

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. The Office Building figures apply to site, core and shell only, while the Corporate Interiors costs reference a 25,000-sf floor plate. Using several generic building types, we have compiled our findings below.

One-Story Flex Office Buildings — \$65 to \$70/sf (\$60 to \$67/sf in 2012)

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 \$10 to \$12/sf for sitework, assuming 5 spaces/1,000 sf in a surface parking lot.

Low-Rise Office Buildings — \$77 to \$84/sf (\$74 to \$81/sf in 2012)

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 \$8 to \$10/sf for sitework, assuming 4 spaces/1,000 sf in a surface parking lot.

Mid-Rise Office Buildings — \$87 to \$97/sf (\$85 to \$95/sf in 2012)

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 \$5 to \$6/sf for sitework and minimal (visitor) surface parking. Typical projects have majority of parking housed in adjacent parking garage. See garage costs below.

High-Rise Office Buildings — \$98 to \$135/sf (\$93 to \$130/sf in 2012)

7 stories — \$98 to \$104/sf (\$93 to \$100/sf in 2012)
14 stories — \$105 to \$115/sf (\$100 to \$110/sf in 2012)
20 stories — \$115 to \$125/sf (\$110 to \$120/sf in 2012)
25 stories — \$125 to \$135/sf (\$120 to \$130/sf in 2012)

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 \$4/sf for sitework and minimal (visitor) surface parking. Majority of parking is in adjacent garages. See garage costs below.

Parking Structures — \$25 to \$35/sf (\$21 to \$34/sf in 2012)

Includes sitework costs.

Cast-in-place concrete — \$32 to \$35/sf, without basement (\$30 to \$34/sf in 2012)

Pre-cast concrete — \$25 to \$29/sf, without basement (\$24 to \$28/sf in 2012)

Steel — \$22 to \$27/sf, without basement (\$21 to \$26/sf in 2012)

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 for a small percentage of the parking to meet market demands for covered parking.

Recent Trends

Construction costs began to climb in 2012 and costs are expected to continue rising at a steady pace through 2013. A combination of a higher volume of projects in a number of sectors combined with labor and material cost increases will continue to drive up construction costs. Energy related companies are driving the uptick in major office projects and major interior lease deals in the Houston region. Many speculative office projects are in the wings awaiting a tenant and financing while new projects are being announced on a regular basis. LEED certification continues to be a standard for most office buildings. However, the current LEED standards favor dense urban locations, resulting in many suburban buildings settling for a level lower than similar projects built in 2007-2008.

Please note the new, expanded focus on interior construction costs in this year's issue. We have not included these categories in our previous issues, but interior construction costs have risen in a similar fashion to building costs. Recent interiors trends in corporate relocation projects now require more upgraded areas and amenity spaces.

Corporate Interiors

All categories reference a 25,000-sf floor plate with 50% offices and 50% open-plan.

Building Standard Office Space — \$36 to \$42/sf

The most basic applicable in a type A building, but using all new components – 18-cell parabolic lights, standard 2x2 ceiling, plastic laminate building standard doors with mortised hardware, no glass at office fronts, minimal millwork and all plastic laminate, \$25/yard broadloom carpet, standard electrical and HVAC.

Mid-Range Typical Office Space — \$50 to \$56/sf

Upgraded with 2x4 recessed direct/indirect light fixtures, 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.

Executive Office Space — \$80 to \$120/sf

Upgraded with some drywall ceiling areas with indirect cove lighting, architectural woodwork doors and frames, glass office fronts in matching wood framing; 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, \$45/yard broadloom carpet, more extensive lighting and custom fixtures for artwork and accent areas.

Conference Center — \$90 to \$150/sf

Similar to Executive 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, receptionist millwork.

Fitness Facility — \$90 to \$120/sf

10,000 sf with strength and cardio areas with 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.

Data Center (not incl. generator) — \$150 to \$400/sf

Size 1,500 sf, with Liebert unit, 2x2 raised floor, UPS, FM200 system.

Employee Dining Facility, Kitchen and Servery — \$110 to \$155/sf

Size 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; dining to have mix of drywall and acoustical ceilings, 2x2 lighting, indirect cove and pendant accent lighting; some low walls with architectural woodwork paneling as room dividers, \$45/yard carpet tile for 75% of floor area and ceramic tile for the remainder.

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