COMPASS INTERNATIONAL INC.

Construction Cost Data Benchmark: New Logistics / Distribution Center in the USA & Around the World

We are frequently asked this question by Owners, Developers, Architects & Engineers, Estimators, Quantity Surveyors & Construction Professionals around the world. What does it cost to design & build a Logistics / Distribution Center in the USA & around the world - To answer this question, we have researched & collected "current day" costs from these 20 global locations.

#	Location	Low Range Construction Cost $ / SF	High Range Construction Cost $ / SF	Average Construction Cost $ / SF	Average Construction Cost $ / M2 (SF costs multiplied by 10.76)
1	New York City, NY USA	104	181	143	**1,536**
2	Chicago, IL USA	94	164	129	**1,390**
3	Los Angeles, CA USA	92	168	130	**1,401**
4	San Francisco, CA USA	94	172	133	**1,435**
5	Washington, DC USA	87	162	125	**1,340**
6	London, UK	91	176	134	**1,438**
7	Toronto, Canada	85	156	120	**1,294**
8	Paris, France	85	157	121	**1,303**
9	Rome, Italy	85	152	118	**1,274**
10	Zurich, Switzerland	100	173	137	**1,470**
11	Mexico City, Mexico	65	116	91	**975**
12	Rio de Janeiro, Brazil	63	122	93	**997**
13	Abu Dhabi, UAE	86	138	112	**1,202**
14	Beijing, China	62	136	99	**1,069**
15	Tokyo, Japan	89	157	123	**1,327**
16	Sydney, Australia	82	148	115	**1,237**
17	Oslo, Norway	98	164	131	**1,413**
18	Madrid, Spain	83	135	109	**1,175**
19	Moscow, Russia	66	122	94	**1,013**
20	Warsaw, Poland	67	120	93	**1,004**

**Distribution / Logistic Center – (1 floor – 20' to 30' high) Total Usable Footprint Space 250,000 SF to 500,000 SF / 23,250 M2 to 46,500 M2 1st Q 2026 Cost Basis: Costs are based on a suburban city location (average 7 to 15 miles outside main city center). Excludes bar coding computers, scanners & equipment, conveyors, sorting equipment, shelving & robotic pickers. Excludes construction work outside of building, such as roads, parking areas, fencing & security gatehouses.*

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There is no precise answer to the question posed, because there are so many variables to the Square Foot (SF) / Square Meter (M2) unit final cost detailed below. **However, this is a good guide:**

1. **Current Site Conditions:**
   - What are the existing construction site's condition, i.e. does the site have to be worked on to remove existing buildings, utilities, obstructions, trees & bushes? Is the site reasonably flat?
   - Will "engineered fill" be needed to be brought onto the site? Are exiting utilities (water, sewers, gas, electricity) close by? If not, the cost of bringing these services onto the site could impact the final cost.
   - Are there any soil / contaminated material conditions that need to be resolved? Is there a high-water table? Is there any rock or concrete to be removed? Will piles be required?

2. **Location of Logistics / Distribution Center:**
   - Is the proposed location in a congested area that will impact material handling & delivery?

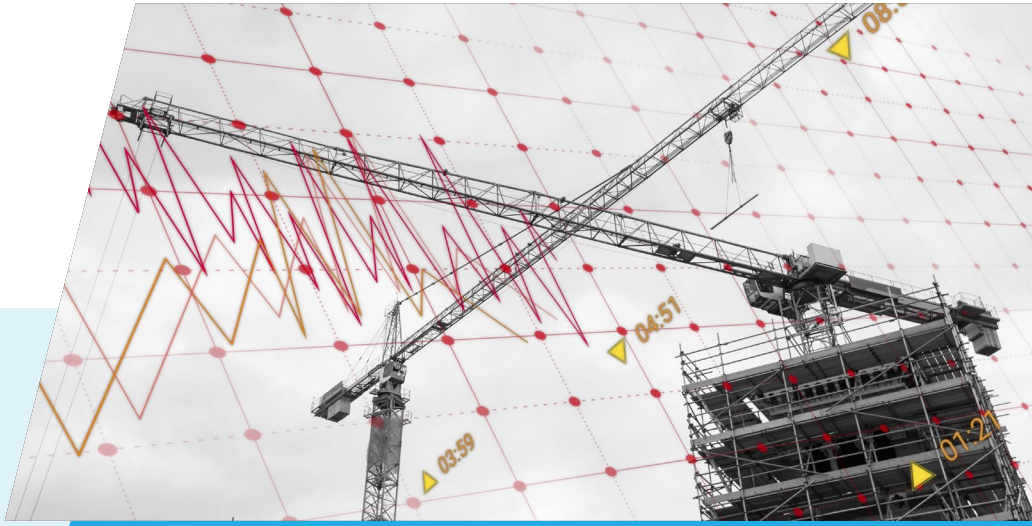
   OR
   - Is Distribution / Logistics Center situated in the city suburbs with less material delivery & handling issues?

3. **Large or Small Application:** Typically, the larger the usable footprint space the lower the unit Square Foot / Square Meter price will be.

4. **Materials Selection:** Use of high end (i.e. expensive construction materials) or are middle of the road construction materials & fixtures being utilized? This will impact the final construction cost.

5. **Contracting Approach:**
   - Is it a Lump Sum (3 to 6 bidders being considered), or a single source negotiated contract?
   - Construction Schedule: Is Distribution / Logistic Center a fast track project? (i.e. The Owner wants the facility ASAP, perhaps overtime pay or shift work will be required, or will the construction effort utilize a "normal" 40 hours per week / 5 days a week approach?)
   - The local construction bidding climate in this specific location: Is there a lot of construction activity in this city? An extremely active construction market tends to drive construction costs up & increase contractors' profit margins.

6. **Union or Non-Union Labor:** This applies predominantly in the USA, where most of the construction in the largest 20 cities is executed by Union Labor, which on average is 15% to 25% more expensive than Non-Union labor (Open Shop).



Square Foot / Square Meter Cost Data are established from data collected from our ***2026 Global Construction Costs Database***: Compass International's (8) Global Cost Books cover, Facilities / Buildings, Energy, Power, Offshore & Process cost models & unit prices.

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