

Seniors Housing Construction Costs

This *Special Issue Brief* was prepared for the American Seniors Housing Association by Larry Graeve and Amy Burke of The Weitz Company. For additional information, please contact:

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The construction market remains steady and tariff issues have settled down for the time being. The labor shortage continues to be an issue and impacts both increased labor costs and longer construction schedules. Increased labor cost is driven by annual hourly increases, overtime and labor risk. Prices for materials also continue to inch upward.

Construction Costs per Gross Square Foot

	Mid-Level		High-Level		Raleigh, NC Mid Level/City Index 84.5	
	Low	High	Low	High	Low	High
Independent Living	\$168	\$198	\$190	\$255	\$142	\$167
Cottages	\$134	\$157	\$185	\$230	\$113	\$133
Assisted Living	\$194	\$249	\$261	\$309	\$164	\$210
Skilled Nursing	\$223	\$261	\$283	\$361	\$189	\$221
IL Commons	\$273	\$346	\$358	\$439	\$231	\$293
Underground Parking	\$96	\$130	\$132	\$168	\$81	\$110
Site Cost	Excluded		Excluded		Excluded	

Notes/Definitions:

- Component costs include full burden of general condition, insurance, tax, performance bond & fee, **but do not include site costs.**
- Costs based on a national average with city index of 100; the means index for a specific city should be used to adjust the data to that particular city. Raleigh, NC, for example, has an index of 84.5, which translates to a cost range of \$142 – \$167 per SF for independent living. Los Angeles, CA has an index of 111.7, which translates to a cost range of \$188 – \$221 per SF for independent living. These indices coupled with local market conditions are essential when comparing overall pricing.
- Mid-level projects: generally are of wood-framed construction with standard amenities and finishes, and typically target the more moderate income senior.
- High-Level projects: generally are of steel or concrete construction with high-end luxury amenities and finishes, and typically target the higher income senior.

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