69	86	100	118	117	138	154	187	186	
3 rd Quarter	77	97	123	126	126	137	160	189	173	
4 th Quarter	133	166	189	205	216	222	262	282	328	
Year Total:	326	406	481	531	550	593	689	787	843	127
Annual gross value performed (A + B + C)										
Total:	11,773	13,530	15,931	17,671	18,076	19,357	21,396	23,509	24,845	3,592

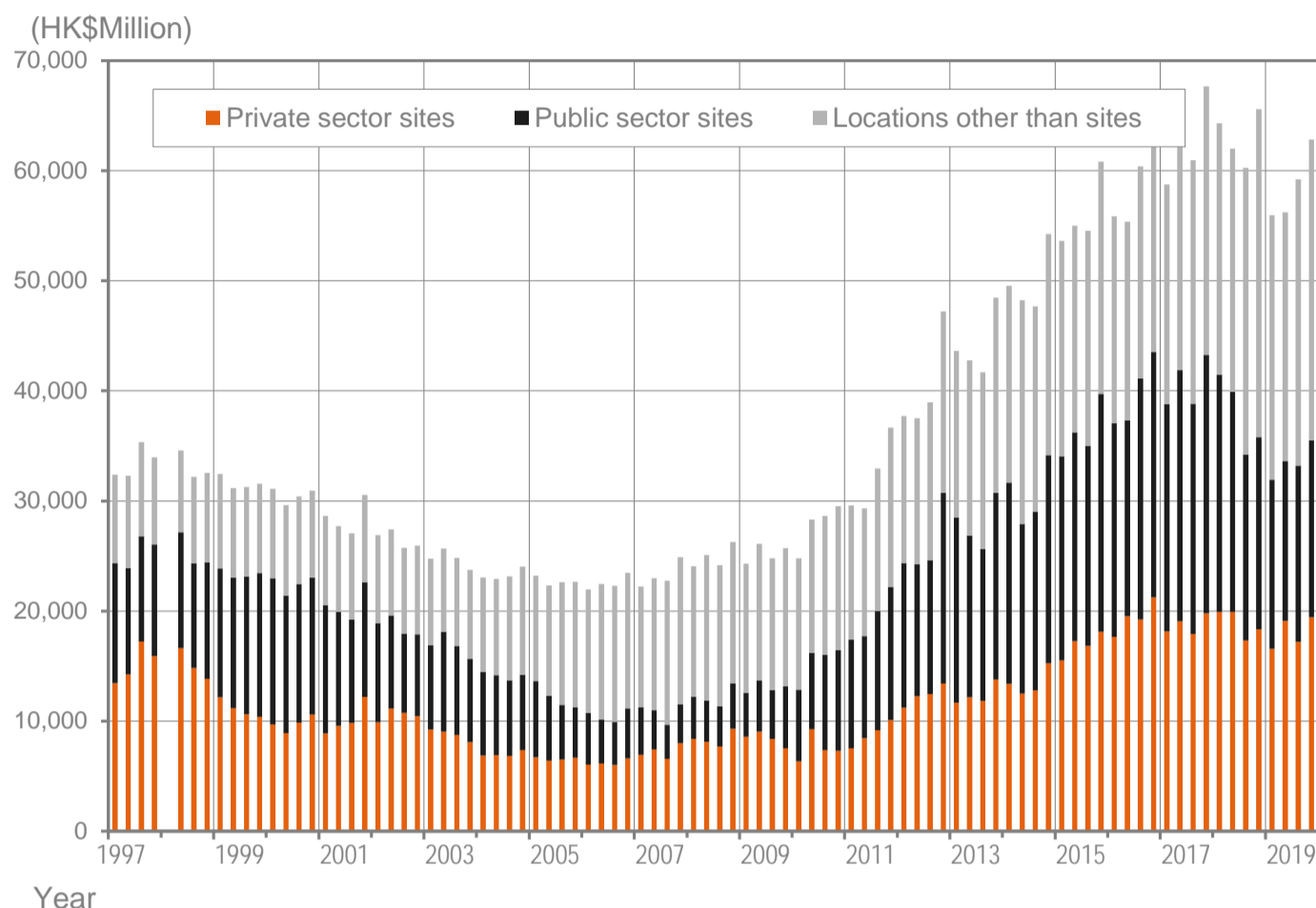
Source : National Bureau of Statistics of China

Notes :

1. Value of "Building" includes builder's works and building services systems.
2. Value of "Building Services" is for assembling and installation of equipment for industrial production, power, load-lifting, transportation, medical and laboratory uses, but excludes supply costs of such equipment.
3. Value of "Others" is generally maintenance and other miscellaneous construction activities.

8 GROSS VALUE OF CONSTRUCTION WORK PERFORMED

HONG KONG



Value performed (HK\$ Million)										
Quarter	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
A. Private sector sites										
1 st Quarter	6,349	7,529	11,209	11,675	13,395	15,528	17,652	18,150	19,918	16,583
2 nd Quarter	9,276	8,458	12,260	12,176	12,507	17,284	19,530	19,070	19,925	19,112
3 rd Quarter	7,360	9,192	12,481	11,848	12,792	16,849	19,252	17,912	17,340	17,199
4 th Quarter	7,322	10,102	13,411	13,781	15,259	18,119	21,231	19,813	18,369	19,431*
Year Total:	30,307	35,281	49,361	49,480	53,953	67,781	77,666	74,945	75,552	72,325*
B. Public sector sites										
1 st Quarter	6,511	9,880	13,168	16,829	18,258	18,531	19,414	20,639	21,533	15,338
2 nd Quarter	6,937	9,263	12,023	14,690	15,397	18,964	17,780	22,827	20,002	14,512
3 rd Quarter	8,651	10,814	12,137	13,792	16,253	18,163	21,878	20,934	16,888	16,022
4 th Quarter	9,117	12,113	17,332	16,976	18,915	21,585	22,295	23,455	17,433	16,072*
Year Total:	31,216	42,070	54,660	62,287	68,823	77,242	81,367	87,855	75,856	61,944*
C. Location other than sites										
1 st Quarter	11,926	12,172	13,347	15,140	17,909	19,549	18,809	19,963	22,871	24,032
2 nd Quarter	12,109	11,620	13,245	15,914	20,327	18,744	18,041	20,657	22,073	22,592
3 rd Quarter	12,620	12,953	14,358	16,038	18,636	19,520	19,274	22,093	26,027	25,992
4 th Quarter	13,097	14,439	16,479	17,716	20,088	21,111	21,333	24,406	29,797	27,326*
Year Total:	49,752	51,184	57,429	64,808	76,961	78,924	77,458	87,119	100,768	99,942*
Annual gross value performed (A + B + C)										
Total:	111,275	128,535	161,450	176,575	199,737	223,947	236,491	249,919	252,176	234,211*

*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
	RMB/m ² CFA			
DOMESTIC				
Apartments, high rise, average standard				
- Shell and core	2,931 - 3,342	2,692 - 3,105	2,626 - 2,895	2,631 - 3,063
- Full fit	4,839 - 5,333	4,263 - 4,680	3,819 - 4,204	3,981 - 4,737
Apartments, high rise, high end				
- Shell and core	3,524 - 3,817	3,176 - 4,608	2,740 - 3,566	3,213 - 4,212
- Full fit	10,926 - 11,908	10,320 - 11,752	6,155 - 6,733	6,445 - 8,124
Terraced houses, average standard				
- Shell and core	3,313 - 3,526	3,108 - 3,630	2,783 - 3,065	3,238 - 3,905
- Full fit	N/A	6,097 - 6,610	N/A	N/A
Detached houses, high end				
- Shell and core	4,825 - 5,333	4,680 - 5,208	3,800 - 4,185	4,252 - 4,883
- Full fit	N/A	11,717 - 12,229	N/A	N/A
OFFICE/COMMERCIAL				
Medium/high rise offices, average standard	6,147 - 8,125	5,959 - 8,025	5,339 - 5,909	6,321 - 7,314
High rise offices, prestige quality	7,974 - 9,946	8,025 - 13,178	7,778 - 9,351	7,987 - 10,749
Out-of-town shopping centre, average standard	N/A	4,541 - 6,071	5,147 - 5,648	5,100 - 6,529
Retail malls, high end	8,455 - 10,908	8,213 - 11,307	7,476 - 10,451	7,605 - 10,645
INDUSTRIAL				
Industrial units, shell only (Conventional single storey framed units)	1,914 - 2,340	1,878 - 2,288	3,415 - 3,759	3,106 - 3,911
Owner operated factories, low rise, light weight industry	2,958 - 3,700	3,630 - 4,158	N/A	N/A
HOTELS				
Budget hotels - 3-star, mid market	6,790 - 8,281	6,717 - 8,282	6,768 - 7,448	6,849 - 8,452
Business hotels - 4/5-star	10,940 - 14,815	11,231 - 14,826	10,938 - 15,617	12,324 - 15,385
Luxury hotels - 5-star	14,794 - 17,687	14,304 - 18,400	14,875 - 16,394	15,183 - 18,188
OTHERS				
Underground/basement car parks (<3 levels)	5,073 - 7,072	5,188 - 5,702	3,525 - 5,634	3,016 - 4,238
Multi storey car parks, above ground (<4 levels)	2,600 - 3,630	3,122 - 3,157	2,522 - 2,776	2,399 - 2,961
Schools (primary and secondary)	3,877 - 4,894	3,616 - 4,666	2,797 - 3,079	3,190 - 3,530
Students' residences	2,839 - 3,870	2,559 - 3,616	1,814 - 2,041	N/A
Sports clubs, multi purpose sports/leisure centres (dry sports) with a/c and including FF&E	6,541 - 8,032	6,189 - 6,238	5,181 - 5,717	N/A
General hospitals - public sector	9,992 - 12,884	8,136 - 10,187	N/A	N/A

* The above costs are at 1st Quarter 2020 levels.



9 APPROXIMATE BUILDING COSTS FOR MAJOR CITIES

ASIA

BUILDING TYPE	Hong Kong	Macau	Singapore	Kuala Lumpur
	USD/ m2 CFA (See also exchange rates per U.S. dollar below)			
	HK\$ 7.75	MOP 8.060	S\$ 1.38	RM 4.30
DOMESTIC				
Apartments, high rise, average standard				
- Shell and core	N/A	1,696 - 2,514	N/A	N/A
- Full fit	3,032 - 3,510	2,184 - 2,672	1,340 - 1,485	290 - 565 \$
Apartments, high rise, high end				
- Shell and core	N/A	2,514 - 3,770	N/A	N/A
- Full fit	3,923 - 4,568	3,051 - 4,661	2,065 - 3,045	675 - 1,325
Terraced houses, average standard				
- Shell and core	N/A	2,978 - 3,697	N/A	N/A
- Full fit	4,129 - 4,787	3,722 - 4,442	1,740 - 1,920	210 - 335 \$\$
Detached houses, high end				
- Shell and core	N/A	3,600 - 5,186	N/A	N/A
- Full fit	6,065 up	4,540 - 5,906	2,210 - 2,900	705 - 955
OFFICE/COMMERCIAL				
Medium/high rise offices, average standard	2,968 - 3,432	2,514 - 3,246	1,740 - 1,920@	550 - 720 \$\$\$
High rise offices, prestige quality	3,574 - 4,142	3,246 - 3,552	1,955 - 2,100@	825 - 1,220 \$\$\$
Out-of-town shopping centre, average standard	2,968 - 3,484	2,367 - 3,552	1,955 - 2,030	520 - 695
Retail malls, high end	3,845 - 4,594	3,722 - 4,491	2,065 - 2,245	645 - 970
INDUSTRIAL				
Industrial units, shell only (Conventional single storey framed units)	N/A	N/A	760 - 930	305 - 420
Owner operated factories, low rise, light weight industry	2,297 - 2,890	N/A	N/A	410 - 505
HOTELS				
Budget hotels - 3-star, mid market	3,806 - 4,052	3,307 - 3,746	2,175 - 2,355	970 - 1,360
Business hotels - 4/5-star	3,948 - 4,594	4,491 - 5,369	2,790 - 3,115	1,280 - 2,115
Luxury hotels - 5-star	4,594 - 5,290	5,369 - 6,346	2,790 - 3,115	1,845 - 2,365
OTHERS				
Underground/basement car parks (<3 levels)	3,226 - 3,871	1,964 - 2,880	940 - 1,255	300 - 515
Multi storey car parks, above ground (<4 levels)	1,935 - 2,297	1,086 - 1,428	650 - 930@@	210 - 335
Schools (primary and secondary)	2,516 - 2,710	2,173 - 2,514	N/A	235 - 300 \$\$\$\$
Students' residences	2,877 - 3,265	1,720 - 2,001	1,595 - 1,705	285 - 350 \$\$\$\$\$
Sports clubs, multi purpose sports/leisure centres (dry sports) with a/c and including FF&E	3,768 - 4,323	N/A	1,995 - 2,100	565 - 710
General hospitals - public sector	4,800 - 5,355	N/A	2,790 - 2,900	810 - 1,120

* The above costs are at 1st Quarter 2020 levels.



9 APPROXIMATE BUILDING COSTS FOR MAJOR CITIES

ASIA

BUILDING TYPE	Bangkok	Bangalore	Manila	Ho Chi Minh
	USD/ m2 CFA (See also exchange rates per U.S. dollar below)			
	BAHT 32.43	INR 72.46	PHP 50.83	VND 23,500
DOMESTIC				
Apartments, high rise, average standard				
- Shell and core	540 - 694	510 - 565	N/A	N/A
- Full fit	740 - 879	580 - 665	972 - 1,202	636 - 789
Apartments, high rise, high end				
- Shell and core	632 - 817	745 - 890	N/A	N/A
- Full fit	987 - 1,218	875 - 1,055	1,293 - 2,286	810 - 928
Terraced houses, average standard				
- Shell and core	308 - 401	330 - 335	N/A	N/A
- Full fit	463 - 571	400 - 420	947 - 1,158	429 - 503
Detached houses, high end				
- Shell and core	540 - 771	440 - 465	N/A	N/A
- Full fit	802 - 971	530 - 555	1,838 - 3,117	489 - 597
OFFICE/COMMERCIAL				
Medium/high rise offices, average standard	740 - 879 #	440 - 475	962 - 1,157	744 - 861
High rise offices, prestige quality	925 - 1,187 ##	550 - 580	1,292 - 1,623	859 - 1,170
Out-of-town shopping centre, average standard	632 - 817	425 - 465	818 - 1,019	N/A
Retail malls, high end	848 - 894	595 - 645	1,117 - 1,565	695 - 910
INDUSTRIAL				
Industrial units, shell only (Conventional single storey framed units)	493 - 617	345 - 400	521 - 586	305 - 385
Owner operated factories, low rise, light weight industry	N/A	365 - 425	700 - 875	346 - 455
HOTELS				
Budget hotels - 3-star, mid market	1,156 - 1,280	825 - 910	1,222 - 1,362	1,380 - 1,689
Business hotels - 4/5-star	1,480 - 1,696	1,280 - 1,520	1,377 - 2,300	N/A
Luxury hotels - 5-star	1,727 - 2,005	1,620 - 1,775	1,892 - 3,171	1,743 - 2,092
OTHERS				
Underground/basement car parks (<3 levels)	555 - 740	290 - 315	505 - 754	631 - 754
Multi storey car parks, above ground (<4 levels)	185 - 302	230 - 250	485 - 686	406 - 445
Schools (primary and secondary)	N/A	290 - 325	716 - 988	534 - 582
Students' residences	N/A	315 - 345	758 - 972	534 - 685
Sports clubs, multi purpose sports/leisure centres (dry sports) with a/c and including FF&E	N/A	610 - 635	1,212 - 1,763	789 - 844
General hospitals - public sector	N/A	665 - 730	1,456 - 1,672	N/A

* The above costs are at 1st Quarter 2020 levels.



9 APPROXIMATE BUILDING COSTS FOR MAJOR CITIES

ASIA

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

Notes :

- The costs for the respective categories given above are averages based on fixed price competitive tenders. It must be understood that the actual cost of a building will depend upon the design and many other factors and may vary from the figures shown.
- The costs per square metre are based on Construction Floor Areas (CFA) measured to the outside face of the external walls / external perimeter including lift shafts, stairwells, balconies, plant rooms, water tanks and the like.
- All buildings are assumed to have no basements (except otherwise stated) and are built on flat ground, with normal soil and site conditions. The cost excludes site formation works, external works, land cost, professional fees, finance and legal expenses.
- The standard for each category of building varies from region to region and do not necessarily follow that of each other.
- "Shell and core" generally covers ONLY base building elements. "Shell" refers to overall structure and foundations, exterior walls, floors and roof, completing with common areas, staircases, lift shafts, service ducts and fire services systems to local statutory requirements. "Core" refers to fully-fitted public areas (like lobbies, corridors and lavatories) and M&E main plant and upfeed, with tenant or occupant areas unfurnished.
- "Full fit" buildings should complete with all elements that allow the buildings to be ready for operation, including public and tenants' (or occupants') areas (i.e. with ALL finishes, fittings and M&E distributions).
- Fluctuation in exchange rates may lead to changes in construction costs expressed in U.S. dollars.
- Hong Kong: ** Public authority standard, no a/c and complete with basic external works Singapore: @ Excluding carpet @@ Open on all sides with parapet Kuala Lumpur \$ 6-12 units per floor, 46m² - 83m² per unit; excluding air-conditioning \$\$ Excluding air-conditioning, Kitchen cabinets and home appliances \$\$\$ Exclude Tenant fit-out \$\$\$\$ Standard government provisions \$\$\$\$\$ University standard Bangkok # (i) Excluding raised floor/carpet and inter-tenancy partition (ii) Facade in windows and brick wall/pre-cast concrete panel ## Excluding raised floor/carpet and inter-tenancy partition



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