COMPASS INTERNATIONAL INC.

What does it cost to design & build a Logistics / Distribution Center in the USA & around the world:

Every day we hear news of major companies building 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. To answer this question we have researched & collected "current day" costs from more than 15 countries.

#	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	89	146	117	1,261
2	Chicago, IL USA	82	129	106	1,138
3	Los Angeles, CA USA	80	130	105	1,126
4	San Francisco, CA USA	81	135	108	1,161
5	Washington, DC USA	75	127	101	1,082
6	London, UK	77	132	104	1,123
7	Toronto, Canada	71	126	98	1,056
8	Paris, France	76	127	102	1,095
9	Rome, Italy	73	123	98	1,053
10	Zurich, Switzerland	80	130	105	1,128
11	Mexico City, Mexico	55	90	72	779
12	Rio de Janerio, Brazil	56	93	75	802
13	Abu Dhabi, UAE	73	115	94	1,008
14	Beijing, China	53	98	76	814
15	Tokyo, Japan	74	123	98	1,056
16	Sydney, Australia	70	123	97	1,042
17	Oslo, Norway	83	133	108	1,163
18	Madrid, Spain	63	95	79	848
19	Moscow, Russia	56	93	75	804
20	Warsaw, Poland	58	90	74	793

For additional benchmarks and similar types of construction costs refer to our 2020 Global Construction Costs Yearbook

If you have any questions or comments on this report please contact:

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View our annual cost estimating yearbooks at
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There is no precise answer to the question posed, because there so are many variables to the Square Foot (SF) / Square Meter (M2) unit final cost, such as:

1. Current Site Conditions: What are the existing construction sites' 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 existing 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? All of these issues could impact the final cost of the Logistics Center.

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 material & fixtures being utilized will impact the final construction cost.

5. Contracting Approach: Is 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 particular 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 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).

7. 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 2020 Cost Basis:

8. Costs are based on a suburban city location (average 7 to 15 miles outside main city center).

9. Excludes bar coding computers, scanners & equipment, conveyors, sorting equipment, shelving & robotic pickers.

10. Excludes construction work outside of building, such as roads, parking areas, fencing & security gatehouses.

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