



Market conditions in the construction economy are constantly changing — especially this year due to COVID-19. As a service to our clients, we annually poll leading general contractors to give an update on current conditions.

Office Buildings & Parking Structures

The office building figures apply to site, and core and shell only, while the corporate interiors costs reference a 25,000-gsf floor plate. Using several generic building types, we have compiled our findings below.

ONE-STORY FLEX OFFICE BUILDINGS: **\$87 to \$96/SF**

(\$83 to \$91/sf in 2020)

One-story shell buildings 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 \$11 to \$16/sf for sitework, assuming five spaces/1,000 sf in a surface parking lot.

LOW-RISE OFFICE BUILDINGS: **\$100 to \$118/SF**

(\$95 to \$111/sf in 2020)

Two- to three-story, larger footprint shell buildings designed with speculative building features. Typical projects are composite steel structures with bar joist roof structures with tilt-up concrete skins and punched openings. Cost includes \$13 to \$17/sf for sitework, assuming four spaces/1,000 sf in a surface parking lot.

MID-RISE OFFICE BUILDINGS: **\$118 to \$133/SF**

(\$112 to \$127/sf in 2020)

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 \$11 to \$15/sf for sitework and minimal (visitor) surface parking. Typical projects have the majority of parking housed in an adjacent garage. See Parking Structures in the next column.

HIGH-RISE OFFICE BUILDINGS: **\$124 to \$175/SF**

(\$118 to \$167/sf in 2020)

7 stories: \$124 to \$142/sf (\$118 to \$135/sf in 2020)

14 stories: \$134 to \$154/sf (\$128 to \$147/sf in 2020)

20 stories: \$145 to \$164/sf (\$138 to \$156/sf in 2020)

25 stories: \$160 to \$175/sf (\$150 to \$167/sf in 2020)

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. Rising cost of concrete may result in some composite steel structures. Costs include less than \$11/sf for sitework and minimal (visitor) surface parking. The majority of parking is in adjacent garages. See Parking Structures in the next column.

PODIUM BUILDINGS: **\$144 to \$164/SF (BUILDING)** **\$55 to \$67/SF (PARKING)**

(Building: \$137 to \$156/sf in 2020) (Parking: \$52 to \$64/sf in 2020)

Twelve-story, 25,000-sf typical office footprints over eight levels, 50,000-sf parking footprints without below grade parking. The 50,000-sf ground level includes: 5,000-sf, two-level lobby, 10,000-sf of amenity shell space, 5,000-sf of building support spaces, and 30,000-sf of parking and ramps. Typical projects are cast-in-place concrete structures with curtainwall glass skins for both the office and garage levels. Cost includes \$10 to \$14/sf for sitework.

PARKING STRUCTURES: **\$38 to \$62/SF**

(\$30 to \$55/sf in 2020)

Includes sitework costs.

Cast-in-place concrete: \$44 to \$62/sf, without basement (\$42 to \$55/sf in 2020)

Pre-cast concrete: \$38 to \$50/sf, without basement (\$34 to \$43/sf in 2020)

Steel: \$38 to \$48/sf, without basement (\$30 to \$36/sf in 2020)

Below-grade parking: \$80 to \$95/sf, by level to go below grade (\$72 to \$83/sf in 2020)

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.

trends

With the pandemic-induced supply chain disruptions of 2021, the construction sector experienced whiplash in certain categories. Structural steel, bar joists, and roof membrane materials have become quite problematic, with associated cost and schedule ramifications. Likewise, City of Houston revisions to stormwater requirements caused site work costs to increase noticeably. Other categories, Balanced against these conditions, had modest increases – so in all, 85% of the surveyed contractors expect prices across all trades to trend upwards in the range of 3% to 8% during 2022. Longer delivery times for materials also indicate that ordering products early in the process will be critical in mitigating schedule impacts. Even so, project schedules simply will not be similar to the norms of 2+ years ago. The impact of hybrid work on commercial office space needs is still unknown, but demand for Multi-family low, mid, and high-rise projects continues, along with work in the Medical and Life Sciences markets. Interest in mass timber construction is increasing, with over half of our respondents using or considering this construction method.

For more information, please contact:

Paul Newsoroff, AIA
Director of Commercial Projects
713 426 7444 / pauln@kirksey.com

Brian Malarkey, FAIA, LEED AP
Director of Interior Architecture
713 426 7473 / brianm@kirksey.com



Corporate Interiors

All categories reference a 25,000-nrsf floor plate with 50% offices and 50% open-plan. Construction cost only; does not include owner-provided AV and IT equipment.

BASIC OFFICE SPACE: **\$60 to \$71/SF**

(\$52 to \$62/sf in 2020)

The most basic applicable space with landlord standards, but using all new components: basic 2x4 LED lighting, standard 2x2 ceiling, plastic laminate building standard doors with mortised hardware, 18" sidelight at office fronts, minimal millwork and all plastic laminate, \$31/yard carpet tile, standard electrical and HVAC. Add up to \$9/sf for first generation space.

MID-RANGE OFFICE SPACE: **\$76 to \$92/SF**

(\$66 to \$81/sf in 2020)

Upgraded with linear LED lighting, 2x2 fineline ceiling, wood veneer building standard doors with mortised hardware, full-height glass office fronts in aluminum framing system, more extensive plastic laminate millwork with solid surface countertops throughout, \$35/yard carpet tiles, more extensive electrical service with 24/7 server room AC and two supplemental fan-coil units for conference room zones. Add up to \$11/sf for first generation space.

EXECUTIVE OFFICE SPACE: **\$112 to \$171/SF**

(\$100 to \$156/sf in 2020)

Upgraded with some drywall ceiling areas with indirect cove lighting, architectural woodwork doors and frames, frameless glass office fronts; 30% of wall areas as premium-grade architectural woodwork, 40% with acoustical fabric wallcovering, 30% as painted drywall; extensive wood veneer millwork with granite countertops, \$46/yard carpet tile, more extensive lighting and custom fixtures for artwork and accent areas. Add up to \$14/sf for first generation space.

FURNITURE: **\$30 to \$74/SF**

(\$25 to \$60/sf in 2020)

Basic office space: \$30 to \$35/sf (\$25 to \$30/sf in 2020)
Mid-range office space: \$35 to \$48/sf (\$30 to \$40/sf in 2020)
Executive office space: \$48 to \$74/sf (\$40 to \$60/sf in 2020)

FITNESS FACILITY: **\$184 to \$251/SF**

(\$170 to \$230/sf in 2020)

10,000 sf with strength and cardio areas including rubber flooring, exposed painted structure ceiling in workout areas, frameless glass entry doors, pendant indirect lighting, extensive wiring for AV and TV; men's and women's locker rooms to have ceramic tile wet areas (four showers and two toilets each); carpeted dressing areas with plastic laminate lockers.

CONFERENCE CENTER: **\$176 to \$262/SF**

(\$163 to \$226/sf in 2020)

Similar to executive office space description except with ceiling system and acoustical upgrades, as well as individual fan-coil units for each room, VIP lounge area with millwork, coffee service, and receptionist millwork.

EMPLOYEE DINING FACILITY, KITCHEN AND SERVERY: **\$227 to \$292/SF**

(\$203 to \$267/sf in 2020)

5,000 sf, kitchen to have 2x4 washable surface suspended ceiling, quarry tile flooring, FRP walls, all equipment by others; servery to have drywall ceiling with indirect cove lighting, ceramic tile flooring, painted drywall; custom millwork at servery and grab-and-go station; dining to have mix of drywall and acoustical ceilings, linear LED lighting, indirect cove and pendant accent lighting; some low walls with architectural woodwork paneling as room dividers, ceramic tile throughout.

Statistics provided by:

Anslow Bryant Construction, Ltd.
DPR Construction
E.E. Reed Construction, L.P.
Endurance Builders
Gallant Builders

D.E. Harvey Builders, Inc.
HITT Contracting Inc.
Linbeck Group, LLC
Mission Constructors Inc.
O'Donnell Snider Construction (OSC)

Rosenberger Construction
SpawGlass Houston
Tellepsen Builders
Tribble & Stephens Construction
W.S. Bellows Construction Corporation

Kirksey
ARCHITECTURE

Houston + Austin / 6909 Portwest Drive / Houston Texas 77024
713 850 9600 / Kirksey.com