

THE QUANTITY SURVEYOR

# Australian Construction Cost Guide

**2025–26 Edition**

*An indicative overview of residential, commercial and industrial construction costs across Australia — what drives them, and how to budget with confidence.*

*General guidance only. This document provides broad, indicative cost ranges for educational and budgeting-awareness purposes. It is not a substitute for a project-specific cost plan or estimate prepared by a quantity surveyor. See full disclaimer on the final page.*

# Why Construction Costs Are So Hard to Pin Down

Ask five different sources what it costs to build in Australia and you'll get five different answers. That's not because anyone is wrong — it's because construction cost is genuinely a range, not a number. The same 200m<sup>2</sup> house can cost 40% more or less depending on site conditions, specification level, and which builder you ask.

This guide exists to give you a realistic, honest starting point — broad indicative ranges drawn from publicly reported industry data — so you can sense-check a quote, plan a budget conversation, or simply understand why one estimate looks so different from another. It is deliberately conservative about precision, because false precision is more dangerous than a wide range: a confident wrong number leads to a budget that collapses at tender stage.

## What Actually Moves the Number

- Location — labour rates and site access vary significantly city to city, and even suburb to suburb
- Specification — project-home basic finishes vs architect-designed custom builds can differ by 2x or more
- Site conditions — sloping blocks, poor soil, or restricted access add cost before a single wall goes up
- Design complexity — simple rectangular floor plans are cheaper to build than articulated, multi-level designs
- Compliance — energy efficiency requirements under the National Construction Code add cost but reduce running costs long-term
- Market timing — material and labour costs move with supply chains and construction-sector demand

# Residential Construction — Indicative Ranges

The figures below are broad national ranges for standard-to-custom residential construction, reported per square metre of gross floor area (GFA). They exclude land, GST, landscaping, driveways, council/authority fees, and professional fees unless your builder states otherwise — always confirm inclusions on any quote you receive.

| City           | Typical Range (\$/m <sup>2</sup> )       | Notes                                                              |
|----------------|------------------------------------------|--------------------------------------------------------------------|
| Sydney         | \$2,500 – \$4,500                        | Highest labour + land pressure; heritage/council overlays add cost |
| Melbourne      | \$2,200 – \$4,000                        | Wide spread driven by inner vs outer metro                         |
| Brisbane       | \$2,000 – \$3,800                        | Strong project pipeline keeping trades in demand                   |
| Perth          | \$1,900 – \$3,700                        | Labour tightness linked to resources-sector demand                 |
| Adelaide       | \$1,700 – \$3,200                        | Generally the most cost-competitive mainland capital               |
| Canberra       | \$2,200 – \$4,200                        | Smaller trade pool; less price competition                         |
| Regional areas | 10–15% below nearest capital (typically) | Offset in remote areas by freight on materials                     |

*These ranges are broad by design. A basic single-storey project home will sit toward the bottom of its city's range; a custom architect-designed home with premium finishes can exceed the top of the range entirely.*

# Commercial & Industrial Construction — Indicative Ranges

Commercial and industrial costs vary more by building type than by city, so the ranges below are presented nationally, per m<sup>2</sup> of GFA for the base building shell and core. They exclude tenant fitout, furniture, fittings and equipment (FF&E), and professional fees.

| Building Type          | Typical Range (\$/m <sup>2</sup> ) | Notes                                                           |
|------------------------|------------------------------------|-----------------------------------------------------------------|
| Industrial / Warehouse | \$850 – \$2,000                    | Cheapest build type; driven mainly by structure and slab        |
| Retail                 | \$1,800 – \$3,500                  | Varies with shopfront specification and services                |
| Office (base building) | \$3,200 – \$7,800                  | Wide range reflects building grade (B-grade to premium A-grade) |

Hotels and accommodation are typically benchmarked per room/key rather than per square metre, since room count — not floor area — drives project value. If you're feasibility-testing a hospitality project, a per-m<sup>2</sup> residential or office rate will significantly understate real cost — this is a common and costly assumption error in early-stage feasibility studies.

## Why These Ranges Aren't Enough on Their Own

Every range in this guide can move by 30–50% once it meets your actual site, your actual design, and your actual market timing. That's the gap a quantity surveyor closes: turning a broad public benchmark into a defensible, project-specific number you can actually commit a budget to.

A proper cost plan from a quantity surveyor typically gives you:

- A line-by-line cost estimate based on your actual drawings, not a generic benchmark
- An independent check on builder quotes, so you can see what's included — and what's quietly excluded
- Early warning on budget risk, before you're contractually committed
- A Bill of Quantities that lets you compare tenders on a genuine like-for-like basis

### Ready for a Real Number?

If you're planning a build, renovation, or development and want a cost plan based on your actual project — not a national average — get in touch for a tailored quote.

## **Disclaimer & Methodology**

The cost ranges in this guide are broad, indicative figures intended for general educational and budgeting-awareness purposes only. They are aggregated from publicly available industry reporting current as of 2025–2026 and are not derived from a licensed cost database (such as Rawlinsons, Cordell, or the AIQS Building Cost Index), nor from project-specific data.

Actual construction costs for any specific project can vary significantly from the ranges shown, based on site conditions, design, specification, procurement method, market conditions at time of tender, and location-specific factors. Figures exclude GST, land, professional fees, finance costs, authority/council charges, external works, landscaping, and (for commercial/industrial figures) tenant fitout and FF&E, unless stated otherwise.

This guide does not constitute a cost estimate, cost plan, or professional advice for any specific project, and should not be relied upon as the basis for a financial or contractual decision. For project-specific cost advice, engage a qualified quantity surveyor.