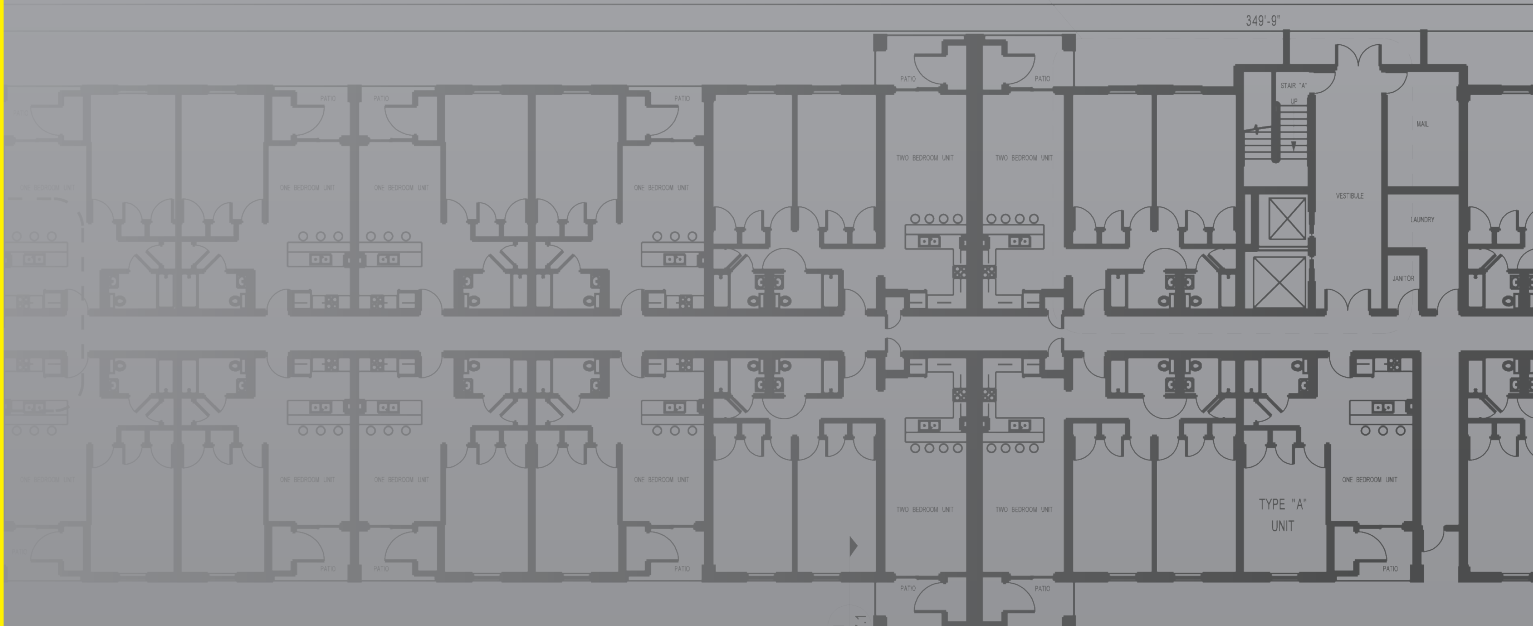


STUDY

INITIAL COST OF CONSTRUCTION MULTI-RESIDENTIAL STRUCTURES

Prepared by Walter G. M. Schneider III, Ph.D., P.E., CBO, MCP, CFO

BALANCED DESIGN
COMPARTMENTATION



Introduction

For the Charlotte, North Carolina May 2021 cost comparison it was decided to use federal prevailing wages based on the local construction climate. The reader is referred to the *Study, Initial Cost of Construction, Multi-Residential Structures, October 2017* original report for a complete discussion on study design and methodology. It has been determined that the insurance industry recognizes that there is a relative risk differential between wood construction materials and the other materials used in this study. The differential risk is included in this study and reflected in the builder risk insurance costs.

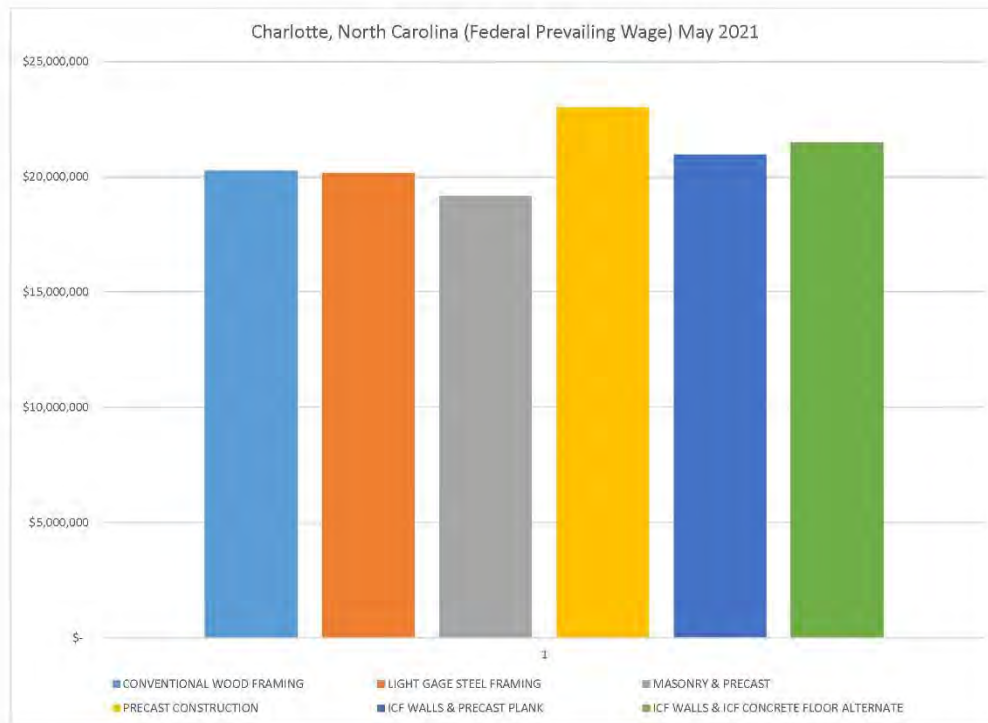
Study Results and Discussion

The results of the construction cost study for each geographic location are presented in the following tables. The relative cost presented is a percentage of the conventional wood frame system.

Charlotte, North Carolina

Charlotte, North Carolina - May 2021					
Federal Prevailing Wages					
Building System	Insurance Cost	Construction Cost	Cost/Sq Ft	Relative Cost	
CONVENTIONAL WOOD FRAMING	\$ 169,427	\$ 20,271,967	\$ 209.85	100	
LIGHT GAGE STEEL FRAMING	\$ 168,609	\$ 20,174,167	\$ 208.84	100	
MASONRY & PRECAST	\$ 82,151	\$ 19,160,245	\$ 198.35	95	
PRECAST CONSTRUCTION	\$ 98,673	\$ 23,013,676	\$ 238.24	114	
ICF WALLS & PRECAST PLANK	\$ 89,939	\$ 20,976,635	\$ 217.15	103	
ICF WALLS & ICF CONCRETE FLOOR ALTERNATE	\$ 195,125	\$ 21,494,981	\$ 222.52	106	

The least expensive system is the load bearing masonry wall system with precast concrete plank floor system. The relative cost of the most expensive framing system, the precast concrete wall and precast floor system is 20.1 percent higher. The conventional light weight wood framing system is an increased cost of 5.8 percent over the load bearing masonry wall system with precast concrete plank floor system. This is also 5.3 percent lower than the light gage steel framing system, with respect to the load bearing masonry wall system with precast concrete plank floor system.



Study Conclusions and Recommendations

Based on the construction cost estimates prepared by Mr. Maholtz, the cost associated with using a compartmentalized construction method utilizing a concrete based construction material was very favorable with light weight conventional wood frame construction cost and light gage steel framing construction cost. All of the concrete based construction systems were within a 14 percent increase over the light weight conventional wood frame construction system. In many cases this amount can be partially offset by the contingency budget typically recommended for the owner to carry for unanticipated expenditures during the project.

The minimal increase in construction cost can also help pay for itself over the life of the structure. Materials like concrete masonry, precast concrete, and cast-in-place concrete have many other advantages beyond their inherent fire performance including resistance to mold growth, resistance to damage from vandalism, and minimal damage caused by water and fire in the event of a fire in the building. In many cases, with this type of construction the damage outside of the fire compartment is minimal. This provides for reduced cleanup costs and quicker reoccupation of the structure.

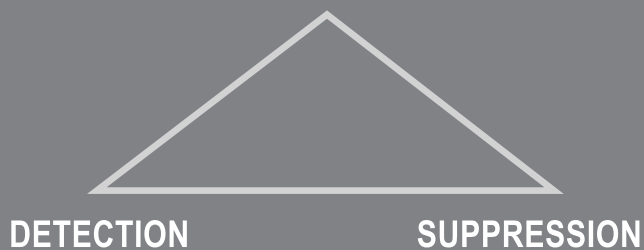
Based on the results of this study, we recommend that a similar study be undertaken to evaluate use of similar construction techniques and their associated construction cost impact on other typical building types like, schools, retail establishments, and commercial office buildings.

STUDY

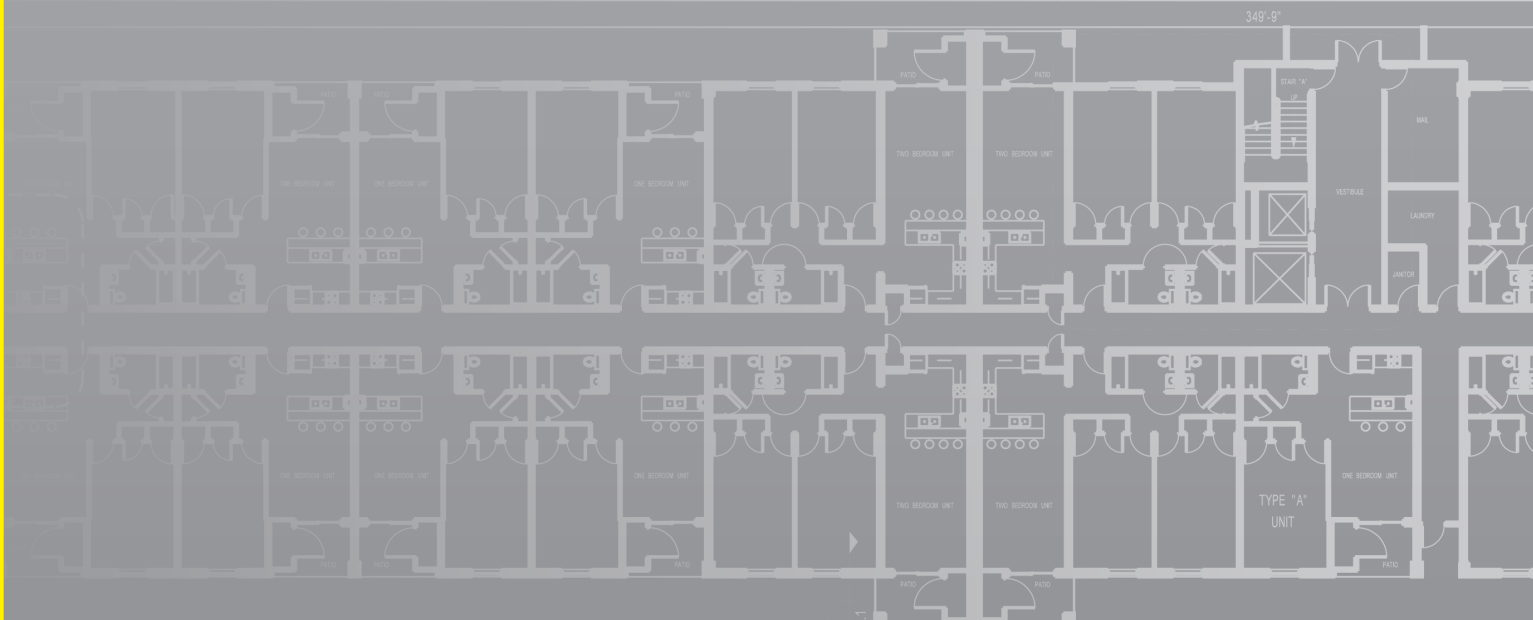
INITIAL COST OF CONSTRUCTION

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