



# International 2 to 3 Star Hotel Construction

What does it cost in the USA & around the world to build a 2 to 3 Star (middle of the road hotel)? We get asked this question a lot, we have compiled a cost per square foot & square meter benchmark report on 25 # USA & International locations that is indicated below:

#	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	198	339	269	2,889
2	Chicago, IL	182	319	251	2,695
3	Los Angeles, CA	177	315	246	2,647
4	San Francisco, CA	186	330	258	2,776
5	Washington, DC	182	312	247	2,658
6	Toronto, Canada	180	308	244	2,625
7	Vancouver, Canada	174	303	239	2,566
8	London, UK	195	336	266	2,857
9	Paris, France	189	324	257	2,760
10	Rome, Italy	181	308	245	2,631
11	Zurich, Switzerland	193	333	263	2,830
12	Berlin, Germany	184	314	249	2,679
13	Mexico City, Mexico	127	215	171	1,840
14	Rio de Janeiro, Brazil	138	220	179	1,926
15	Abu Dhabi, UAE	186	310	248	2,668
16	Beijing, China	132	246	189	2,034
17	Tokyo, Japan	180	306	243	2,615
18	Hong Kong, China	194	332	263	2,830
19	Sydney, Australia	168	290	229	2,464
20	Oslo, Norway	192	328	260	2,798
21	Madrid, Spain	140	250	195	2,098
22	Moscow, Russia	140	220	180	1,937
23	Istanbul, Turkey	90	150	120	1,291
24	Warsaw, Poland	130	210	170	1,829
25	Johannesburg, S. Africa	120	180	150	1,614

## Notes / Comments:

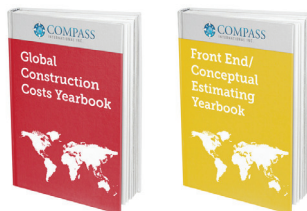
There is no exact answer to this question because there so are many variables to the Square Foot (SF) / Square Meter unit cost, such as:

1. Location: is hotel in a congested city center with material handling logistical and delivery problems, or is hotel situated in the city suburbs with less material delivery logistical issues:
2. Large or small application: (Typically the larger the usable space the lower the unit price will be).
3. Use of high end i.e. expensive construction materials or are middle of the road construction material and fixtures being utilized.
4. Contracting approach: (Lump Sum or Negotiated contract), Construction Schedule (fast track, perhaps overtime pay will be required, or normal approach) and the local bidding climate in this particular location, an extremely active construction market tends to increase contractors profit margins:
5. Union or Non-Union Labor: this applies predominantly in the USA, where the vast majority of 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):

*2 to 3 Star Hotel (3 to 6 floors – 10 to 12 high floor to floor) Total Usable Footprint Space 125,000 SF to 200,000 SF / 11,617 M2 to 18,590 M2*

## Mid 2016 Cost Basis:

- Costs are based on a suburban city location, (average 5 to 7 miles outside city center).
- Excludes Architectural & Engineering / Detailed Design Fees: Typically these cost 5% to 10% of the indicated Construction Costs indicated below:
- Excludes Construction Management Fees: Typically 3% to 5% of Construction Costs below:
- Excludes Land purchase, furniture, fixtures, restaurant / kitchen items, art work, linens, towels & bedding etc.:



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