

**FOR IMMEDIATE RELEASE**

April 27, 2012

**MEDIA CONTACT**

Kimberly Russell  
Kirksey  
713 426 7425  
[kimberlyr@kirksey.com](mailto:kimberlyr@kirksey.com)



6909 Portwest Drive  
Houston Texas 77024  
713 850 9600  
[kirksey.com](http://kirksey.com)

**KIRKSEY'S 2012 ANNUAL CONSTRUCTION COST UPDATE**

**April 2012** - Kirksey has released their 2012 Annual Construction Cost Update for office buildings and parking structures.

With market conditions in the construction economy constantly changing, Kirksey polls leading general contractors to give an update on current conditions. Figures were compiled using generic building types and apply to core and shell and do not include tenant improvements.

The Kirksey Construction Cost Update can be found on the following pages or by visiting [www.kirksey.com](http://www.kirksey.com) / News & Resources / Articles & Publications.

####

*Kirksey is a Houston-based, sustainable architecture and interior design firm with more than 27 million sf of LEED projects in their portfolio. Team-based in structure, Kirksey serves Commercial, Collegiate, Community/Religious, pK-12, Government, Healthcare, Hospitality, Science & Technology, and Multi-Family Residential markets. To learn more about the firm, visit [www.kirksey.com](http://www.kirksey.com).*

## Office Buildings & Parking Structures

Market conditions in the construction economy are constantly changing. As a service to our clients, we annually poll leading general contractors to give an update on current conditions. **Figures apply to core and shell only and do not include tenant improvements.** Using several generic building types, we have compiled our findings below.

### **One-Story Flex Office Buildings — \$60 to \$67/sf** (\$58 to \$65/sf in 2011)

One-story shell buildings designed to accommodate uses ranging from traditional offices to light assembly, high-technology lab applications. Typical projects are cold, dark shell steel structures with tilt-up concrete skins and punched openings. Cost includes \$7 to \$10/sf for sitework and surface parking lot, depending on parking density and detention requirements.

### **Low-Rise Office Buildings — \$74 to \$81/sf** (\$72 to \$80/sf in 2011)

Two- to three-story, larger footprint shell buildings designed with speculative building features. Typical projects are composite steel structures, bar joist roof structures with tilt-up concrete skins and punched openings. Cost includes \$7 to \$9/sf for sitework and surface parking lot, depending on parking density and detention requirements.

### **Mid-Rise Office Buildings — \$85 to \$95/sf** (\$82 to \$90/sf in 2011)

Four- to six-story, 25,000-sf footprint shell buildings designed with speculative building features. Typical projects are composite steel structures with pre-cast concrete and glass skins. Cost includes \$4 to \$5/sf for sitework and minimal (visitor) surface parking. Typical projects have majority of parking housed in adjacent parking garage. See garage costs on next page.

### **High-Rise Office Buildings — \$93 to \$130/sf** (\$90 to \$125/sf in 2011)

7 stories — \$93 to \$100/sf (\$90 to \$100/sf in 2011)

14 stories — \$100 to \$110/sf (\$95 to \$115/sf in 2011)

20 stories — \$110 to \$120/sf (\$105 to \$115/sf in 2011)

25 stories — \$120 to \$130/sf (\$115 to \$125/sf in 2011)

Seven- to 25-story, 25,000-sf footprint shell buildings. Typical projects are cast-in-place concrete structures with articulated pre-cast and curtainwall glass skins. Costs include less than \$3/sf for sitework and minimal (visitor) surface parking. Majority of parking is in adjacent garages. See garage costs on next page.

### **Commercial Tenant Improvements — \$37 to \$45/sf** (\$35 to \$43/sf in 2011)

Costs typical of a 25,000-sf full floor office tenant buildout. Reception lobby and executive areas have upgraded finishes. The remainder of the space is about 50% enclosed offices and 50% open plan areas with tenant standard finishes.

### **Medical Office Buildings — \$95 to \$125/sf** (\$93 to \$120/sf in 2011)

Low-rise, 2 to 3 stories — \$95 to \$106/sf (\$93 to \$102/sf in 2011)

Mid-rise, 4 to 6 stories — \$104 to \$113/sf (\$101 to \$110/sf in 2011)

High-rise, 7 to 25 stories — \$113 to \$125/sf (\$110 to \$120/sf in 2011)

In general, Medical Office shell buildings have similar features to corporate office buildings described above. Unique MOB features include larger parking requirements, larger floor-to-floor heights, increased base MEP systems with redundancies, emergency power, covered walkways and drop-offs, and increased elevator requirements.

cont'd >

## Office Buildings & Parking Structures, *cont'd*

### Parking Structures — \$21 to \$34/sf (\$20 to \$33/sf in 2011)

Cast-in-place concrete — \$30 to \$34/sf, without basement (\$28 to \$34/sf in 2011)

Pre-cast concrete — \$24 to \$28/sf, without basement (\$22 to \$27/sf in 2011)

Steel — \$21 to \$26/sf, without basement (\$20 to \$25/sf in 2011)

Most office projects continue to build pre-cast or cast-in-place garages. The lower cost range examples would typically be for more efficient suburban sites. Small urban downtown and medical center sites with limitations may have higher costs than our ranges show. Many low-rise projects continue to provide inexpensive canopies to meet market demands for covered parking.

## Recent Trends

Though still in the midst of a depressed building market, we are seeing increased activity in office buildings. Private construction should improve later in 2012, although the public side may slow. A number of growing companies—particularly energy-related—will be moving forward with building projects in the near future.

In general, construction costs have stabilized at a low point over the past year and have started to move upward. While a few material costs and transportation costs have risen, competition has kept prices near the low point. Depending on the magnitude of the private side building rebound, construction costs should begin to rise more dramatically in the second half of the year. It is still a favorable time to build while interest rates and construction costs are still relatively low.

Green building—particularly LEED Certified—is standard for most office buildings. Total costs for LEED Silver certification including hard costs, documentation fees, and commissioning range from 0.5%-2% of construction costs, with higher percentages affecting smaller projects. The current LEED standard favors dense urban locations, resulting in higher costs for suburban buildings seeking LEED Gold or Platinum certification.

### Statistics Provided By:

Anslow Bryant Construction  
Arch-Con Corporation  
Austin Commercial  
Balfour Beatty  
Brookstone Corporation  
EE Reed Construction, LP  
Gilbane, Inc.  
Harvey Builders

Hoar Construction, LLC  
JE Dunn Construction Company  
Metzger Construction Company  
McCarthy Building Companies  
Miner Dederick  
O'Donnell/Snider Construction  
Pepper-Lawson Construction  
Rosenberger Construction

Satterfield & Pontikes Construction Inc.  
Skanska  
Tellepsen Corporation  
Trademark Construction  
Tribble & Stephens Construction  
Turner Construction Company  
WS Bellows Construction Corp

For more information, please contact **Scott Wilkinson, AIA, Commercial Team Leader,**  
**713 426 7434, [scottw@kirksey.com](mailto:scottw@kirksey.com).**