



BUILDCOST
CHARTERED QUANTITY SURVEYORS



SECOND HALF 2019

CONSTRUCTION COST GUIDE

32 Fitzwilliam Place, Dublin 2

Tel: + 353 (0) 1 685 7219 | Email: info@buildcost.ie

www.buildcost.ie

Dear Colleague

MANAGING YOUR CONSTRUCTION BUDGETS

Construction tender prices continue to rise as per the latest tender indices produced by the Society of Chartered Surveyors Ireland (SCSI). This is reflective of the construction activity that is currently taking place. Building costs are steadily rising and have now surpassed the peak Celtic Tiger era levels of 2007.

Whilst this recovery is much welcomed, it does present its own challenges. The SCSI forecast that inflation for the second half of 2019 will rise by a further 3.0%. Delivering value for money schemes against the backdrop of inflation, Brexit, future Sectoral Employment Order (SEO), NZEB and pressure of increasing wages will require critical input and knowledge from the entire construction team. The Quantity Surveyor can play a key role in delivering value by taking the lead in value engineering. This is something that we at Buildcost are passionate about and have extensive knowledge in.

New legislation such as the Near Zero Energy Building Standard has been welcomed by the market. This will play an important role in reducing Ireland's carbon emissions.

These changes affect construction projects and require specialist knowledge. Our surveyors are have upskilled on NZEB and have experience of this which will assist with managing the costs on construction projects.

Within the pages of this booklet, you will find an overview on current construction costs. These figures are presented as a range of costs. Where your construction project falls within this range will depend on a number of factors.

The information contained with this booklet is a guide only. If you would like to know more specific information, please don't hesitate to contact us for a consultation. We believe that our strict cost and value management processes will allow you to maximise your investment.

We successfully provide our services to a broad range of clients including developers, REITs, public bodies, financial institutions, tech companies, agents and large contractors etc.

We provide a friendly, professional service and adopt a partnership approach that ties our own success to that of our clients. So why not talk to us today and ensure your construction budgets are strictly managed.

Buildcost Quantity Surveyors

Contact Buildcost today on +353 (1) 6857 219 or log on to www.Buildcost.ie to find out more about how we can help

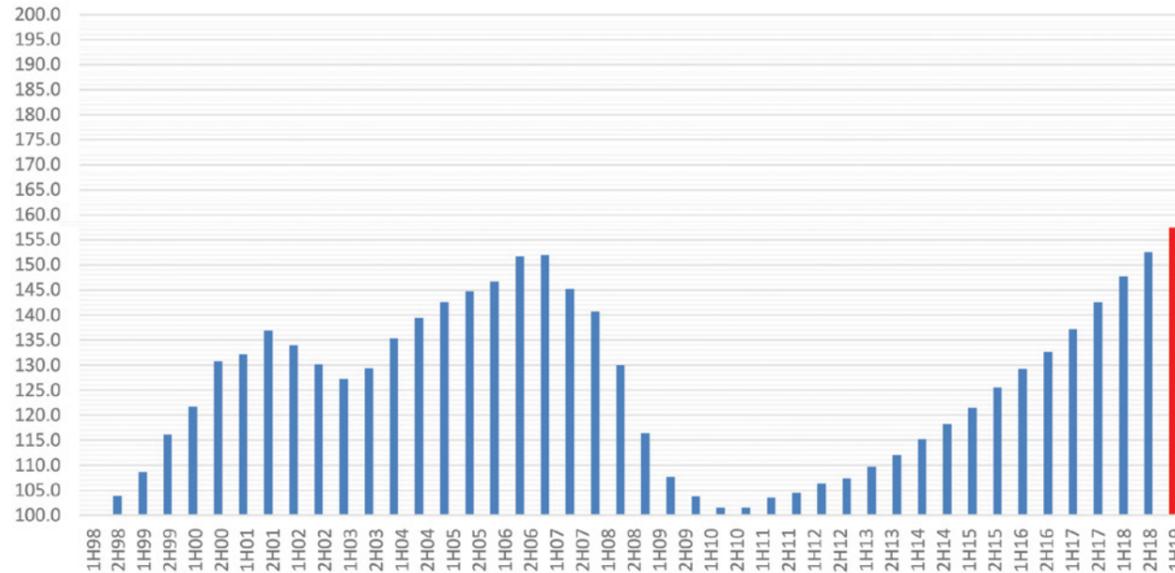
CONTENTS

SCSI Tender Indices	4
.....	
Buildcost Commentary on the Recent SCSI Tender Indices	5
.....	
Construction Cost Guide	6 - 7
.....	
SCSI House Rebuilding Guide	8 - 9
.....	
Planning and Fire Cert Charges	10
.....	
Latest Publications	11
.....	
Some Projects We are Working On	12
.....	
About Buildcost Chartered Quantity Surveyors	18



SCSI TENDER INDICES

The latest tender price indices published by the Society of Chartered Surveyors Ireland shows that construction tender prices are continuing to rise steadily but at a slightly slower rate. The index for the 1st half of 2019 shows an increase of 3.4% from the 2nd half of 2018. This represents a full year increase of **7.0%**



First Half 1998	100.0	First Half 2005	142.6	First Half 2012	104.5
Second Half 1998	103.8	Second Half 2005	144.7	Second Half 2012	106.4
First Half 1999	108.6	First Half 2006	146.7	First Half 2013	107.3
Second Half 1999	116.1	Second Half 2006	151.7	Second Half 2013	109.7
First Half 2000	121.7	First Half 2007	152.0	First Half 2014	112.0
Second Half 2000	130.7	Second Half 2007	145.2	Second Half 2014	115.2
First Half 2001	132.2	First Half 2008	140.7	First Half 2015	118.2
Second Half 2001	136.9	Second Half 2008	130.0	Second Half 2015	121.5
First Half 2002	133.9	First Half 2009	116.4	First Half 2016	125.5
Second Half 2002	130.1	Second Half 2009	107.7	Second Half 2016	129.2
First Half 2003	127.2	First Half 2010	103.7	First Half 2017	132.6
Second Half 2003	129.3	Second Half 2010	101.5	Second Half 2017	137.4
First Half 2004	135.3	First Half 2011	101.5	First Half 2018	142.6
Second Half 2004	139.4	Second Half 2011	103.5	Second Half 2018	147.7
				First Half 2019	152.7
				Second Half 2019 (f)	157.4

Source: Society of Chartered Surveyors Ireland

BUILDCOST COMMENTARY ON THE RECENT SCSi TENDER INDICES

INFLATION: The recent Tender Indices as produced by the SCSi for the First Half of 2018 shows an increase of **3.4%** as a national average. This national average is not uniform across the country. Dublin and Leinster increased by **3.5%** over the same period. Munster, Connaught and Ulster increase by **2.9-3.2%**. This represents an average **7.0%** increase over the past year. It is forecasted by the SCSi that tender rates will increase by a further **3.0%** over the Second Half of 2019. These levels of inflation will be unsustainable in the medium term and will impact on the viability of construction projects going forward.

The main reason for the continued increases in construction costs are due to a shortage of skilled resources available to contractors and sub-contractors coupled with the steady increases in construction activity. The new sectoral employment order (SEO) provides new mandatory terms for pay, pensions, sick leave etc., and its increased labour costs. There is further SEO increases coming down the tracks. The uncertainty surrounding Brexit and tariffs arising from a global trade war has led to exchange rate fluctuations which in turn have led to some raw material prices increasing. Nobody knows what will happen after the October deadline and how it will affect construction projects on site and in the future. There is a lot of competition for the limited resources within the construction sector. The nationwide shortage of trades and professionals comes at a time when there is a sharp increase in the demand for these skills. The combination of these factors will continue to put pressure on tender prices and is likely to see this trend continue in the short term.

RESIDENTIAL: Even though there is a significant requirement for residential units, the delivery of the number of units is less than anticipated. This is mainly due to the prohibitive cost of delivering new residential units and in particular, new apartments. There are significant costs in complying with current regulations such as part M (disabled access), part L (sustainability), dual aspect views, apartment sizes etc. These factors are driving a high construction cost. Increased competition and the shortage of suitable land is also pushing prices up. These factors are affecting the commercial viability of such projects. Increased costs are more difficult to pass onto consumers as there is only so much people can pay. The Guidelines for Design Standards for New Apartments released in 2018 will assist with making Apartment cost more viable but there is still a lot of work to do for the developer and the design team to achieve this. Developers believe that the current supply meets the demand.

Changes to planning policies i.e. shared living developments, removal of height restrictions etc. have slowed down construction on shovel

ready projects. Developers are now evaluating whether student accommodation, build to rent or build to sell will provide the best returns. Institution investors have brought a different financial model to the industry. A residential unit valued over 40-50 years on rental income provides a higher yield than selling the unit upon completion. This is a major factor in diverting developments away from the traditional build to sell model.

NZEB: The new NZEB requirements (Near Zero Energy Building) is already contributing to increased costs in some construction projects and will have a significant impact on construction costs and procurement in the future. Changes to building regulations have increased energy efficiency across commercial and residential buildings, which are requiring more specialist machinery installations. The demand to be able to advise and budget for these systems has grown significantly and will continue to grow.

Projects that were originally designed prior to the new legislation but failed to begin construction must now be revised comply with NZEB. This will result in higher construction costs, but will reduce running costs.

We are finding that increasingly our clients want properties to be 'future proofed' against upcoming changes in building requirements or carbon taxes. They are seeking energy savings solutions that will cut costs in the long-term and are willing to invest in increased capital costs for the prospect of future savings and maintaining value.

COMMERCIAL: The market for Grade A office space in the City Centre has matured. A large number of new commercial projects are currently under construction in Dublin. There is a significant amount of refurbishment of existing office space also taking place to bring up to Grade A status. This demand for offices is extending to the more suburban locations, particularly areas that are well served with good quality infrastructure. The Industrial sector is also performing strongly.

FUTURE: Ireland will need to attract skills from abroad. Brexit may help as UK construction activity is now slowing. However, some eastern European economies are growing as fast as ours and it may be difficult to attract migrants to Ireland from these countries. The standard of living has improved in these countries. The challenge now is to bring emigrants back home. Housing affordability, childcare costs and high tax rates will act as a deterrent to some people.

We expect the trend of increasing construction tender rates to continue into the foreseeable future. Tender rates are now above their peak in 2007.

CONSTRUCTION COST GUIDE


Our construction cost guide sets out typical building costs prepared from our experience and cost database. The cost ranges are representative of standard specifications and should be used as a **guidance only**. These costs **exclude** FF&E, siteworks, VAT, professional fees, future inflation and other developer costs etc.

Commercial Offices	Cost Range €
Sub Urban Offices	2,000 - 2,500 per m2
City Centre Offices	3,000 - 3,500 per m2
Office Fit Outs (Cat B)	600 - 2,700 per m2
Refurbishment / Fit-Out Works	Cost Range €
Minor upgrade of internal finishes	600 - 800 per m2
New internal finishes, new cellularisation and upgrade of mechanical & electrical works	800 - 1,800 per m2
New internal finishes, new cellularisation, new mechanical & electrical works and facade enhancement works	1,800 - 2,700 per m2
Refurbishment / Fit-Out Works to existing Georgian Buildings	3,000 - 6,000 per m2
High Tech Industrial Units	Cost Range €
Warehouse with no Office - Low Specification	750 - 850 per m2
Warehouse with 10% Office - Medium Specification	800 - 950 per m2
Warehouse with 10% Office - High Specification	950 - 1,100 per m2
Retail	Cost Range €
Shopping Centre - Anchor Unit	1,000 - 1,200 per m2
Shopping Centre - Shop Unit	1,200 - 1,500 per m2
Shopping Centre - Covered Mall	2,700 - 3,500 per m2
Residential	Cost Range €
Terraced Houses	1,050 - 1,250 per m2
Semi Detached Houses	1,100 - 1,350 per m2
Apartments (Build to Sell)	2,000 - 2,500 per m2
Apartments (Build to Rent)	2,200 - 2,700 per m2
Shared / Student Accommodation	70,000 - 90,000 per unit
Crèche "Grey Box"	900 - 1,200 per m2

Site Development Works	Cost Range €
Estate Roads	2,000 - 2,500 per m
Roads, Footpaths, Enclosed and Services	150 - 200 per m2
Civic / Public Realm Areas	500 - 800 per m2
Education *Basic building costs only - external allowance of 12.5% And abnormal costs to be added	Cost Range €
Primary Level (DOE allowance)	1,313 per m2*
Secondary Level (DOE allowance)	1,313 per m2*
Sports Hall (DOE allowance of 30% uplift on basic building costs)	1,707 per m2
Third Level (Excludes FF&E)	2,400 - 3,000 per m2
Leisure * All of the figures below exclude FF&E	Cost Range €
Hotel - 3 Star	2,500 - 3,100 per m2
Hotel - 4 Star	2,700 - 3,400 per m2
Hotel - 5 Star	3,000 - 3,600 per m2
Swimming Pool / Leisure Centre	2,400 - 3,000 per m2
Health * Health budgets exclude medical equipment	Cost Range €
Primary Care Centre	2,000 - 2,500 per m2
Hospital	3,500 - 5,000 per m2
Carparks * Carpark costs will depend on efficiencies	Cost Range €
Surface Car Park	3,000 - 4,000 per space
Multi Storey Car Park	14,000 - 18,000 per space
Single Basement Car Park	45,000 - 65,000 per space
Double Basement Car Park	65,000 - 75,000 per space



SCSI HOUSE REBUILDING GUIDE

This guide is intended to assist you in insuring your home and briefly explains some of the more important aspects of house insurance. It also seeks to emphasize the importance of adequately insuring what is probably your most valuable possession. Remember that home insurance policies differ, some covering more than others; hence the importance of examining your policy carefully and insuring for the correct amount.

House type	No. of bedrooms	Typical Size per sq.ft/sq.m	DUBLIN	CORK	GALWAY	WATERFORD	LIMERICK	NORTH WEST	NORTH EAST
			Rebuild Cost per sq.ft/sq.m						
Terraced Town House	2	753 sq.ft 70 sq.m	€194 sq.ft €2093 sq.m	€156 sq.ft €1680 sq.m	€149 sq.ft €1613 sq.m	€146 sq.ft €1583 sq.m	€150 sq.ft €1627 sq.m	€127 sq.ft €1376 sq.m	€154 sq.ft €1656 sq.m
Terraced Town House	3	1023 sq.ft 95 sq.m	€185 sq.ft €2001 sq.m	€147 sq.ft €1593 sq.m	€143 sq.ft €1545 sq.m	€139 sq.ft €1497 sq.m	€143 sq.ft €1540 sq.m	€120 sq.ft €1298 sq.m	€145 sq.ft €1564 sq.m
Semi Detached	3	1023 sq.ft 95 sq.m	€193 sq.ft €2076 sq.m	€149 sq.ft €1616 sq.m	€147 sq.ft €1587 sq.m	€141 sq.ft €1518 sq.m	€144 sq.ft €1557 sq.m	€121 sq.ft €1310 sq.m	€152 sq.ft €1652 sq.m
Semi Detached	4	1270 sq.ft 118 sq.m	€188 sq.ft €2035 sq.m	€147 sq.ft €1593 sq.m	€140 sq.ft €1508 sq.m	€138 sq.ft €1492 sq.m	€139 sq.ft €1500 sq.m	€120 sq.ft €1294 sq.m	€141 sq.ft €1521 sq.m
Detached	4	1270 sq.ft 118 sq.m	€188 sq.ft €2035 sq.m	€152 sq.ft €1644 sq.m	€144 sq.ft €1556 sq.m	€142 sq.ft €1538 sq.m	€146 sq.ft €1577 sq.m	€121 sq.ft €1306 sq.m	€147 sq.ft €1595 sq.m
Detached Bungalow	4	1572 sq.ft 146 sq.m	€182 sq.ft €1959 sq.m	€148 sq.ft €1599 sq.m	€138 sq.ft €1490 sq.m	€133 sq.ft €1439 sq.m	€146 sq.ft €1573 sq.m	€117 sq.ft €1260 sq.m	€143 sq.ft €1548 sq.m

- The figures shown in the table are a **MINIMUM** base cost guide for your house insurance.
- The figures are based on estate-type houses built in the Dublin, Cork, Galway, Waterford, Limerick, North West and North East areas since the 1960s. They exclude: (a) properties with more than two storeys or with basements, (b) 'one-off' houses with special design features or period houses; and, (c) apartments/residential flats. The insurance of apartments is covered in the block service charge. Owners should confirm with their management companies/agents that their apartment block has been valued for insurance purposes, and that the insured value is current.
- The figures assume a basic quality specification with normal foundations, brick/block walls, concrete tiled roof, concrete ground floor and timber first floor, softwood flush doors and hardwood double glazed windows, painted plaster to walls, plastered ceilings, standard electrics and central heating. The sum insured should be increased to allow for better than average kitchen fittings, built-in wardrobes, finishes and any other items not normally included in an estate-type house.
- House contents such as carpets, curtains, furniture, etc., are not covered by the figures.
- No allowance has been made for the cost of outbuildings, patios or boundary walls. The figures do, however, allow for a concrete path around the house, for driveway repairs and regrassing.

SCSI HOUSE REBUILDING GUIDE

- The figures allow for demolition costs, professional fees incurred in reinstatement and VAT at 13.5% on building costs and 23% on professional fees.
- The amounts included for professional fees have been calculated to cover the following services:
 - Building Surveyor/Architect: prepare working drawings and specification, and administer the building contract.
 - Quantity surveyor: invite and examine tenders, process payments and agree final account.
 - Engineer: advice on structural issues.
 - Fees associated with the preparation.
 - Provision has not been included to cover the cost of a structural engineer, who might be required in some cases. Fees associated with the preparation of insurance claims are not included.
- The costs are based on building rates in September 2018.

More information can be found at https://www.scsi.ie/advice/house_rebuilding_calculator



PLANNING AND FIRE CERTIFICATE CHARGES 2018

Planning Charges	Charges
Provision of dwelling house or apartment	€65 for each dwelling
Domestic extension / other improvements	€34 for each dwelling
Other buildings (i.e. offices, commercial etc.)	€80 or €3.60 per m2 (whichever is greater) up to a maximum of €38,000
Use of land as golf or pitch & putt course	€50 per hectare
Outline Planning Permission	75% of full planning permission charge up to a maximum of €28,500
Retention Application	75% of full planning permission charge up to a maximum of €28,500

The above planning charges are based on Dublin City Council charges and excludes development levies such as contributions towards road, water, sewerage, parks and other facilities provided by the council.

Fire Certificate Charges	Charges
Standard Application	€125 or €2.90 per m2 (whichever is greater) up to a maximum of €12,500
A Seven Day Notice Application	€250 or €5.80 per m2 (whichever is greater) up to a maximum of €25,000
A Regularisation Fire Safety Certificate Application	€500 or €11.60 per m2 (whichever is greater) up to a maximum of €50,000

Contact Buildcost today on +353 (1) 6857 219 or log on to www.Buildcost.ie to find out more about how we can help

LATEST PUBLICATIONS

Download our **“Making Apartment Construction Costs Viable”** document to understand what makes a residential scheme viable and how key building economies impact on this

Available to download on

<http://buildcost.ie/wp-content/uploads/2018/08/Buildcost-Making-Apartment-Construction-Costs-Viable.pdf>



Contact Buildcost today on +353 (1) 6857 219 or log on to www.Buildcost.ie to find out more about how we can help



JUST BEGINNING

Hibernia HQ
1 Windmill Lane, Dublin 2
Construction of a new mezzanine level and high specification fit-out to an existing grey box unit.
Works are due to commence shortly.



UNDER CONSTRUCTION

Charlemont Square
Dublin 2
Construction of a 185nr apartments over 3 blocks, 25,000m² of office space, 2,500m² of retail space on ground floor and basement carparking for 400 spaces under the entire scheme (double level in parts).

JUST COMPLETE

Momentum Support

Naas Road, Dublin 12

Construction of a new office extension, refurbishment of existing warehouse, new fit out and associated civil works





32 Fitzwilliam Place, Dublin 2

Tel: + 353 (0) 1 685 7219 | **Email:** info@buildcost.ie

www.buildcost.ie