

# CHARLOTTE

## Low Costs, High Quality Construction

**NEW TOWERS WILL RESHAPE THE CHARLOTTE** center city skyline by the end of 2009. But the entire county also continues to witness new construction or expanding facilities. This can be attributed to Charlotte's competitive construction costs, skilled construction workers, and convenient transportation of raw materials. For these and other reasons, companies continue to relocate new or expand current facilities in Charlotte. Favorable weather conditions year-round simply boost the benefits of locating in a city that can boast construction costs well below the national average.

The R.S. Means Company *City Cost Index* reflects the total cost, excluding cost of land and other peripheral expenses

**THE LOW COST OF CONSTRUCTION — 20 PERCENT LESS THAN THE NATIONAL AVERAGE — IS ONE OF MANY REASONS THAT NEW AND RELOCATING FIRMS ARE DRAWN TO THE CHARLOTTE REGION.**

(e.g., architectural fees), of residential, commercial and industrial construction. Many cities have seen higher costs recently, but Charlotte has experienced a construction boom. Developers announced more than 27 million square feet of new office, industrial and other commercial facilities in 2008 alone. The following construction cost index table indicates Charlotte's competitive construction cost advantage.

Charlotte also shines in the Marshall & Swift Valuation Service rankings. Charlotte's construction costs rank as one of the lowest of the major U.S. Distribution Centers and cities of comparable size. The average cost of construction has consistently been lower than other major markets such as Memphis, Atlanta and Dallas.

The attraction of the area is apparent in the numbers. In 2008, Charlotte awarded more than 16,000 building permits representing more than \$3.7 billion of new construction. The following factors exemplify reasons for Charlotte's consistently low construction costs.

### A Construction Center

The growth of Charlotte is a magnet for construction companies. Low costs, high construction activity levels, and convenient access to both materials and skilled labor provide the reasons that over 4,660 construction firms employ 51,471 qualified workers in the metro area. These



### Construction Cost Index

<b>Charlotte, NC</b>	<b>80.0</b>
Dallas, TX	85.4
Memphis, TN	86.0
Atlanta, GA	90.2
Cincinnati, OH	92.3
Baltimore, MD	93.1
Denver, CO	95.0
Pittsburgh, PA	97.6
Cleveland, OH	99.5
Washington, DC	99.7
Portland, OR	101.0
Kansas City, MO	102.1
Detroit, MI	103.2
Seattle, WA	103.9
Los Angeles, CA	108.3
Newark, NJ	109.5
Minneapolis, MN	109.8
Chicago, IL	114.9
Boston, MA	115.4
San Francisco, CA	123.8
New York City, NY	130.7

**Source:** R.S. Means Company, Inc., 2009. Means Building Construction Cost Data

companies come in a wide variety of sizes, from a number of small, more personal operations to at least 80 firms each employing more than 100 people.

### Quality Services

In addition to the quality and choices you will find with Charlotte's construction companies, you will also find a wealth of additional services to design new or reconfigure the perfect quarters for your business. Charlotte has 352 engineering firms

**ALMOST \$4 BILLION IN  
NEW CONSTRUCTION TAKES  
PLACE EACH YEAR.**

with 6,042 employees. In addition, there are 198 architectural firms in the region with a total of 2,318 employees. Over half of these architectural firms are members of the American Institute of Architects, an organization dedicated to the highest standards of professionalism, integrity and competence.

### Stable Wages and Talented Workers

The North Carolina Right-to-Work law ensures stable wages and dedicated workers. Community colleges and apprenticeship programs offer comprehensive courses that train construction workers to be the best in their field.

### Favorable Weather Conditions

The Charlotte region enjoys the best qualities of each of the

## Charlotte-Mecklenburg's 5-Year Construction Summary

Year	Permits	Permit Value (millions)		Total
		Residential	Non-Residential	
2008	16,243	\$1,473.1	\$2,240.2	\$3,713.2
2007	21,462	\$2,223.7	\$1,823.4	\$4,047.1
2006	24,250	\$2,709.5	\$1,560.9	\$4,270.4
2005	22,037	\$2,063.2	\$1,297.6	\$3,360.7
2004	19,243	\$1,730.8	\$1,326.0	\$3,056.8

## New Residential Construction By Type

Year	Single Family	Multi-Family	Total Units
2008	3,758	6,747	10,505
2007	7,494	6,306	13,800
2006	10,215	7,874	18,089
2005	9,775	3,827	13,602
2004	8,730	3,959	12,689

four seasons. One benefit is the ability to build throughout the year and with considerably less insulation costs than Charlotte's competitor cities. Crews are also able to work with fewer interruptions, making the whole construction process more efficient and cost-effective.



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## A Wealth of Raw Construction Materials

North Carolina is one of the leading producers of brick, lumber and laminates. This assures convenient selection and minimum transportation costs.

## The Bottom Line

By building your new quarters in Charlotte, you will benefit from the area's strong economic growth, high quality of life and centralized location. You'll also have the area's experienced construction services organizations (who practice the newest and most efficient techniques), easy access to raw materials, and a large number of workable days at your disposal. The bottom line for you is quality construction at a comparably low cost.

### Average Commercial Building Cost of the Largest Distribution Cities in the U.S.\*

(\$ per square foot)

City	Distribution Warehouse Class C	Industrial Light Manufacturing Class C	Industrial Flex Building Class C	Discount Retail Class C	Store Class C
Houston	\$37.95	\$38.78	\$38.77	\$62.28	\$49.94
Dallas	38.33	38.78	38.77	62.28	49.94
Atlanta	38.71	39.56	39.54	63.53	50.94
Lexington	38.78	39.64	39.62	63.65	51.04
Memphis	38.78	39.64	39.62	63.65	51.04
<b>Charlotte</b>	<b>39.13</b>	<b>39.99</b>	<b>39.98</b>	<b>64.22</b>	<b>51.50</b>
Richmond	40.41	41.30	41.28	66.32	53.70
Cincinnati	40.87	41.77	41.75	67.07	53.78
Denver	41.70	42.62	42.60	68.44	54.88
Jacksonville	42.53	43.47	43.45	69.81	55.98
Baltimore	43.81	44.78	44.76	71.90	57.66
Washington DC	43.81	44.78	44.76	71.90	57.66
Cleveland	44.20	45.18	45.16	72.55	58.17
Pittsburgh	44.24	45.21	45.19	72.60	58.22
Portland	44.62	45.60	45.58	73.23	58.72
Kansas City	45.87	46.88	46.86	75.28	60.37
St. Louis	46.29	47.31	47.29	75.97	60.92
Detroit	47.12	48.16	48.14	77.34	62.01
Minneapolis	47.96	49.01	48.99	78.71	63.11
Seattle	49.21	50.29	50.27	80.76	64.76
Chicago	50.87	52.00	51.97	83.50	66.95
Los Angeles	50.87	52.00	51.97	83.50	66.95
Philadelphia	52.48	52.60	52.58	84.47	67.73
Boston	54.02	55.21	55.18	88.66	71.09
Newark	54.87	56.08	56.05	90.05	72.21
San Francisco	56.71	57.96	57.94	93.08	74.64
New York	58.70	59.99	59.96	96.34	77.25

Source: Marshall and Swift, January 2009. \*Population between 400,000 and 1,000,000

## Average Office Building Cost of Mid-Sized Cities\*

(\$ per square foot)

City	Class A	Class B	Class C	Class D
Dallas	\$120.05	\$114.52	\$84.54	\$79.85
Houston	122.72	117.06	84.54	79.85
Memphis	124.05	118.33	86.40	81.62
Atlanta	126.36	124.08	86.23	83.16
<b>Charlotte</b>	<b>127.74</b>	<b>125.43</b>	<b>87.18</b>	<b>84.07</b>
Lexington	128.06	120.88	86.40	82.51
Richmond	129.11	125.43	90.02	87.73
Cincinnati	132.06	124.70	91.04	87.83
Denver	132.07	129.80	92.90	87.83
Jacksonville	135.98	134.87	94.76	90.47
Portland	139.99	136.22	99.40	95.82
Cleveland	141.39	134.87	98.47	94.04
Kansas City	142.64	138.79	102.19	98.48
Washington DC	142.85	140.27	97.60	93.21
Pittsburgh	144.22	140.27	98.55	95.95
Baltimore	145.59	141.62	97.60	94.12
St. Louis	146.73	139.96	103.12	99.37
Detroit	150.73	143.78	104.98	102.03
Minneapolis	150.73	143.78	106.84	101.14
Seattle	154.52	151.64	109.62	103.80
Chicago	161.40	155.23	949.44	110.01
Los Angeles	162.45	155.50	113.34	109.13
Philadelphia	168.94	163.20	114.66	111.49
Boston	171.69	167.24	120.34	117.88
Newark	178.56	173.99	122.24	118.80
San Francisco	179.62	174.78	126.34	119.77
New York	189.55	183.43	130.77	129.76

Source: Marshall and Swift, January 2009. \*Based off of total wholesale sales accounted in 1997 Economic Census



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