STO BUILDING GROUP

# CONSTRUCTION COST REPORT

***Corporate Interior Market Data***
***February 2024***

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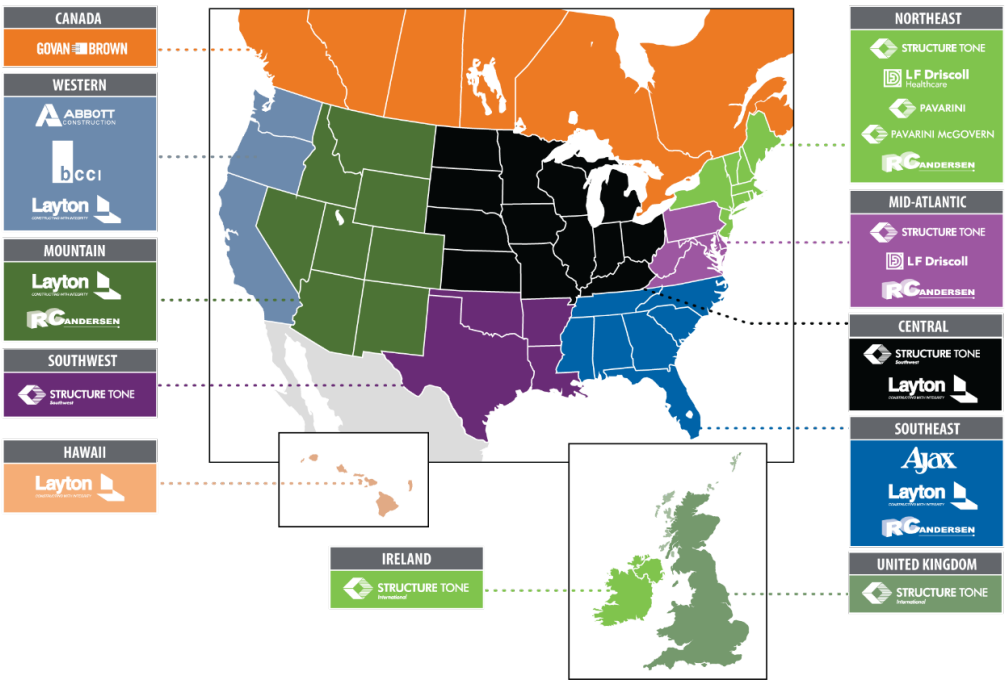
## ABSTRACT

STOBG actively engages with regional construction professionals to monitor cost and construction trends as they develop and seeks to inform and engage with others in the commercial real estate industry so that we may all better understand the daily reality of our markets. Through our global network of operating companies and Strategic Alliance Partners, STOBG collects and analyzes data from actual projects across our geographic platform to generate timely reports that represent the market as it stands.

The following data represent median construction costs from actual projects under construction recently procured interior fit-out projects spanning from Q3 2023 to Q1 2024 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.




### STOBG US OFFICE LOCATIONS

- Atlanta, GA
- Augusta, GA
- Austin, TX
- Bala Cynwyd, PA
- Boise, ID
- Boston, MA
- Charleston, SC
- Dallas, TX
- Denver, CO (2)
- Fairfield, NJ
- Fort Myers, FL
- Gainesville, FL
- Honolulu, HI
- Houston, TX
- Irvine, CA
- Jacksonville, FL
- Lihue, HI
- Los Angeles, CA
- Mountain View, CA
- Nashville, TN
- New York, NY
- Orlando, FL (2)
- Pasadena, CA
- Philadelphia, PA
- Phoenix, AZ
- Sacramento, CA
- Salt Lake City, UT
- San Antonio, TX
- San Diego, CA
- San Francisco, CA
- San Jose, CA
- Sarasota, FL
- Seattle, WA
- Stamford, CT
- Tacoma, WA
- Tallahassee, FL
- Tampa, FL
- Windham, NH
- Woodbridge, NJ

### STOBG INTERNATIONAL OFFICE LOCATIONS

- Calgary, Canada
- Edmonton, Canada
- Kitchener, Canada
- Ottawa, Canada
- Toronto, Canada
- Vancouver, Canada
- Dublin, Ireland
- London, United Kingdom

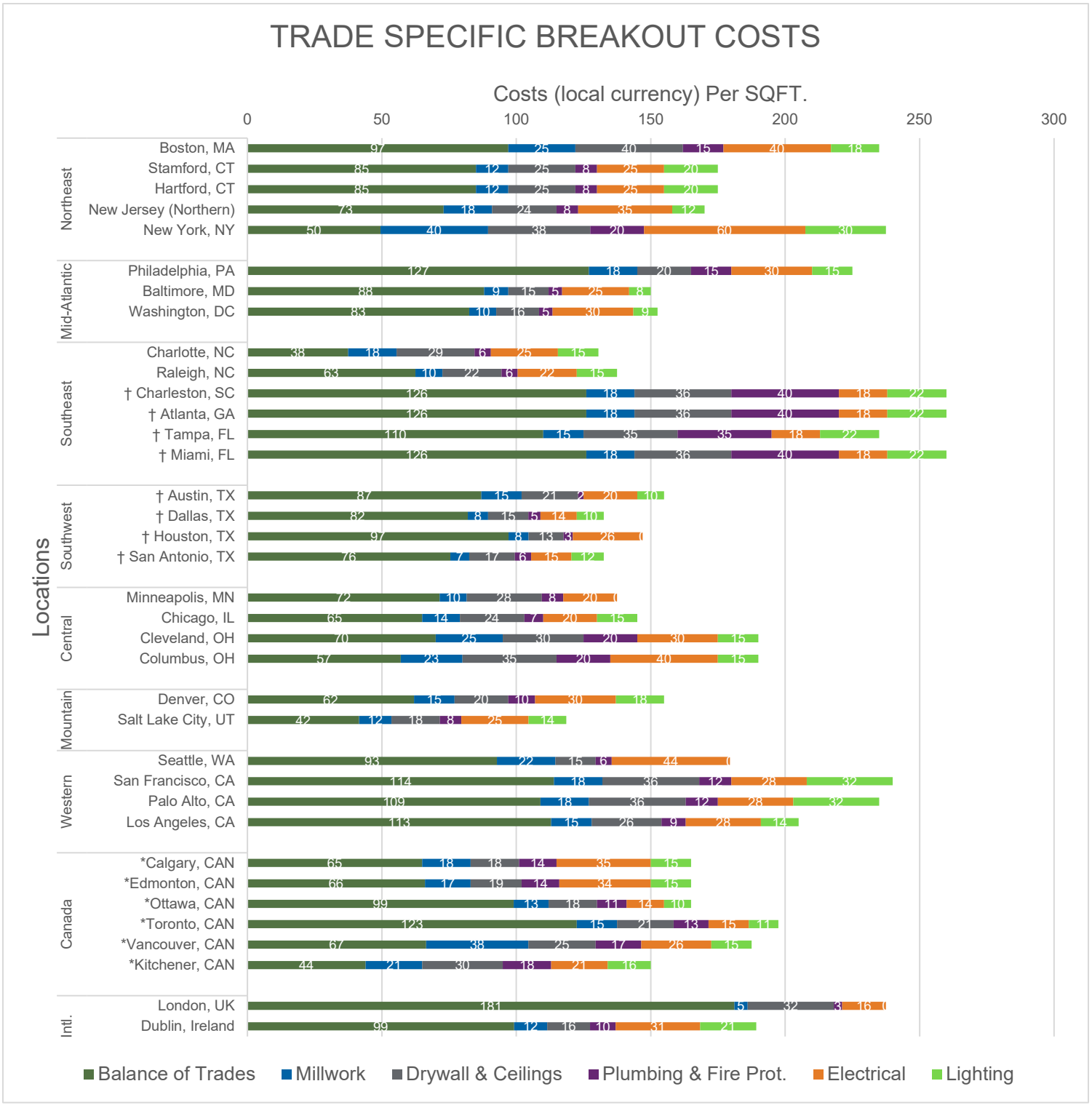



**Figure 1:** The graph above represents average key trade costs across major cities in North America as of the close of Q4 2023. The availability of skilled labor, tightening subcontractor backlog, declining fossil fuel pricing, and the resilient yet uncertain macroeconomic environment were the primary drivers for construction hard costs in the latter half of 2023. STOBG recommends that project teams engage with local resources early and consider key subcontractor assignment and material procurement 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.

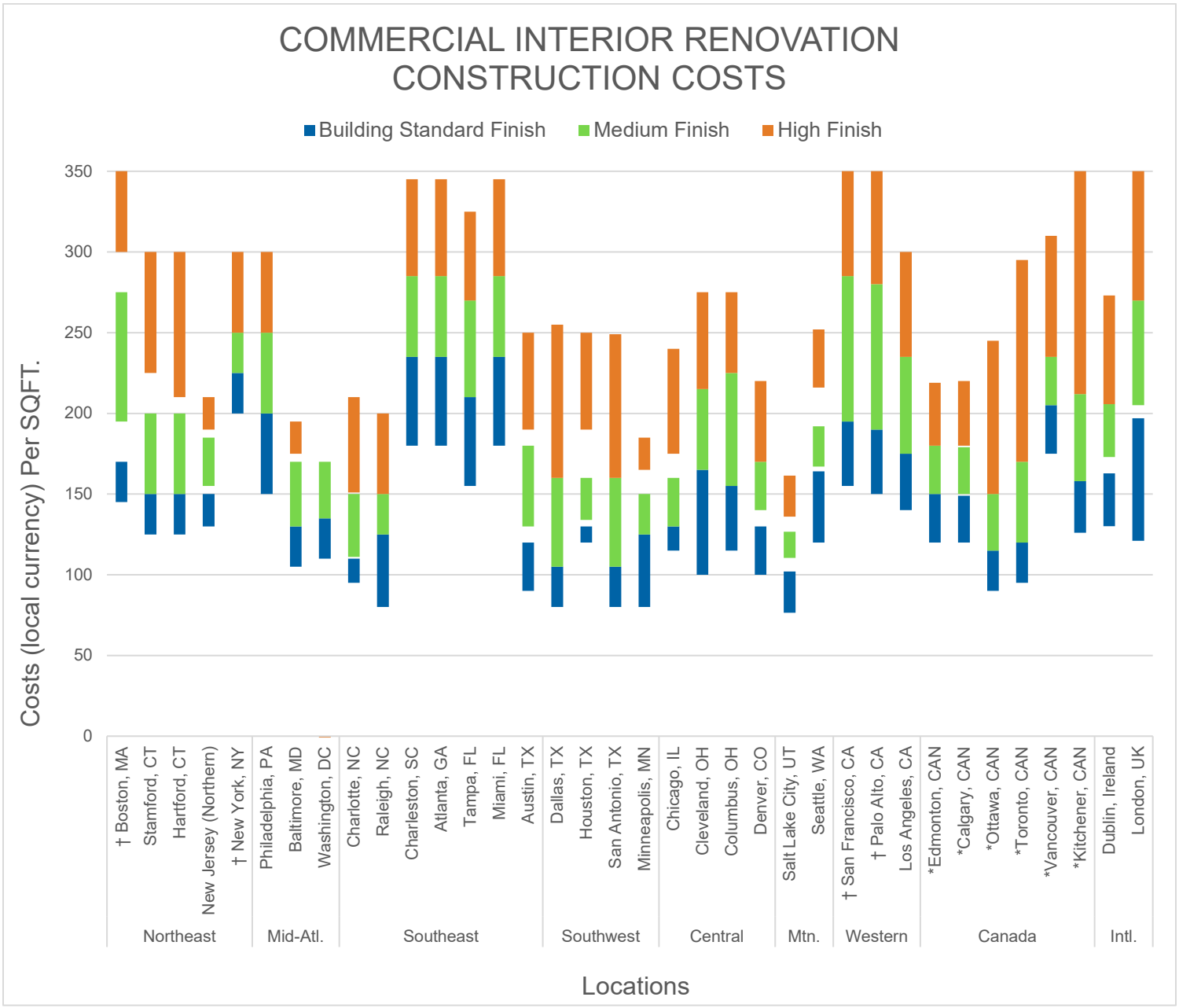



**Figure 2:** The graph above represents the median costs of commercial tenant interior construction across major cities in North America, as well as select international markets for spanning from Q4 2023 to Q1 2024. Our prior analysis in early 2023 suggested that pace of construction escalation was abating in many markets compared to 2022; and our latest response shows that this trend continued through 2023 with most markets reporting level or slightly reduced construction hard costs year on year. While the broader markets remain modestly escalatory; decreasing subcontractor backlog, a stabilized supply chain, and a decrease in fossil fuel costs have generally stabilized construction costs. Some specific market outliers persist, such as Los Angeles, Seattle, and Salt Lake City, and can largely be associated with the inception or completion of specific projects or programs and their rippling influence on regional values.

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* GST/HST tax not included
† Boston, New York, San Francisco, and Palo Alto exhibiting large ranges in high finish costs; refer to following tables for more information

# TRADE-SPECIFIC BREAKOUT COSTS

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

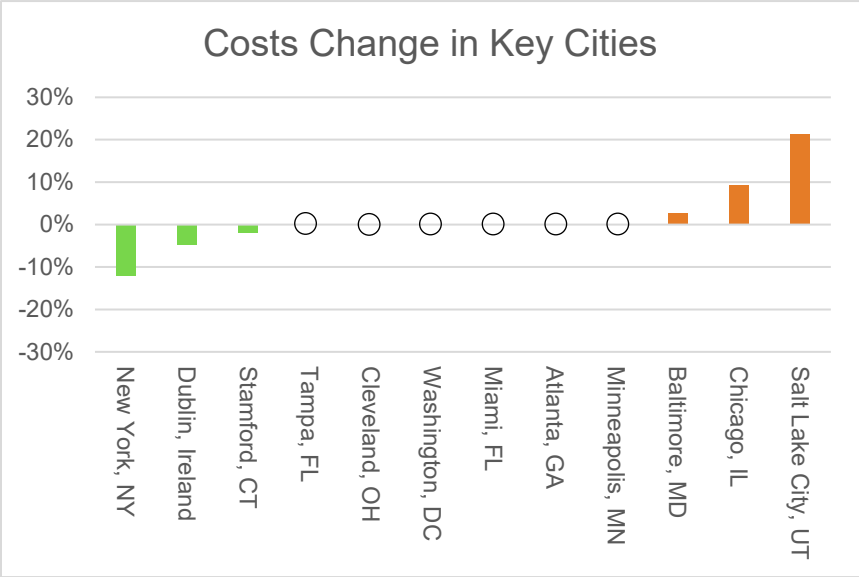
**Cost Values Do Not Include Traditionally Owner-Provided Trades Such as AV, Tel/Data, Security, and Furniture.**

| City | High Finish | Medium Finish | Building Standard | Permitting Process |
|---|---|---|---|---|
| Atlanta, GA | $285 – $345 | $235 – $285 | $180 – $235 | 16 Weeks |
| Austin, TX | $190 – $250 | $130 – $180 | $90 – $120 | 8 Weeks |
| Baltimore, MD | $175 – $195 | $130 – $170 | $105 – $130 | 8-12 Weeks |
| Boston, MA | $300 – $480 | $195 – $275 | $145 – $170 | 4-6 weeks |
| Charleston, SC | $285 – $345 | $235 – $285 | $180 – $235 | 16 Weeks |
| Charlotte, NC | $151 – $210 | $111 – $150 | $95 – $110 | 2 Weeks |
| Chicago, IL | $175 – $240 | $130 – $160 | $115 – $130 | 3-4 weeks self-certification, 4-8 weeks standard |
| Cleveland, OH | $215 – $275 | $165 – $215 | $100 – $165 | 3-4 Weeks |
| Columbus, OH | $225 – $275 | $155 – $225 | $115 – $155 | 4-5 Weeks |
| Dallas, TX | $160 – $255 | $105 – $160 | $80 – $105 | 4-16 weeks depending on the city (Dallas is closer to 16 weeks) |
| Denver, CO | $170 – $220 | $140 – $170 | $100 – $130 | 12 Weeks |
| Hartford, CT | $210 – $300 | $150 – $200 | $125 – $150 | 4-6 Weeks |
| Houston, TX | $190 – $250 | $134 – $160 | $120 – $130 | 16 Weeks |
| Los Angeles, CA | $235 – $300 | $175 – $235 | $140 – $175 | 12 Weeks |
| Miami, FL | $285 – $345 | $235 – $285 | $180 – $235 | 16 Weeks |
| Minneapolis, MN | $165 – $185 | $125 – $150 | $80 – $125 | 4 Weeks |
| New Jersey (Northern) | $190 – $210 | $155 – $185 | $130 – $150 | 6-8 Weeks |
| New York, NY | $250 – $300 | $225 – $250 | $200 – $225 | 3-4 Weeks |
| Palo Alto, CA | $280 – $465 | $190 – $280 | $150 – $190 | 12-16 Weeks |
| Philadelphia, PA | $250 – $300 | $200 – $250 | $150 – $200 | City 2 weeks, Suburbs 4-6 weeks |
| Raleigh, NC | $150 – $200 | $125 – $150 | $80 – $125 | 8-12 weeks |
| Salt Lake City, UT | $136 – $161 | $110 – $126 | $76 – $102 | 7 Weeks |
| San Antonio, TX | $160 – $249 | $105 – $160 | $80 – $105 | 4-8 Weeks |
| San Francisco, CA | $285 – $475 | $195 – $285 | $155 – $195 | 3-4 weeks Over The Counter; +/-32 weeks Intake |
| Seattle, WA | $216 – $252 | $167 – $192 | $120 – $164 | 24 - 48 Weeks |
| Stamford, CT | $225 – $300 | $150 – $200 | $125 – $150 | 4-6 Weeks |
| Tampa, FL | $260 – $315 | $205 – $265 | $155 – $210 | 15 Weeks |
| Washington, DC | $170 – $210 | $135 – $170 | $110 – $135 | DC - 10-12 weeks; Virginia - 8- 12 weeks; Maryland - 12 weeks |
| Calgary, CAN | C$180 – C$220 | C$150 – C$180 | C$110 – C$150 | 4-6 Weeks |
| Edmonton, CAN | C$180 – C$220 | C$150 – C$180 | C$110 – C$150 | 5 Weeks |
| Kitchener, CAN | C$180 – C$295 | C$120 – C$180 | C$95 – C$120 | 4-5 Weeks |
| Ottawa, CAN | C$190 – C$320 | C$140 – C$190 | C$110 – C$140 | 6 - 8 Weeks |
| Toronto, CAN | C$235 – C$395 | C$160 – C$235 | C$130 – C$160 | 6 - 8 Weeks |
| Vancouver, CAN | C$225 – C$365 | C$150 – C$225 | C$120 – C$150 | 10-22 Weeks |
| Dublin, Ireland | €205 – €273 | €172 – €205 | €130 – €162 | 18 Weeks |
| London, UK | £241 – £324 | £205 – £270 | £121 – £197 | 13 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 | $15 | $21 | $2 | $20 | $10 | $87 |
| Baltimore, MD | $9 | $15 | $5 | $25 | $8 | $88 |
| Boston, MA | $25 | $40 | $15 | $40 | $18 | $97 |
| Charleston, SC | $18 | $36 | $40 | $18 | $22 | $126 |
| Charlotte, NC | $18 | $29 | $6 | $25 | $15 | $37 |
| Chicago, IL | $14 | $24 | $7 | $20 | $15 | $65 |
| Cleveland, OH | $25 | $30 | $20 | $30 | $15 | $70 |
| Columbus, OH | $23 | $35 | $20 | $40 | $15 | $57 |
| Dallas, TX | $7 | $15 | $4 | $13 | $10 | $82 |
| Denver, CO | $15 | $20 | $10 | $30 | $18 | $62 |
| Hartford, CT | $12 | $25 | $8 | $25 | $20 | $85 |
| Houston, TX | $7 | $13 | $3 | $26 | $0 | $97 |
| Los Angeles, CA | $15 | $26 | $9 | $28 | $14 | $113 |
| Miami, FL | $18 | $36 | $40 | $18 | $22 | $126 |
| Minneapolis, MN | $10 | $28 | $8 | $20 | $0 | $71 |
| New Jersey (Northern) | $18 | $24 | $8 | $35 | $12 | $73 |
| New York, NY | $40 | $38 | $20 | $60 | $30 | $49 |
| Palo Alto, CA | $18 | $36 | $12 | $28 | $32 | $109 |
| Philadelphia, PA | $18 | $20 | $15 | $30 | $15 | $127 |
| Raleigh, NC | $10 | $22 | $6 | $22 | $15 | $62 |
| Salt Lake City, UT | $12 | $18 | $8 | $25 | $14 | $4 |
| San Antonio, TX | $7 | $17 | $6 | $15 | $12 | $75 |
| San Francisco, CA | $18 | $36 | $12 | $28 | $32 | $114 |
| Seattle, WA | $21 | $15 | $6 | $44 | $0 | $92 |
| Stamford, CT | $12 | $25 | $8 | $25 | $20 | $85 |
| Tampa, FL | $15 | $35 | $35 | $18 | $22 | $110 |
| Washington, DC | $10 | $16 | $5 | $30 | $9 | $82 |
| Calgary, CAN | C$18 | C$18 | C$14 | C$35 | C$15 | C$65 |
| Edmonton, CAN | C$17 | C$19 | C$14 | C$34 | C$15 | C$66 |
| Kitchener, CAN | C$21 | C$30 | C$18 | C$21 | C$16 | C$44 |
| Ottawa, CAN | C$13 | C$18 | C$11 | C$14 | C$10 | C$99 |
| Toronto, CAN | C$15 | C$21 | C$13 | C$15 | C$11 | C$122 |
| Vancouver, CAN | C$38 | C$25 | C$17 | C$26 | C$15 | C$66 |
| Dublin, Ireland | €12 | €15 | €9 | €31 | €20 | €99 |
| London, UK | £5 | £32 | £3 | £16 | £0 | £181 |

# KEY CITIES ANALYSIS

## COSTS CHANGE SINCE Q4 2023




| Costs – Key Cities | |
|---|---|
| City | Change |
| New York, NY | - 12% |
| Dublin, Ireland | - 5% |
| Stamford, CT | - 2% |
| Tampa, FL | 0% |
| Cleveland, OH | 0% |
| Washington, DC | 0% |
| Miami, FL | 0% |
| Atlanta, GA | 0% |
| Minneapolis, MN | 0% |
| Baltimore, MD | + 3% |
| Chicago, IL | + 9% |
| Salt Lake City, UT | + 21% |

## CONCLUSION

Our latest market data analysis has revealed a largely positive trend that emerged during 2023 in tenant interiors projects across the nation. Median TI construction costs in many regions are suggestive of price stabilization in commercial office delivery. This return to predictability is due in part to a softening in commercial real estate demand as well as a reduction in energy costs for manufacturers and transportation throughout 2023. A shortage of skilled labor, for both manufacturers and subcontractors, remains a primary cause of price uncertainty for most of our responding markets and some isolated supply chain snarls linger. As economic uncertainty remains and subcontractor backlogs grow tighter, STOBG does advise ongoing and robust due diligence in sourcing and vetting capable, qualified, and reliable trade partners. STOBG has pioneered and rigorously upheld an industry-leading prequalification process which remains our primary tool to help clients manage risk and uncertainty.

*A shortage of skilled labor, for both manufacturers and subcontractors, remains a primary cause of price uncertainty and some isolated supply chain snarls linger .*

## ABOUT OUR GUIDE

**Our Cost Report is intended to offer a snapshot of current costs in the markets we operate in, helping you gain clarity on pricing trends. For tailored budgeting assistance, please get in touch with your local STOBG representative or reach out to Stephen Dennis at STOBG Global Services.**

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