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**MID-YEAR
UPDATE**

22nd Annual
**CONSTRUCTION COST
TRENDS / 2022**

HOUSTON

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

\$72 to \$88/SF (\$60 to \$71/sf in 2021)

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

\$95 to \$120/SF (\$76 to \$92/sf in 2021)

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

\$135 to \$189/SF (\$112 to \$171/sf in 2021)

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.

TRENDS / In addition to ongoing supply chain issues that continue to shift, the dramatic price escalation is mainly due to manufacturer driven material cost increases and rising labor costs. Shortages of labor in both the manufacturing and construction sector has increased worker pay which, in turn, has increased overall construction costs. The net result is that we are in a period where we cannot predict a stable trend in construction costs – but there is a sentiment in the market that labor and material costs should stabilize during the next six months.

FURNITURE

\$30 to \$75/SF

Basic office space: \$30 to \$37/sf
Mid-range office space: \$38 to \$50/sf
Executive office space: \$50 to \$75/sf

FITNESS FACILITY

\$212 to \$282/SF (\$184 to \$251/sf in 2021)

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

\$197 to \$300/SF (\$176 to \$262/sf in 2021)

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 & SERVERY

\$267 to \$360/SF (\$227 to \$292/sf in 2021)

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:

D.E. Harvey Builders, Inc.
O'Donnell Snider Construction (OSC)
HITT Contracting Inc.
Gallant Builders
Tellepsen