

# Irish Construction Costs

Update July 2023

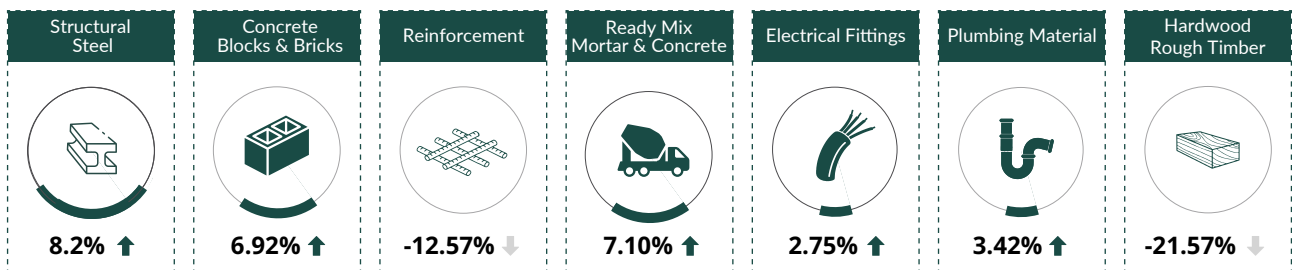
# Construction Cost Movement

## The Market Overview

In 2022 the industry experienced tender price inflation of 11.5%. However, there was a significant slowdown towards the end of the year, with inflation at 4% for the 2nd half, down from 7.5% in the 1st half.

Construction materials have followed this trend, with inflation at 2.8% for the six month period between Oct 2022 - April 2023, it was 16.1% for the previous 12 month period between Oct 2021 - Oct 2022.

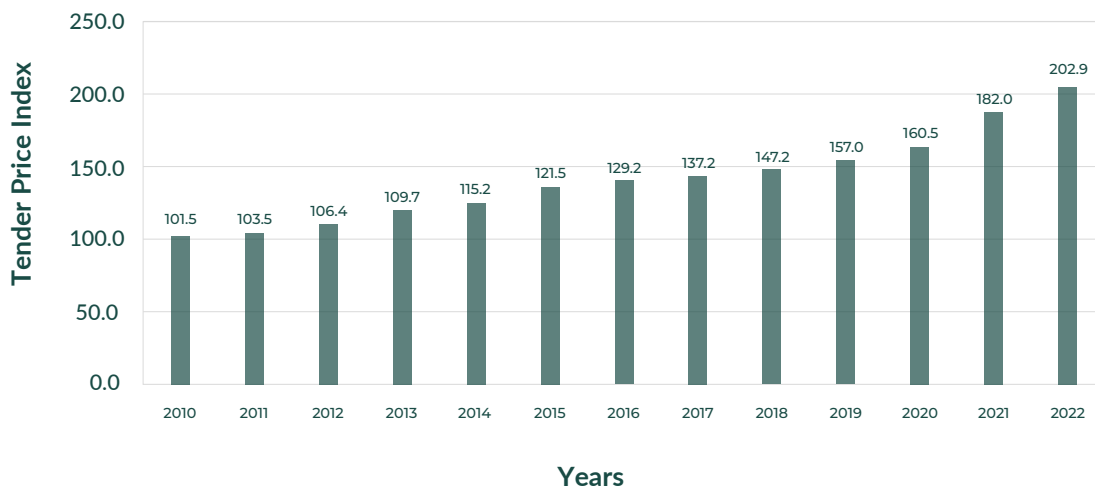
Below shows the cost movement of a select number of materials, for the six month period between Oct 2022 – April 2023



## Forecast

Considering the above, as well as related global commodities such as metals and minerals expected to fall by 8% and the energy price index to drop by 26% for 2023, coupled with Ireland's inflation anticipated to moderate considerably to average at 5% (CPI) for this year, we would expect the movement of construction cost to follow with significantly reduced inflation, when compared to last year.

## Tender Price Inflation



Source: SCSl, The World Bank, ERSI, CSO

# Construction Cost Benchmarking



Building Type	July 2023
	Cost Range (€/sqm)
<b>Residential</b>	
Estate Housing - semi detached	1,260 - 1,685
Apartments - Developer Standard - four to eight storey	1,850 - 2,550
Apartments - Developer Standard - twelve to fifteen storey	2,300 - 2,900
Student Accomadation - including furniture fittings and equipment	2,350 - 2,900
<b>Commercial Offices</b>	
Shell & Core - Developer Standard - excluding CAT A	1,850 - 2,600
CAT A fit out	380 - 555
Office fit out - Basic Specification	450 - 850
Office Fit Out - Mid Specification	850 - 1,450
Office fit out - High Specification	1,450 - 2,450
<b>Retail</b>	
Shell and Core Units	1,200 - 1,650
Shopping Centre	2,050 - 3,750
<b>Hotels - including furniture fittings and equipment</b>	
Tree Star	2,350 - 2,675
Four Star	2,550 - 3,300
Five Star	3,100 - 5,000
<b>Industrial</b>	
Warehousing	785 - 1,065
Light duty industrial	1,150 - 1,450
High Spec Factory (Shell & Core)	1,300 - 1,700
<b>Car Parking</b>	
Surface - including drainage and lighting	115 - 450
Multi Storey	510 - 1,100
Single Basement	830 - 1,400
Double Basement	1,000 - 1,700
<ul style="list-style-type: none"> <li>- Land acquisition, professional fees and financing costs are excluded</li> <li>- VAT excluded</li> <li>- Costs/sqm are based on GFA</li> </ul>	

# About Flanagan

Our Services ensure risks are eliminated, quality of design and construction are delivered, optimum program timelines are achieved, all at the lowest price possible

## Our Services Include

### Quantity Surveying

- Cost Modelling & Benchmarking
- Risk Appraisal
- Value Engineering
- Tendering & Evaluation
- Contract Documentation & Administration
- Cost Planning/Management/Control
- Life Cycle Costing
- Procurement Strategy & Advise
- Tender Documentation & Bills of Quantities
- Cash Flow Forecasting

### Technical Advisory

- Loan Technical Advisory
- Reinstatement Valuations
- Pre-acquisition Due Diligence
- Employer's Representation

### Project Management

- Due Diligence
- Project Execution Plan
- Procurement Strategy
- Design Team Procurement
- Risk Management
- Value Engineering
- Contractor Tendering
- Construction Supervision
- Pre & Post-Handover Snagging
- Project Definition Development
- Program Management
- Operator Technical Negotiations
- Design Management
- Quality Management
- Contractor Pre-Qualification
- Contract Administration
- Commissioning Supervision



## For more information

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