

Building Cost Indicator

Aged Care

2022

About this Cost Guide

This Cost Guide has been prepared from data provided by CKA Group (ckagroup.com.au) in conjunction with Quantity Surveyors Rodney Vapp and Associates Pty Ltd (rodnevapp.com.au). It is intended as a guide only to assist the managers of aged care facilities and retirement living complexes undertake basic planning for new facilities and extensions to existing ones.

More accurate costs can be provided from concept sketches prepared by CKA Group and financial analyses prepared by Rodney Vapp and Associates.

Contact CKA Group on **03 8658 4000** to discuss your Aged Care Project.

Note

Shortages of materials, supply chain problems and labour shortages in an overheated market have resulted in significant cost increases for the start of 2022. The NSW/QLD floods may also place additional stresses on these. Some areas of construction are reporting building cost increases of up to 14%. Whether or not these unusual conditions will ease remains to be seen.

Asset Replacement Cost

It is important that facility managers have a good understanding of the replacement value of their assets, for insurance and valuation purposes.

If you know the size of your facility in square metres, you can apply the rates noted in 1.1. If not, you should have the property professionally measured up.

An approximate guide to the size of standard single occupancy room aged care facilities is as follows:

- **20 bed** standard facility with small commercial kitchen, dining, lounge, laundry, admin **1,600m²**
- **30 bed standard** facility with small commercial kitchen, dining, lounge, sitting, laundry, consulting room, admin **2,000m²**
- **60 bed** standard facility with commercial kitchen, multiple dining, and lounge areas, sitting, hairdressing, laundry, consulting room, admin **4,000m²**
- **90 bed standard** facility with large commercial kitchen, commercial laundry, multiple dining and lounge areas, sitting, hairdressing, café, shop, day centre, training facilities, staff and maintenance areas **6,500m²**

If you would like help working out the size of your facility, CKA Group can provide a complete measure up of your facility and a detailed inspection and maintenance report.

1.1 Building and Furniture & Fittings Replacement Costs

| Replacement Cost | Cost per m ² | | |
|---|-------------------------|------------------|-----------------|
| | Standard Finishes | Quality Finishes | Luxury Finishes |
| Building | \$2,800 | \$3,840 | \$4,320 |
| Furniture & Fittings per bed | \$9,000 | \$11,000 | \$16,000 |

Note: Building Replacement Costs include allowances for demolition following a fire, consultant's fees (nominal 10%) and permits required to rebuild. These costs do **not** include external works and services and Authority charges See 2.3 and 2.4. Separate allowance should be made when assessing insurance for loose furniture & equipment.

New Building Cost Indicator

Indicative new building costs for aged care facilities can be calculated by the following process:

- Assess the quality of facility and finishes you want to achieve. This is generally proportional to the sales or bond values in the local area. As a general rule, standard facilities are in outer suburban areas, quality facilities in middle suburban areas and luxury facilities in top-end suburbs and selected resort areas.
- Prepare a concept plan of the proposed facility. **CKA Group** can help you do this.
- Calculate the structural (shell) cost of new construction on a square metre basis.

- d) Calculate the cost of fitting out kitchens, bathrooms and laundries.
- e) Calculate the cost of furniture and fittings. Include office and administrative furniture, nurses' stations, beds, lounge and dining room furniture, curtains, blinds and artwork.
- f) Allow for consultants design fees, planning, building and authorities permit fees.

2.1 Structural (Shell) Cost

The shell includes the basic structure, bedroom, ensuites and floor finishes.

| Facility size (beds) | Cost per m ² | | |
|----------------------|-------------------------|------------------|-----------------|
| | Standard Finishes | Quality Finishes | Luxury Finishes |
| < 30 | \$2,530 – 3,100 | \$2,800-3,340 | \$3,150 – 3,840 |
| 30-60 | \$2,480 – 3,060 | \$2,750 – 3,300 | \$3,100 – 3,800 |
| 60+ | \$2,450 – 3,040 | \$2,780 – 3,260 | \$3,080 – 3,720 |

2.2 Fit out Cost

| | Cost (Total) | |
|-----------------------------|-------------------|-----------------|
| | Standard Finishes | Luxury Finishes |
| Commercial Kitchen | | |
| < 30 Bed Facility | \$135,000 | \$200,000 |
| 30-60 Bed Facility | \$200,000 | \$300,000 |
| 60+ Bed Facility | \$280,000 | \$370,000 |
| Commercial Laundry | | |
| < 30 Bed Facility | \$90,000 | \$170,000 |
| 30-60 Bed Facility | \$180,000 | \$280,000 |
| 60+ Bed Facility | \$290,000 | \$330,000 |
| Public Access Toilet | \$33,000 | \$50,000 |
| Assisted Bathroom | \$40,000 | \$65,000 |

2.3 External costs to be added on

External works & services includes those outside of the building line, including fencing, paths, hydraulic services, electrical and gas

| | Allowance | |
|--------------------------------------|-------------------------|-------------------------|
| | 30 Bed Facility | 60 Bed Facility |
| On Grade Car parking | \$120,000-170,000 | \$190,000-250,000 |
| External Works & Services | 20-25% of building cost | 15-20% of building cost |
| Landscaping | \$90,000-\$180,000 | |

2.4 Fees

Consultants' fees include fees for the architect, surveyor, town planner, structural and services engineering, building surveyors, landscape, quantity surveyor etc.

Authorities Fees and Permits can vary enormously depending upon zoning and planning conditions.

| | Allowance |
|---------------------------------------|-------------------------|
| Consultants Fees | 12-15% of building cost |
| Authorities Fees & Permits | 1-6% of building cost |

Sample Budget for Aged Care Facility

| | Number of beds | Area per bed | Total building area | Cost per m ² | Total cost |
|---|----------------|------------------|---------------------|-------------------------|---------------------|
| Quality finishes | 90 | 80m ² | 7,200m ² | \$3,100 | \$22,310,000 |
| Add for sloping site | | | | | \$0 |
| Add for adverse soil conditions | | | | | \$0 |
| Fitout | | | | | |
| Commercial Kitchen | | | | | \$330,000 |
| Commercial Laundry | | | | | \$310,000 |
| Assisted Bathroom | | | | | \$50,000 |
| Public Access Toilet | | | | | \$40,000 |
| INDICATIVE ESTIMATED TOTAL BUILDING COST (excl. GST) | | | | | \$23,040,000 |
| External Works & Services (nominal 20% of building cost) | | | | | \$4,600,000 |
| Car Parking | | | | | \$220,000 |
| Landscaping | | | | | \$140,000 |
| INDICATIVE ESTIMATED TOTAL CONSTRUCTION COST (excl. GST) | | | | | \$28,000,000 |
| Additional Costs | | | | | |
| Contract Contingency (nominal 5% of construction cost) | | | | | \$1,400,000 |
| Consultants Fees (nominal 12% of construction cost) | | | | | \$3,360,000 |
| Authority Charges (nominal 1% of construction cost) | | | | | \$280,000 |
| Loose Furniture & Equipment (nominal \$10,000 per bed) | | | | | \$990,000 |
| INDICATIVE ESTIMATED PROJECT COST (excl. GST) | | | | | \$32,630,000 |

2.5 Regional Differences

Construction prices vary from city to city and are generally more expensive in rural areas. Using Sydney construction prices as a base, capital city adjustments are approximately as follows:

- Melbourne -1%
- Brisbane +4%
- Adelaide 0%
- Perth +5%
- Hobart 0%
- Rural areas +5% to 15% depending on distance from major cities

2.6 Total Cost Structure

The approximate cost structure of new homes and renovations is as follows:

- Materials 40%
- Labour 30%