

# LANDLORD REFURBISHMENT COST GUIDE

PROJECT MANAGEMENT  
& COST CONSULTANCY

FEBRUARY 2021



# COST BENCHMARKING

Construction Spend (excluding Fees & VAT)

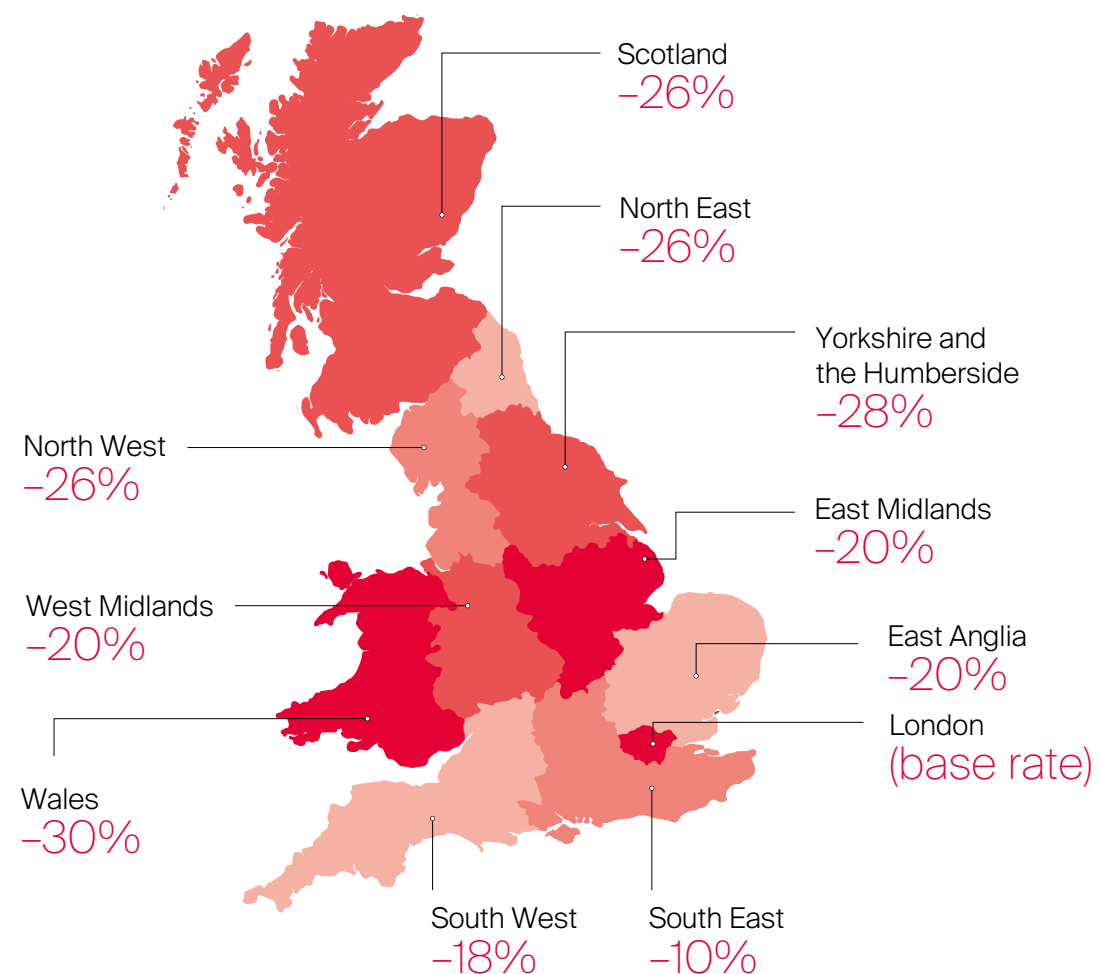
Office Floors	£50 ft²	£100 ft²	£150 ft²	£150 ft² +
Strip out of existing fit out	£5	£5	£5	£9
Raised access floor	£5	£5	£5	£5
Suspended ceiling / soffit treatment	£8	£8	£8	£5
Decorations	£4	£4	£4	£4
Joinery	£4	£4	£4	£4
LED lighting, power & fire alarms	£10	£15	£15	£15
Air-conditioning & mechanical ventilation	£7	£25	£25	£25
<b>Common Parts</b>				
Refurbishment of WC's	£4	£15	£15	£15
Refurbishment of Reception	£3	£10	£10	£10
Staircases & lift lobby refurbishment	X	£5	£5	£5
Remedial works to building fabric (windows & roof)	X	£5	£5	£5
Amenity Space (showers, bike racks & changing)	X	X	£5	£5
<b>Main Plant</b>				
Major overhaul/ replacement of lifts	X	X	£7	£7
Air con & ventilation plant (chillers & AHU's)	X	X	£15	£15
Main electrical plant (distribution boards, main switchgear)	X	X	£10	£10
Security (access control & CCTV)	X	X	£2	£2
Main fire alarm panel and infrastructure	X	X	£3	£3
Building Management System head end and infrastructure	X	X	£5	£5
Boilers, calorifiers and pumps	X	X	£3	£3
<b>Main Plant</b>				
Relocation/ alterations to core	X	X	X	£25-50
Replacement of facades/ windows	X	X	X	£25-75
Additional massing/ terraces	X	X	X	£300-£400 on additional area





# REGIONAL VARIANCE

Using Central London as a 'base' the map below details indicative cost differences between regions.



# MARKET UPDATE - COVID-19

Tender price inflation has been volatile over the last nine months and as a result, very little official data (BCIS etc) commits to any confident projections in the short term.

In our experience, Covid based working restrictions and prevention measures have caused programmes to increase by between 5 and 15%, which has increased costs. This has been somewhat balanced by supply chain costs and main contractor overhead and profit levels which are very low, in order to fill order books. This has caused a 'two tier' TPI where smaller, low risk projects are up to 10% lower than 6-9 months ago, but larger, more complex projects are up to 5% more expensive.

There have been a surprisingly low number of insolvencies in the medium to large sized main contractor market as companies have used the furlough scheme and made redundancies in order to reduce overheads.

'Cashflow is king' more than ever now so the supply chain is looking for 'up front' payments and main contractors are demanding shorter payment periods.

It is important for clients to agree suitable 'Covid clause' wording within their building contracts. At present, it is a 'buyers' market' so we have found that contractors are still willing to sign up to 'time but not money' in terms of Covid delays.

At the time of writing, Brexit has just taken place. Despite an agreement that levies will not apply, this may result in delays on some imported materials. As we are still unaware precisely what the effect will be, this is a risk on projects that are 'bought' in Q1 and possibly Q2. The design team will have to work closely with the contractors and their supply chains and be flexible in order to change materials and/ or products if issues arise.

The industry has had the perfect rehearsal with Covid and this has definitely prepared them for this issue.

Most contractors are asking for Brexit related clauses within building contracts and it is still very difficult to pass all programme and cost risk on to the contractors. This risk may have to be shared until the full ramifications of Brexit on the supply chain are fully understood.

It is vital that clients obtain suitably robust Performance Bonds and / or Parent Company Guarantees prior to commencement of all major projects, and stringent financial checks are undertaken.

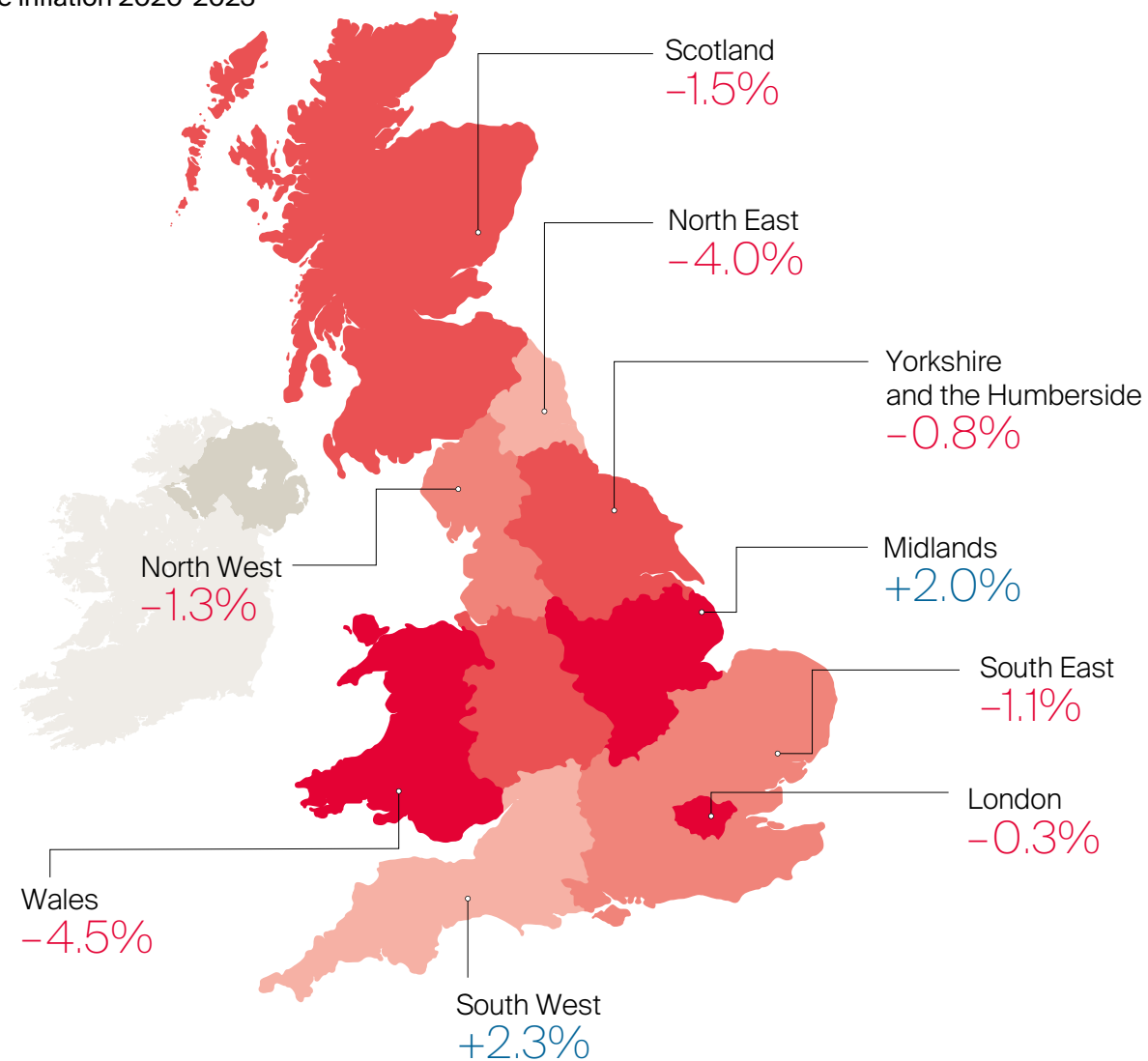
Covid specific design is evolving quickly but landlords appear nervous about committing to significant changes and additional spend due to the unknown timescales of Covid and how it will change tenant requirements when it finally ends.





# REGIONAL TENDER PRICE INFLATION

The map below details average tender price inflation 2020-2023



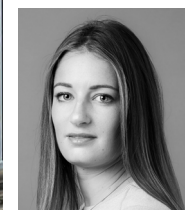
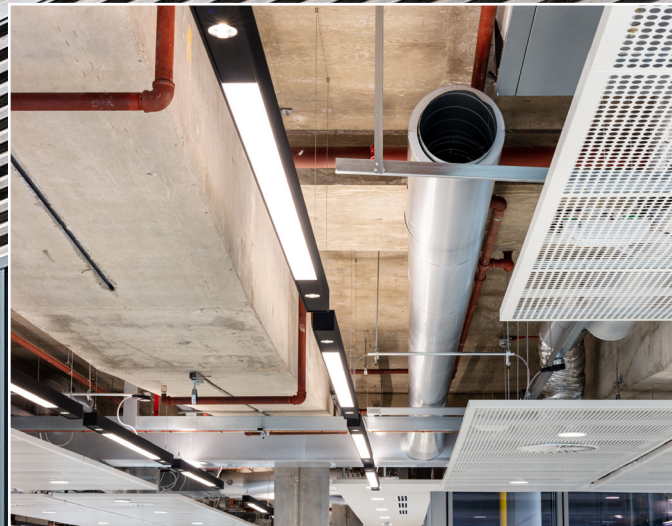
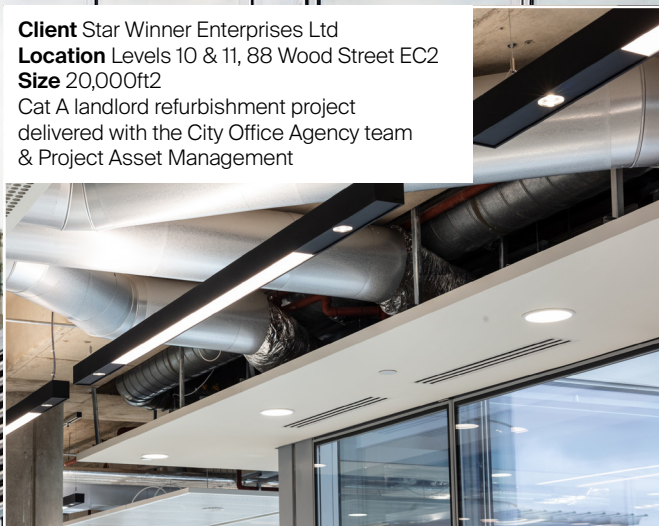
Tender Price Inflation per region

	2020	2021	2022	2023
London	-1.0%	-0.8%	0.5%	1.0%
Midlands	-0.5%	-0.5%	1.0%	2.0%
North East	-3.0%	-3.0%	1.0%	1.0%
North West	-2.0%	-0.3%	0.0%	1.0%
Scotland	-1.0%	-1.5%	0.0%	1.0%
South East	-1.3%	-0.8%	0.5%	0.5%
South West	0.1%	0.4%	0.5%	1.3%
Wales	-3.0%	-3.0%	1.0%	0.5%
Yorkshire and the Humber	-0.5%	-1.8%	0.5%	1.0%



# TRACK RECORD

**Client** Star Winner Enterprises Ltd  
**Location** Levels 10 & 11, 88 Wood Street EC2  
**Size** 20,000ft<sup>2</sup>  
 Cat A landlord refurbishment project delivered with the City Office Agency team & Project Asset Management

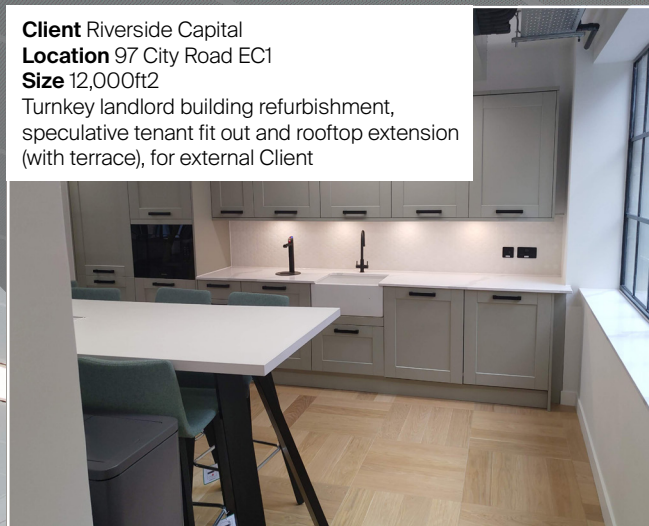


**Victoria Whiteley**

*"The construction stage of this project came with some challenges as we had to continue to deliver this high-end project during COVID-19, but I have really enjoyed working closely with our West End Project Asset Management Team and I look forward to delivering Phase 2, which is 70,000 sq ft of further office space, reception and amenity facilities."*



**Client** Riverside Capital  
**Location** 97 City Road EC1  
**Size** 12,000ft<sup>2</sup>  
 Turnkey landlord building refurbishment, speculative tenant fit out and rooftop extension (with terrace), for external Client



**PAUL PRIOR**

*"This is a Client I have known and worked with almost all of my career, so this was an enjoyable project to work on, despite it's challenges. The emergence of Covid-19 during the project meant an extended construction programme and some very quick decisions on design changes in order to adapt to the changing requirements of tenants. These were implemented efficiently and the project was a major success in difficult times."*







# YOUR CONTACTS

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