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#### APPROXIMATE INCLUSIVE **BUILDING COST RATES**

#### **Building cost rates**

This section provides a list of approximate inclusive building cost rates for various building types in South Africa.

Rates are current to 1 July 2016, and therefore represent the average expected building cost rates for 2016. It must be emphasised that these rates are indicative only, and should be used circumspectly, as they are dependent upon a number of assumptions. See inclusive rate estimates herein.

The area of the building expressed in m² is equivalent to the construction area where appropriate, as defined in Method for Measuring Floor Areas in Buildings, First Edition (effective from 1 August 2005), published by the South African Property Owners' Association (SAPOA).

#### **Regional Variations**

Construction costs normally vary between the different provinces of South Africa. Costs in parts of the Western Cape and KwaZulu-Natal, specifically upper class residential, for example, are generally significantly higher than Gauteng due to the demand for this type of accommodation. Rates have therefore been based on data received from Gauteng, where possible. Be mindful, however, that cost differences between provinces at a given point in time are not constant and may vary over time due to differences in supply and demand or other factors. Specific costs for any region can be provided upon request by any AECOM office in that region.

#### **Building Rates**

Rates include the cost of appropriate building services, e.g. air-conditioning, electrical, etc., but exclude costs of site infrastructure development, parking, any future escalation, loss of interest, professional fees and Value Added Tax (VAT).

| Offices  | Rate per m² (excl. VAT) |
|--|-------------------------|
| Low-rise office park development with standard specification                                 | R 6,900 - R 8,500       |
| Low-rise prestigious office park development   | R 9,000 - R 13,400      |
| High-rise tower block with<br>standard specification<br>High-rise prestigious tower<br>block | R 10,000 - R 13,400     |
|  | R 13,400 - R 16,800     |

Note: Office rates exclude parking and include appropriate tenant allowances incorporating carpets, wallpaper, louvre drapes, partitions, lighting, air-conditioning and electrical reticulation.

|        | Rate per         | r m² (ex   | cl. VAT)  |
|--------|------------------|--|---|
| R<br>R | 3,400            | - R  | 600<br>3,700  |
| R      | 3,700            | - R  | 5,000   |
| R      | 4,000            | - R  | 6,200   |
|        |                  |  |   |
|        | Rate pe          | er m² (e   | xcl. VAT)   |
|        |                  |  |   |
| R      | 6,800            | - R  | 9,000   |
|        |                  |  |   |
| R      | 7,400            | - R  | 9,500   |
|        |                  |  |   |
| R      | 8,100            | - R  | 10,400  |
|        |                  |  |   |
| R      | 9,000            | - R  | 11,100  |
|        |                  |  |   |
|        | R<br>R<br>R<br>R | R 500<br>R 3,400<br>R 3,700<br>R 4,000<br>Rate pe<br>R 6,800<br>R 7,400<br>R 8,100 | R 3,400 - R R 3,700 - R R 4,000 - R Rate per m² (e: R 6,800 - R R 7,400 - R R 8,100 - R |

| Retail                 | Rate per m² (excl. VAT) |
|------------------------|-------------------------|
| Super regional centres |                         |
| (exceeding 100,000m²)  | R 10,000 - R 13,00      |

Note: Super regional centres and regional centres are generally inward trading with internal malls, whereas convenient neighbourhood and community centres are generally outward trading with no internal malls.

> Retail rates include the cost of tenant requirements and specifications of national chain stores.

Retail costs vary considerably depending on the tenant mix and sizing of the various stores.

| Industrial  |   | Rate per m² (excl. VAT) |
|---|---|-------------------------|
| Industrial warehouse, including office and change facilities within structure area (architect/engineer designed): |   |                         |
| <ul> <li>Steel frame, steel cladding<br/>and roof sheeting (light-duty)</li> </ul>                                | R | 3,400 - R 5,000         |
| <ul> <li>Steel frame, brickwork to<br/>ceiling, steel cladding above<br/>and roof sheeting (heavy-</li> </ul>     |   |                         |

| duty)  | R 4,000 - R 5,700   |
|--|---------------------|
| <ul> <li>Administration offices,<br/>ablution and change room</li> </ul> |                     |
| block  | R 6,500 - R 8,200   |
| <ul> <li>Cold storage facilities</li> </ul>                              | R 12,000 - R 17,100 |

| Site services to low-cost housing stand (250 - 350m²) | R 29,800 - R 45,700     | ) |
|---|-------------------------|---|
|   | Rate per m² (excl. VAT) |   |
| RDP housing   | R 1,700 - R 2,000       | ) |
| Low-cost housing                                      | R 2,700 - R 4,400       | ) |
| Simple low-rise apartment block                       | R 6,400 - R 8,800       | ) |
| Duplex townhouse                                      |                         |   |
| - Economic  | R 6,400 - R 9,100       | ) |

#### Residential Rate per m² (excl. VAT) Drivate dwelling houses

| i fivate awelling flouses. |         |
|----------------------------|---------|
| - Economic                 | R 4,350 |
| - Standard                 | R 5,700 |
| - Middle-class             | R 6,800 |
| - Luxurv                   | R 9.800 |

- Exclusive R15,100 - Exceptional ('super luxury') R 24,100 - R 48,300 R 3,200 - R 4,600 Outbuildings

Rate per no (excl. VAT)

| Carport (shaded)  | - single | R | 3,900  |
|-------------------|----------|---|--------|
|                   | - double | R | 7,500  |
| Carport (covered) | - single | R | 6,200  |
|                   | - double | R | 11,200 |
|                   |          |   |        |

Rate per no (excl. VAT)

## Swimming pool

| - Not exceeding 50 kl  | R 81,200             |
|--|----------------------|
| <ul> <li>Exceeding 50 kl and<br/>not exceeding 100 kl</li> </ul> | R 75,900 - R 134,200 |
|  |                      |

Tennis court R 290,000 - Floodlit R 377,600

Hotels Rate per key (excl. VAT) Budget R 973,300 - R 1,378,300 Mid-scale (3 star) R 2,034,200 - R 2,515,900 Luxury (5 star) R 3,516,700 - R 4,479,900

Note: Hotel rates include allowances for furniture, fittings and equipment (FF&E).

# Studios

Rate per m2 (excl. VAT)

Studios - dancing, art R 12,000 - R 17,100

Below are a few criteria to be taken into account when considering rates/m2:

## Specification

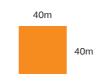
Two buildings of the same shape and with identical accommodation can have vastly different R/m² rates should the one building have finishes of a differing standard. For example, expensive carpets in lieu of vinyl floor tiles can increase the rate by R150/m2.

## Wall-to-floor ratio - plan shape

The most economical shape for a building is square. This shape requires the minimum wall length to enclose a given floor area,



 $(50,000 - 100,000m^2)$ 



Residential

Prestige apartment block

| rea              | 1,600m <sup>2</sup> |
|------------------|---------------------|
| Vall length      | 160m                |
| Vall height      | 3m                  |
| Vall area        | 480m²               |
| Vall floor ratio | 480/1,600           |
|                  |                     |

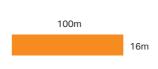
R 9.500 - R 11.600

Cost of external facade in terms of R/m2 of floor area to each R/m² of facade area 30.0%

# Case B

Rate per site (excl. VAT)

R 12,100 - R18,800



1,600m<sup>2</sup> Wall length 232m Wall height Wall area 696/1,600 Wall floor ratio

Cost of external facade in to each R/m² of facade area 43.5%

The rate/m² on plan of a facade costing R800/m² on elevation

Case A R800 x 30.0% = R240/m<sup>2</sup> Case B R800 x 43.5% = R348/m<sup>2</sup>

SOURCE: AECOM AFRICA PROPERTY & CONSTRUCTION COST GUIDE 2016



Frequently Asked Questions | Building costs estimation