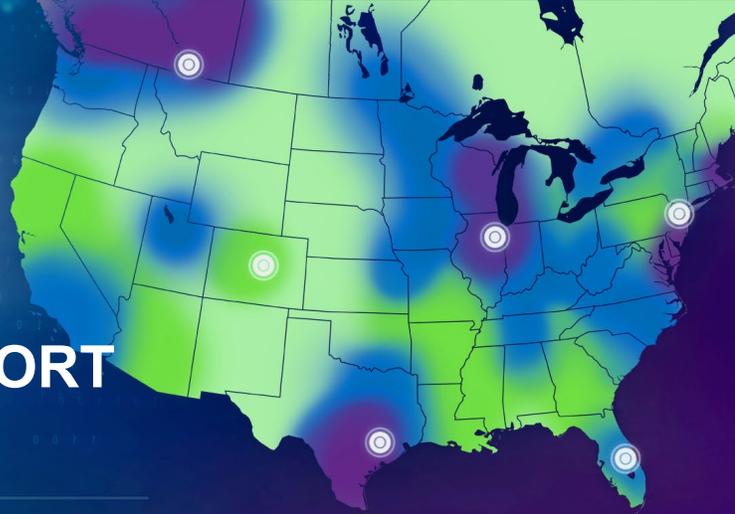


## CONSTRUCTION COST REPORT

Corporate Interior Market Data  
July 2023

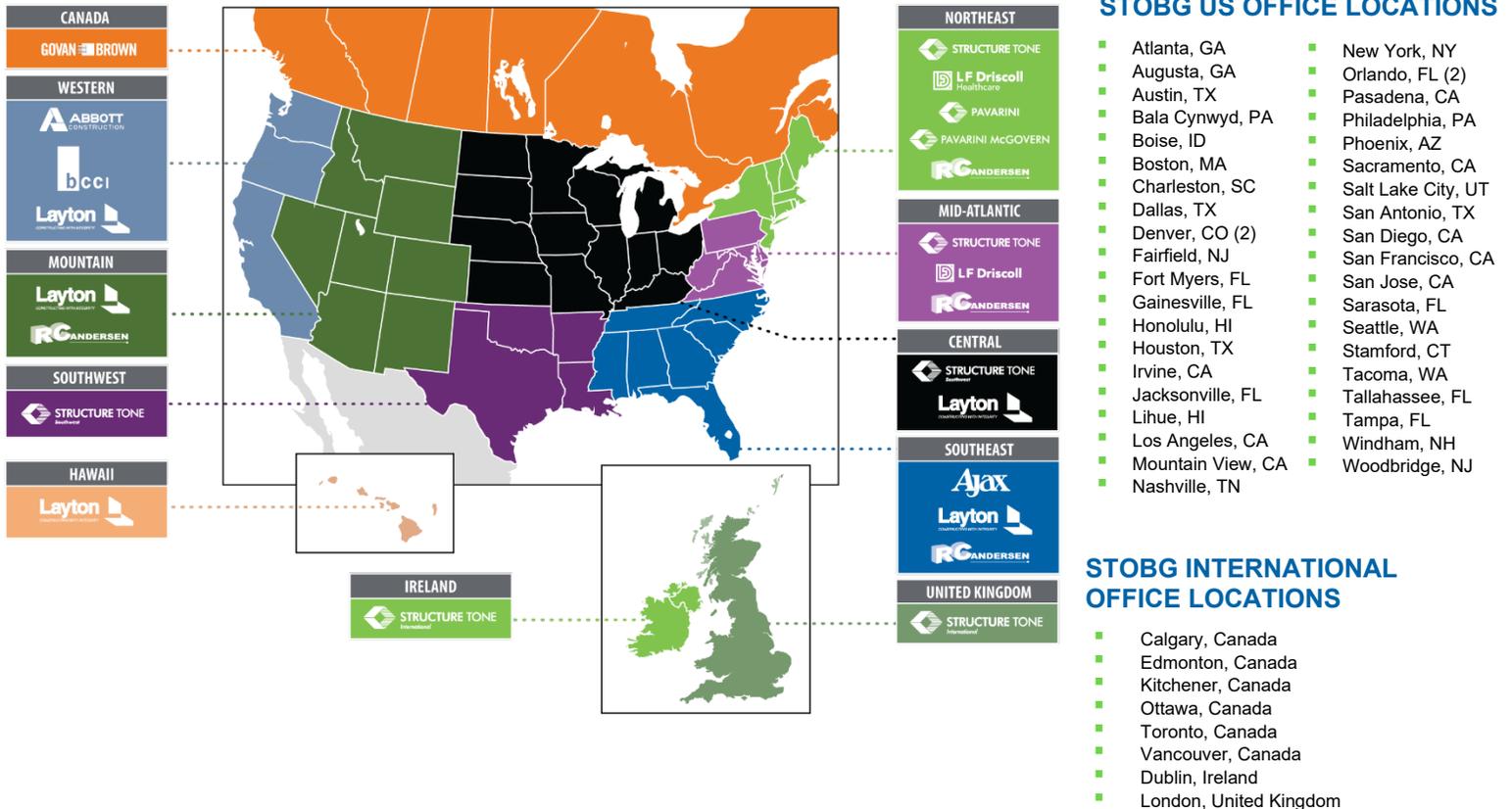


**PUBLISHED BY STO BUILDING GROUP GLOBAL SERVICES**

**Lead Author:** Stephen Dennis, *Account Executive, Global Services*

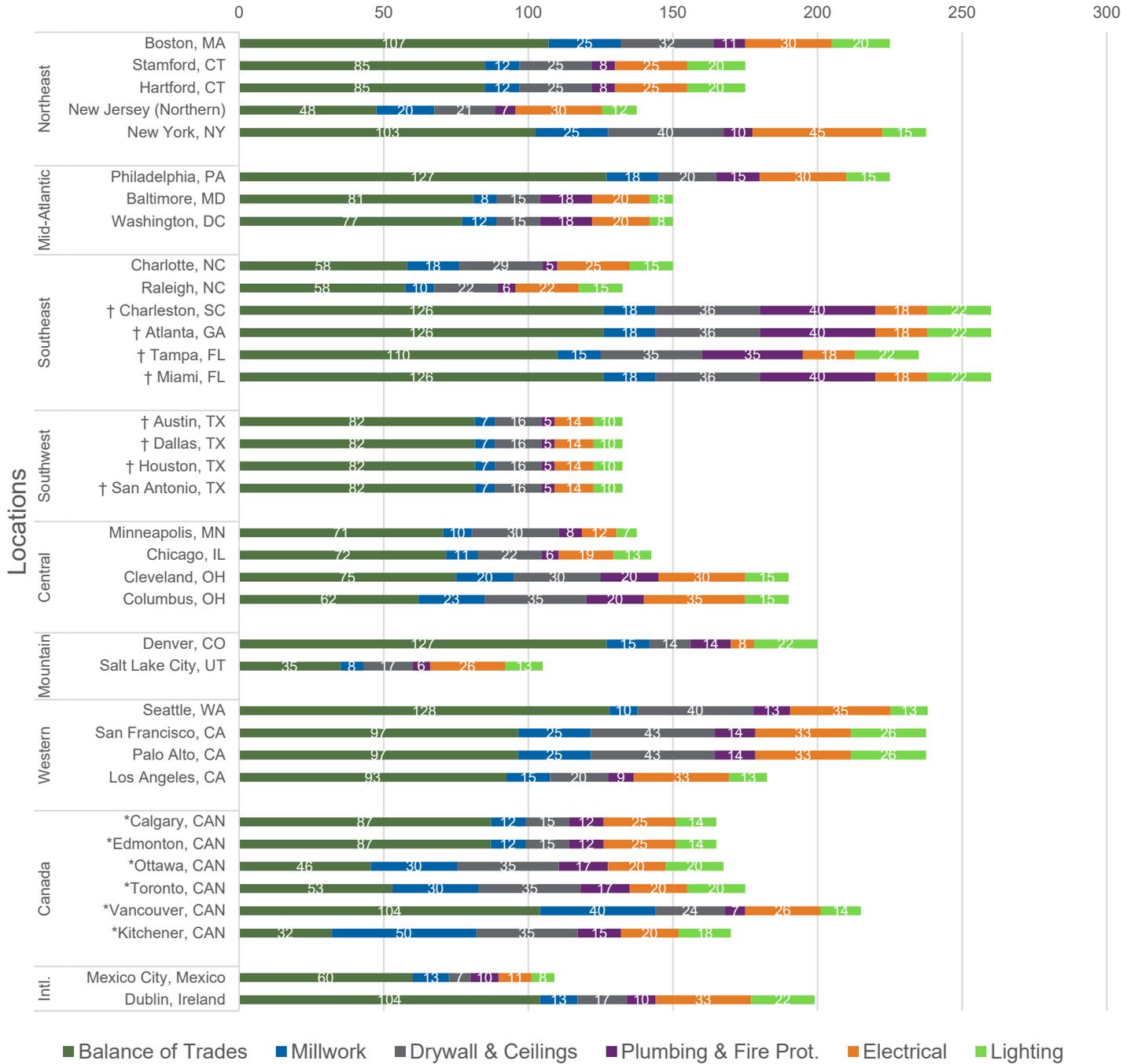
### ABSTRACT

STOBG actively engages with regional construction professionals to monitor cost and construction trends as they develop. STOBG, through our global network of Business Units and Strategic Alliance Partners, collects and analyzes data from projects across our geographic platform in order to generate timely reports that represent the market as it stands. The following reporting data represent median construction costs, not projections, from recently procured interior fit-out projects spanning from Q4 2022 to Q2 2023 by our family of companies within these specific locales. We hope this bulletin helps you understand the current cost trends and strategically plan your company's growth into the upcoming quarters.



# TRADE-SPECIFIC BREAKOUT COSTS

Costs (USD \$) Per SQFT.



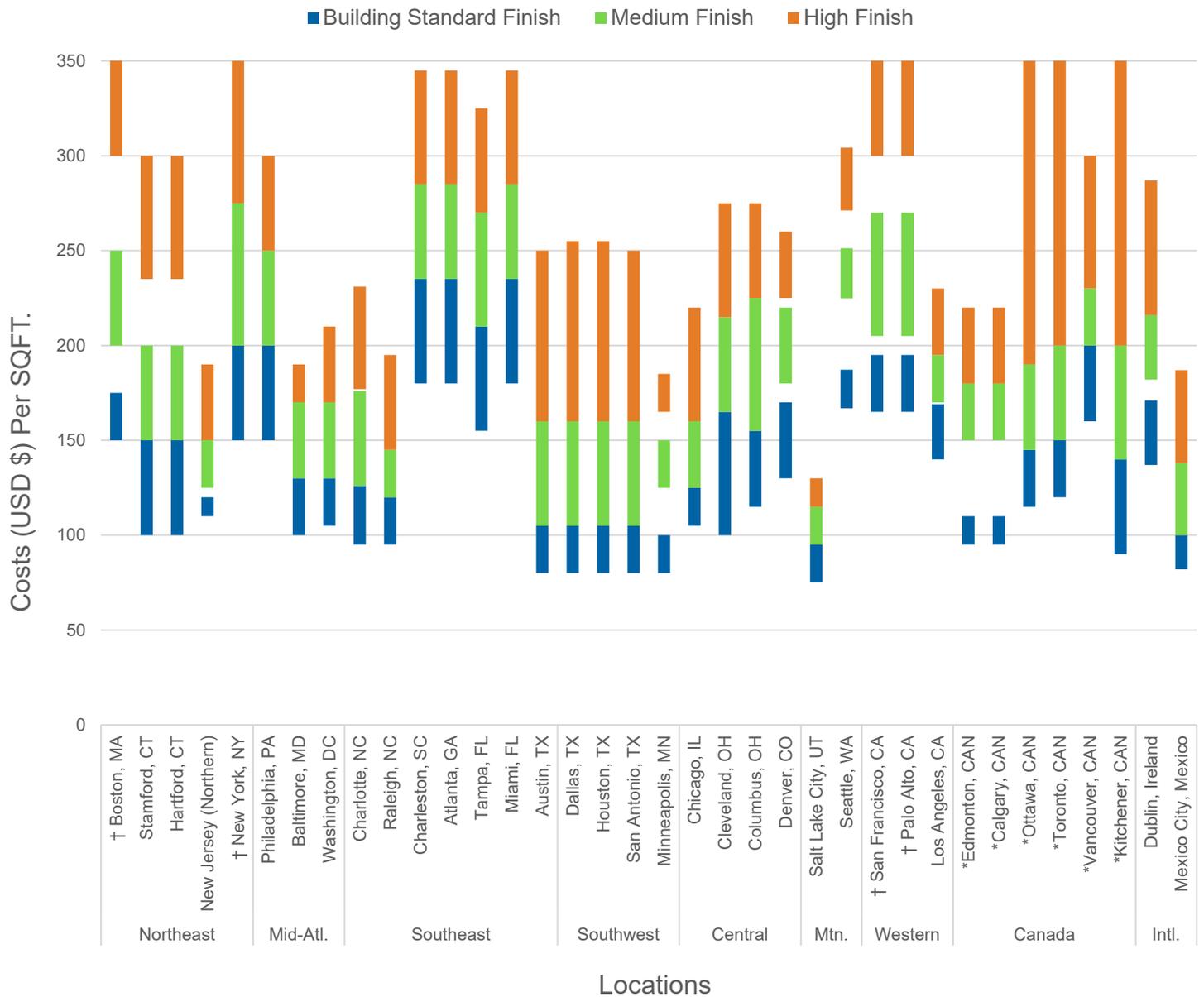
**Figure 1:** The graph above represents average key trade costs across major cities in North America as of the close of Q1 2023. As supply chains slowly return to pre-pandemic normalcy, local labor availability and subcontractor backlog are critical factors in the cost of work. Teams engage with local resources early and consider critical path material availability and client expectations as methods of managing cost. Costs are in local currency.

*As supply chains slowly return to pre-pandemic normalcy, local labor availability and subcontractor backlog are critical factors in the cost of work.*

\* HST tax not included (13%)

† Due to restrictions in the labor market these regions are experiencing higher variability in project values at all levels. Engaging with a local professional is highly recommended prior to preliminary budget and schedule forecasting.

# COMMERCIAL INTERIOR RENOVATION CONSTRUCTION COSTS



**Figure 2:** The graph above represents the median costs of commercial tenant interior construction across major cities in North America, as well as select international markets spanning from Q4 2022 to Q2 2023. When compared to data from the previous year two clear trends are emerging: Escalation remains present but has slowed for many cities on the East Coast and in the Mid-West, while it remains significant along much of the Sunbelt and Mountain Regions. Again, low availability of skilled labor, strong subcontractor backlog, and the ongoing shortage of specific key materials, such as large mechanical infrastructure, switchgear, and microprocessors, have buoyed construction costs in the first half of 2023.

\* HST tax not included (13%)

† Boston, New York, San Francisco, and Palo Alto exhibiting large ranges in high finish costs; refer to following tables for more information

*Escalation remains present but has slowed for many cities on the East Coast and in the Mid-West, while it remains significant along much of the Sunbelt and Mountain Regions.*



# TRADE-SPECIFIC BREAKOUT COSTS

**COST PER SQUARE FOOT** (\*BASED ON MEDIAN COST FROM MEDIUM FINISH PROJECT COST RANGES)

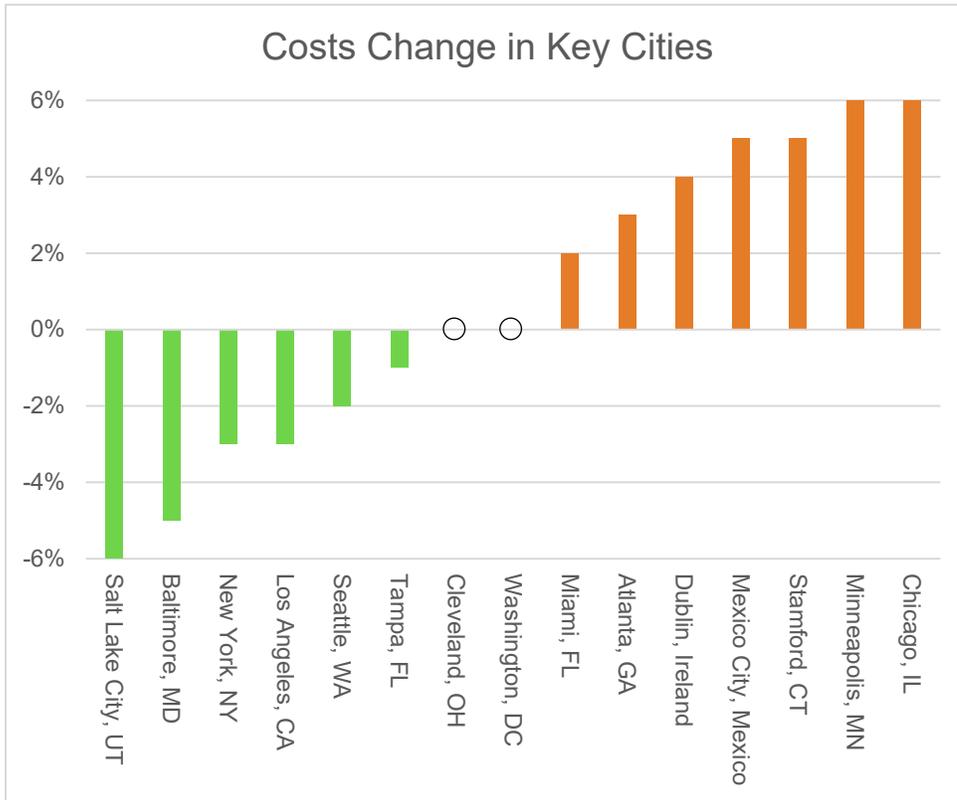
City	High Finish	Medium Finish	Building Standard	Permitting Process
Atlanta, GA	\$285 - \$345	\$235 - \$285	\$180 - \$235	16 weeks
Austin, TX	\$160 - \$250	\$105 - \$160	\$80 - \$105	4-16 weeks
Baltimore, MD	\$170 - \$190	\$130 - \$170	\$100 - \$130	12-16 weeks
Boston, MA	\$300 - \$450	\$200 - \$250	\$150 - \$175	4 weeks
Charleston, SC	\$285 - \$345	\$235 - \$285	\$180 - \$235	16 weeks
Charlotte, NC	\$176 - \$230	\$125 - \$175	\$95 - \$126	2-3 weeks
Chicago, IL	\$160 - \$220	\$125 - \$160	\$105 - \$125	3-8 weeks
Cleveland, OH	\$215 - \$275	\$165 - \$215	\$100 - \$165	3-4 weeks
Columbus, OH	\$225 - \$275	\$155 - \$255	\$115 - \$155	3-4 weeks
Dallas, TX	\$160 - \$255	\$105 - \$160	\$80 - \$105	4-16 weeks
Denver, CO	\$225 - \$260	\$180 - \$220	\$130 - \$170	16 weeks
Hartford, CT	\$235 - \$300	\$150 - \$200	\$100 - \$150	4-6 weeks
Houston, TX	\$160 - \$255	\$105 - \$160	\$80 - \$105	4-16 weeks
Los Angeles, CA	\$195 - \$230	\$170 - \$195	\$140 - \$169	12 weeks
Miami, FL	\$285 - \$345	\$235 - \$285	\$180 - \$235	16 weeks
Minneapolis, MN	\$165 - \$185	\$125 - \$150	\$80 - \$100	6 weeks
New Jersey (Northern)	\$185 - \$205	\$150 - \$180	\$125 - \$145	6-8 weeks
New York, NY	\$275 - \$350	\$200 - \$275	\$150 - \$200	12 weeks
Palo Alto, CA	\$300 - \$475	\$205 - \$270	\$165 - \$195	3-4 weeks
Philadelphia, PA	\$250 - \$300	\$200 - \$250	\$150 - \$200	2-6 weeks
Raleigh, NC	\$145 - \$195	\$120 - \$145	\$95 - \$120	8-12 weeks
Salt Lake City, UT	\$115 - \$130	\$95 - \$115	\$75 - \$95	8 weeks
San Antonio, TX	\$160 - \$250	\$105 - \$160	\$80 - \$105	4-16 weeks
San Francisco, CA	\$300 - \$475	\$205 - \$270	\$165 - \$195	3-4 weeks OTC, 32 weeks intake
Seattle, WA	\$271 - \$304	\$224 - \$251	\$166 - \$187	52 weeks
Stamford, CT	\$235 - \$300	\$150 - \$200	\$100 - \$150	4-6 weeks
Tampa, FL	\$260 - \$315	\$205 - \$265	\$155 - \$210	15 weeks
Washington, DC	\$170 - \$210	\$130 - \$170	\$105 - \$130	6-16 weeks
Calgary, CAN	\$136 - \$166	\$136 - \$113	\$71 - \$83	8 weeks
Edmonton, CAN	\$136 - \$166	\$136 - \$113	\$71 - \$83	5 weeks
Kitchener, CAN	\$151 - \$283	\$105 - \$151	\$90 - \$113	5-6 weeks
Ottawa, CAN	\$143 - \$264	\$185 - \$219	\$87 - \$109	6-8 weeks
Toronto, CAN	\$151 - \$283	\$113 - \$151	\$90 - \$113	8-10 weeks
Vancouver, CAN	\$174 - \$227	\$151 - \$174	\$121 - \$151	12-20 weeks
Dublin, Ireland	\$216 - \$287	\$182 - \$216	\$137 - \$171	18 weeks
Mexico City, Mexico	\$123 - \$172	\$90 - \$128	\$82 - \$100	8 weeks

City	Millwork	Drywall & Ceilings	Plumbing & Fire Protection	Electrical *Fire Alarm N.I.C.	Lighting & Controls	Balance of Trades
Atlanta, GA	\$18	\$36	\$40	\$18	\$22	\$126
Austin, TX	\$7	\$16	\$5	\$14	\$10	\$82
Baltimore, MD	\$8	\$15	\$18	\$20	\$8	\$81
Boston, MA	\$25	\$32	\$11	\$30	\$20	\$107
Charleston, SC	\$18	\$36	\$40	\$18	\$22	\$126
Charlotte, NC	\$18	\$29	\$5	\$25	\$15	\$58
Chicago, IL	\$11	\$22	\$6	\$19	\$13	\$72
Cleveland, OH	\$20	\$30	\$20	\$30	\$15	\$75
Columbus, OH	\$23	\$35	\$20	\$35	\$15	\$62
Dallas, TX	\$7	\$16	\$5	\$14	\$10	\$82
Denver, CO	\$15	\$14	\$14	\$8	\$22	\$127
Hartford, CT	\$12	\$25	\$8	\$25	\$20	\$85
Houston, TX	\$7	\$16	\$5	\$14	\$10	\$82
Los Angeles, CA	\$15	\$20	\$9	\$33	\$13	\$97
Miami, FL	\$18	\$36	\$40	\$18	\$22	\$126
Minneapolis, MN	\$10	\$30	\$8	\$12	\$7	\$71
New Jersey (Northern)	\$20	\$21	\$7	\$30	\$12	\$48
New York, NY	\$25	\$40	\$10	\$45	\$15	\$103
Palo Alto, CA	\$25	\$43	\$14	\$33	\$26	\$97
Philadelphia, PA	\$18	\$20	\$15	\$30	\$15	\$127
Raleigh, NC	\$10	\$22	\$6	\$22	\$15	\$58
Salt Lake City, UT	\$8	\$17	\$6	\$26	\$13	\$35
San Antonio, TX	\$7	\$16	\$5	\$14	\$10	\$82
San Francisco, CA	\$25	\$43	\$14	\$33	\$26	\$97
Seattle, WA	\$10	\$40	\$13	\$35	\$13	\$128
Stamford, CT	\$12	\$25	\$8	\$25	\$20	\$85
Tampa, FL	\$15	\$35	\$35	\$18	\$22	\$110
Washington, DC	\$12	\$15	\$18	\$20	\$8	\$77
Calgary, CAN	\$12	\$15	\$12	\$25	\$14	\$87
Edmonton, CAN	\$12	\$15	\$12	\$25	\$14	\$87
Kitchener, CAN	\$50	\$35	\$15	\$20	\$18	\$32
Ottawa, CAN	\$30	\$35	\$17	\$20	\$20	\$46
Toronto, CAN	\$30	\$35	\$17	\$20	\$20	\$53
Vancouver, CAN	\$40	\$24	\$7	\$26	\$14	\$104
Dublin, Ireland	\$13	\$17	\$10	\$33	\$22	\$104
Mexico City, Mexico	\$13	\$7	\$10	\$11	\$8	\$60



# KEY CITIES ANALYSIS

## COSTS CHANGE SINCE Q4 2022



Costs – Key Cities	
City	Change
Salt Lake City, UT	- 6%
Baltimore, MD	- 5%
New York, NY	- 3%
Los Angeles, CA	- 3%
Seattle, WA	- 2%
Tampa, FL	- 1%
Cleveland, OH	0%
Washington, DC	0%
Miami, FL	+ 2%
Atlanta, GA	+ 3%
Dublin, Ireland	+ 4%
Mexico City, Mexico	+ 5%
Stamford, CT	+ 5%
Minneapolis, MN	+ 6%
Chicago, IL	+ 6%

## CONCLUSION

Our latest construction cost market data analysis has revealed several positive trends that emerged during Q1 2023 in tenant interiors projects across the nation. Median TI construction costs in multiple markets are showing signs of decreasing escalation and price stabilization due in part to a reduction in new design activity as well as a reduction in energy costs in the latter half of 2022. A shortage of skilled labor, for both manufacturers and subcontractors, remains a primary cause of escalation in the Southwest and Mountain regions as subcontractor backlogs remain strong. Nationally, the ability to source and vet capable, qualified, and reliable trade labor remains a top priority for STOBG and our industry-leading prequalification process remains our primary tool to help our clients manage risk and uncertainty.

***A shortage of skilled labor, for both manufacturers and subcontractors, remains a primary cause of escalation in the Southwest and Mountain regions as subcontractor backlogs remain strong.***

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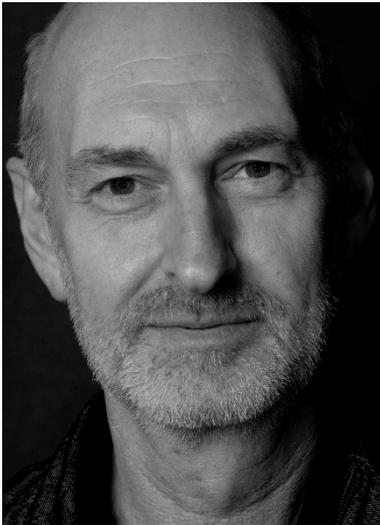
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