




United Arab Emirates


Market Highlights


The UAE market conditions remained strong in the second quarter of this year and rising concerns about inflation did not prevent positive consumer spending helping the UAE achieve consistent economic growth.

 Construction commodities inflation risks due to global events impacting supply chain management

 Increase in number of both Restaurant (F&B) and Offices (Workplace) fit out tenders to market recorded, with 5% - 10% tender price escalation seen

 Alternative procurement routes being considered to manage risk of tender price inflation for major works


 Hospitality sector is showing strong rebound from Covid lows, including for both New Build, and Refurbishment and Alteration projects


 Continued increase in HNWI within prime residential real estate market.


Kingdom of Saudi Arabia


Market Highlights


Saudi Arabia's construction sector is in a high growth trend, driven by the Kingdom's visionary leader, and Vision 2030.

 Unprecedented world class entertainment projects are happening in Saudi Arabia

 The market is witnessing more procurement and construction works starting for Giga projects, plus higher than normal tender returns for fast paced projects

 PIF's development strategy is providing growth opportunities to Saudi local real estate developers

 The market is witnessing PPP opportunities, further boosting the local market, benefiting local expertise in development projects

 There is an inflow of experienced talents and organisations from around the globe to KSA

Hospitality Building Construction	Low /m2	High /m2
The building costs for respective asset types including building construction works, fixed fit-out works, kitchen & laundry equipment, and active IT equipment.		
UAE (AED)		
3 Star Hotel	7,000	9,700
4 Star Hotel	9,000	12,000
5 Star Hotel	12,000	17,500
KSA (SAR)		
3 Star Hotel	6,500	9,500
4 Star Hotel	8,500	11,500
5 Star Hotel	11,500	15,800

Food & Beverage Fit-out Construction	Low /m2	High /m2
The fit-out works costs for respective asset types including architectural & MEP fit-out works, and shop-front. Rate excludes variable cost items like lighting, kitchen equipment, AV/IT/security, and art.		
UAE (AED)		
Restaurant Standard	6,000	7,500
Restaurant Mid-market	7,500	10,500
Restaurant High-end	10,500	15,000
KSA (SAR)		
Restaurant Standard	4,000	5,500
Restaurant Mid-market	5,500	10,000
Restaurant High-end	10,000	17,000

Benchmarking Notes

The m2 area is based on GIA measurement as defined by the RICS code of measuring practise 6th edition.

Rates are current as of Q2 2022.

Rates include contractor's overhead & profit, and general requirements.

Rates assume a traditional build only procurement route.

The rates in this document are indicative only and should not be relied upon in lieu of a detailed project specific cost estimate.

Rates exclude: Contingency, inflation beyond Q2 2022, professional fees, statutory fees, legal fees, sales & marketing fees, pre-opening costs, land costs, finance costs, client direct costs, loose FF&E,

About Compass

Drawing on our extensive delivery experience, industry-wide knowledge and sophisticated project development tools, we facilitate the most proficient path towards project success, overcoming constraints and obstacles to deliver projects effectively and efficiently for our Clients.

Specialising in start-to-finish project development solutions, our collective attention to detail, and our passion for getting everything right, helps define and solidify your goals, whilst establishing and managing realistic schedules and budgets.

We lead construction projects from concept right through to completion with services including:

- Development Management
- Program Management
- Project Management
- Commercial Management
- Claims & Dispute Resolution

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