



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.

Office Buildings & Parking Structures

The office building figures apply to site, and core & 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: **\$83 to \$91/SF**

(\$79 to \$86/sf in 2018)

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 \$10 to \$14/sf for sitework, assuming five spaces/1,000 sf in a surface parking lot.

LOW-RISE OFFICE BUILDINGS: **\$95 to \$113/SF**

(\$92 to \$108/sf in 2018)

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 \$10 to \$14/sf for sitework, assuming four spaces/1,000 sf in a surface parking lot.

MID-RISE OFFICE BUILDINGS: **\$112 to \$127/SF**

(\$103 to \$120/sf in 2018)

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 \$9 to \$13/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: **\$117 to \$164/SF**

(\$113 to \$156/sf in 2018)

7 stories: \$117 to \$132/sf (\$113 to \$127/sf in 2018)
14 stories: \$125 to \$146/sf (\$122 to \$137/sf in 2018)
20 stories: \$136 to \$156/sf (\$131 to \$146/sf in 2018)
25 stories: \$146 to \$164/sf (\$142 to \$156/sf in 2018)

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 \$9/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: **\$134 to \$153/SF (BUILDING) \$51 to \$63/SF (PARKING)**

(Building: \$130 to \$149/sf in 2018) (Parking: \$47 to \$60/sf in 2018)

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 \$8 to \$12/sf for sitework.

PARKING STRUCTURES: **\$31 to \$55/SF**

(\$30 to \$50/sf in 2018)

Includes sitework costs.

Cast-in-place concrete: \$42 to \$55/sf, without basement
(\$39 to \$50/sf in 2018)

Pre-cast concrete: \$33 to \$42/sf, without basement
(\$32 to \$40/sf in 2018)

Steel: \$31 to \$37/sf, without basement
(\$30 to \$34/sf in 2018)

Below-grade parking: \$70 to \$80/sf, by level to go below grade

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

Construction costs in Houston are anticipated to steadily climb anywhere from 3-5% due to labor shortages and uncertainty of tariff implications. With the current and projected construction projects in the pipeline, the lack of specialized labor remains a concern and applies upward pressure to construction costs. Tariff activity remains unpredictable, so there is pricing uncertainty for some materials as producers work through the potential impacts.

For corporate interiors, costs continue to go up. The market is seeing a large jump in basic and mid-range buildouts and amenities with a "flight to quality" for the top-end executive spaces. It remains a tenants' market, especially with former Class A properties enticing tenants with better deals and new lobby and/or amenity upgrades.

The permitting process continues to be a challenge. Almost everyone is experiencing longer permitting durations, which can impact project schedules and costs. Other variables potentially affecting new developments include the new energy code and post-Harvey storm water regulations.

For more information, please contact:

Scott Wilkinson, AIA
Director of Commercial Projects
713 426 7434 / scottw@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: **\$51 to \$61/SF**

(\$43 to \$54/sf in 2018)

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, \$28/yard carpet tile, standard electrical and HVAC. Add up to \$10/sf for first generation space.

MID-RANGE OFFICE SPACE: **\$65 to \$80/SF**

(\$57 to \$75/sf in 2018)

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 \$10/sf for first generation space.

EXECUTIVE OFFICE SPACE: **\$96 to \$157/SF**

(\$96 to \$151/sf in 2018)

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, \$45/yard carpet tile, more extensive lighting and custom fixtures for artwork and accent areas. Add up to \$10/sf for first generation space.

FURNITURE: **\$28 to \$80/SF**

(\$20 to \$70/sf in 2018)

Basic office space: \$28 to \$30/sf
Mid-range office space: \$30 to \$40/sf
Executive office space: \$40 to \$80/sf

FITNESS FACILITY: **\$155 to \$210/SF**

(\$140 to \$189/sf in 2018)

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: **\$150 to \$205/SF**

(\$136 to \$198/sf in 2018)

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: **\$162 to \$241/SF**

(\$157 to \$208/sf in 2018)

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:

Anslov Bryant Construction
Arch-Con Construction
Austin Commercial
Brookstone, L.P.
Burton Construction
DPR Construction
Durotech Construction
E.E. Reed Construction, L.P.
Endurance Builders
Flintco, LLC

Gallant Builders
Gilbane Building Company
Harvey Builders
HITT Contracting
Hoar Construction
JE Dunn Construction
Metzger Construction Company
Mission Constructors, Inc.
O'Donnell/Snider Construction
Rosenberger Construction

Satterfield & Pontikes
Scott + Reid General Contractors
Skanska USA
SpawGlass
Tellepsen Builders
Tribble & Stephens Construction, Ltd.
Webber Commercial Construction, LLC
Wely Building Company, LLC
W.S. Bellows Construction Corporation

Kirksey
ARCHITECTURE

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