

Caribbean and South American Construction

MarketTrend Report

2013/2014



BCQS
INTERNATIONAL



A large construction crane is silhouetted against a dramatic sunset sky with orange and yellow clouds. The crane's lattice boom extends from the left towards the right. Below the crane, the skeletal framework of a building under construction is visible, including several vertical columns and horizontal beams. The overall scene is in silhouette, emphasizing the geometric forms of the construction equipment and structure.

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Foreword

BCQS International is pleased to present the 2013 edition of our Latin American and Caribbean Construction Market Trend Report. In this, our fourth issue, we begin to clearly observe past trends throughout the Caribbean region and forecast potential patterns for growth in 2014 and beyond as we begin to turn the corner in the road to global economic recovery.

BCQS is the longest serving cost consultancy firm in the property, development and construction industry across Latin America and the Caribbean. With over forty years of experience in over thirty countries, BCQS has built on its reputation as the leading independent multi-disciplinary consultancy of its kind in the region, accompanied by its close allegiance with the Royal Institution of Chartered Surveyors.

With an ever increasing and diversifying client base, new and challenging commissions, and a wealth of regional in-house expertise, this report continues to provide a valuable guide on construction costs and trend forecasts throughout the region.

As our depth of information and knowledge increases, our 2013 issue begins to develop fundamental and invaluable past and future trend pattern information.

As a company, we continue to be rewarded by the positive feedback from our Clients and industry exponents. This demonstrates that our report persists to be a valuable preliminary data source to fellow construction professionals, builders, established and first time developers, lending institutions and indeed any entity with an interest in, or reason to follow, the Caribbean construction industry.

In a continuation of our previous proforma, we remain focused on ten key jurisdictions where BCQS has offices or those that hold an affiliated presence, these being the Bahamas, Barbados, British Virgin Islands, Cayman Islands, Jamaica, St. Lucia, Trinidad and

Tobago, Turks and Caicos Islands, St. Maarten and Curacao.

By utilising data from these strategic locations, we strongly believe that it is possible to identify trend patterns and benchmarking indices for the Caribbean market through the diversity of the sample group, which can then be applied to the region as a whole.

Following the opening of our offices in Port-of-Spain, Trinidad, we have continued to see positive growth and expansion to our team. Similarly, the Guyanese economy continues to move forward in 'leaps and bounds' and with it, the opportunity for further appointments and expansion.

Our offices in Brazil, Colombia, Guyana and Panama continue to flourish amongst the demands of the Latin American market. Although this market is known at times to be turbulent and challenging, it continues to be potentially poised for explosive growth.

Argentina and Venezuela's woes continue to be well documented in the international press, whilst it is Brazil, Colombia, Chile and Peru that receive the mainly positive news emanating from the South American continent.

Recent BCQS commissions for Credit Suisse, Bloomberg, Fox Sports, Unilever and the like, continue to demonstrate the appeal of South America to blue chip multi nationals.

This year in our South American review, we have concentrated on providing a more in depth view of the Brazilian and Colombian markets. In previous years, we have covered Argentina, but due to the volatility of the market and its currency, we have discontinued our review.

In keeping with our previous reports, we have refrained from commenting on specialised construction markets such as Puerto Rico, the French West Indies, Cuba, and Haiti. We believe these may not be an accurate reflection of the region as a whole, be this through direct ties to other markets or constitutional obligations segregating them from the remainder of the Caribbean market.

The indices of this report provide escalation costs for building materials, plant and labour to reflect market trends and forecasts, which are then used to

drive general square foot budget costs on various property types. Similarly, our report also extends to provide some guidance in local and regional sales and rentals values.

In an attempt to provide the reader of the report with a fuller understanding of the marketplace and add depth to the construction and property data, we have collated useful information in relation to government statistics, cost of living factors, and tourists sources and numbers, all of which should greatly assist developers/lenders/builders in assessing the initial viability of any chosen project.

Whilst many would concur that there is a mass of diverse and varied data that is available across the region, accessing and consolidating these into a single usable format can be costly, time consuming and prone to errors. For these reasons, BCQS identified the need to unite this as one combined data source, in order to provide an informative, accurate and concise presentation of construction costs which will allow both existing and potential Clients alike, the convenience to make educated decisions at the feasibility stage of their project.

Client feedback continues to be overwhelmingly positive and therefore, we are delighted to deliver this report as a valuable preliminary source of construction data, ultimately aimed at promoting more informed development decision making through the Caribbean and Latin America.



Market Overview

Despite a somewhat shaky 2013 for the Caribbean, the general consensus for 2014 seems to point towards a straighter but still bumpy road to regional recovery.

Recent reports by the World Bank and the Economic Commission for Latin America and the Caribbean (ECLAC) indicated that whilst the region is holding steady despite tighter external conditions, increased uncertainty over China's ability to sustain its own growth, is taking its toll on the region's growth currently now forecasted at 2.3% for 2014.

According to the International Monetary Fund (IMF), the impetus for global growth should come largely from the recovery of the advanced economies which are currently strengthening. These include key Caribbean dependents such as the US, Canada and Europe. Additionally, a strengthening UK market and five year high exchange rates between the British Pound and the US dollar are also contributing to increased interest for investment in some preferred Caribbean destinations. Taking this into consideration along with the more balanced forecasts for commodity trading, we may at last be seeing the long awaited positive signs needed for long term recovery.

Whilst a large number of construction projects still remain on hold, the banks acceptance of the problem has stimulated a more practical and efficient process of evaluation of its liabilities. The output of this realisation is a slow but sure movement in the market place. Recent project re-starts and sales of some larger distressed assets indicates that confidence is returning to the region, especially by experienced developers with deep pockets or with access to large private funds.

As stated in our 2012 issue, the greatest challenge to funders still remains the disposal of non-performing assets and faced with the prospect of a slow recovery ahead, developers and purchasers alike have started taking the plunge in order to net the biggest catch.

For many of the small countries prevalent within the region, construction and real estate continue to provide a significant contribution to annual GDP,

not just in sales, taxes, import duties, soft costs and occupancy taxes, but also as a significant employer, providing much needed revenue for these very small and vulnerable economies, heavily reliant on external source markets.

Following on from 2012, 2013 has seen a slight decline in visitors to the region, however, this has been neutralized with a marked increase in South American visitors, a market which is currently growing rapidly and up 13% on 2012 according to latest CTO reports. Nevertheless, whilst a modest reduction in the numbers of visitors to the region has been identified, these visitors are now spending more than in the previous year. The identification of more expendable income should only be seen as positive, as it could in turn lead to more stimulation of the regional real estate markets in the medium term. In addition to this, the three main indicators for the Accommodation sector; room rates (ADR), revenue per available room (revPAR) and occupancy levels have also shown positive signs of growth in 2013, a trend which appears to have continued into the first half of 2014.

Some of the latest government incentives implemented to rouse the region have come in the form of 'Economic Citizenship Programs'. Although similar schemes have been applied with moderate success in Antigua and Barbuda, the latest country to adopt this is St. Kitts and Nevis; who to date appear to be reaping the rewards, but at what cost long term? Whilst other countries are closely monitoring the scheme under an increasing pressure for market stimulation, the prospect of selling off citizenship is not applauded by all.

Ultimately regional success will come down to the implementation of the hard task of continuous improvement in each country's own domestic environment as a means to attract Foreign Direct Investment back to the region, a mammoth task for cash strapped governments in a floundering economy, nonetheless challenging times call for innovative measures.

Our research has shown a collective year-on-year average decrease in construction costs across our sample data of -2.40%, albeit our detailed range of results shows more extreme fluctuations between $\pm 5\%$. From our analysis, we can determine that Contractors have not only reduced profit margins but also started to implement some of the minor material

price reductions driven by commodity pricing levels in conjunction with potential labour reductions. Using reliable commodities pricing forecasts to predict the construction costs for each jurisdiction moving forward, we have ascertained that only nominal positive increases in construction costs are likely occur across the region through to 2017, however certain smaller locations could become more subject to greater fluctuations where legislative change or commencement of projects have a more direct impact on the country at large.

With wide acceptance of the financial challenges facing the Caribbean and regional banks starting to take the initiative in unloading some of their non-performing assets at realistic price points, it seem plausible to suggest we are at last changing direction. Added to this are the positive trends in regional accommodation sector indicators which are forecast to continue, and the bottoming out of the property pricing levels which have been evident in most locations for a while but are rapidly approaching for others.

Taking this into context against the region on the whole, the last twelve months have seen the resale and recommencement of a number of projects in the Northern Caribbean, where real estate transactions are on the increase driven by the US markets. In the Eastern Caribbean, St. Kitts has also seen increased activity in recent months, whilst in Barbados two large hotel acquisitions have taken place, perhaps spearhead by the strengthening British Pound in a more predominantly UK and European led market. Even so, all of this seems to indicate that investor confidence is returning but more cautiously.

Whilst the Caribbean continues to remain a desired destination for many travelers, the right signs need to be seen in order to entice and instill confidence in these visitors to reinvest within the region. Though the picture may not be the same for all countries, there are some favourable similarities arising. And while it is conventional wisdom that the economic crisis is not over, there is a widespread sense that the worst is most definitely now behind us. So for those with deep pockets, access to funding, a healthy appetite or the ability to effectively manage the risks of development in the Caribbean, the time for making a move seems to be now! After all, "Difficulties mastered are opportunities won." - Winston Churchill.

Summarised Findings

Our 2013 issue continues to show the trend of construction cost disparity, however rate escalations have not been uniform across the region.

Our 2013 issue continues to show the trend of construction cost disparity, however rate escalations have not been uniform across the region. Decrease in construction costs were observed most noticeably in Turks and Caicos and St. Maarten at -5.18% and -4.12% respectively. Nominal changes arose in 60% of the remaining sample jurisdictions between +/-2% with the highest construction cost increases seen in Jamaica at 4.73% and Bahamas at 3.03%.

Despite the previous forecasts for declining construction cost up to 2015 within our 2012 report, recent moderate commodity pricing forecasts are now starting to show some signs of stabilisation, suggesting a steady road to recovery ahead and positive growth projections for 2014 onwards.

Global and regional markets continue to take stock of the current and forecasted climates and consequently we still envisage that the property and construction industries will be forced into measures to keep their markets moving and generating income.

Although in our 2012 edition we advised that Turks and Caicos were poised to implement VAT at 10%, this failed to materialise in 2013, nonetheless, some projects have now restarted, and this coupled with a recently upgraded credit rating by S&P should make for an interesting review in our next report.

For the most part, key construction costs have remained relatively constant across our sample group during the past twelve months, with all jurisdiction falling between the +/- 5% year-on-year escalation, but with an average net change of -2.4% across the whole group since 2012.

Profit margins generally remain aggressive and competitive within 7% to 10% for all but three of our jurisdictions, and whilst Grand Cayman remains one of the leaders at 13%, as would be expected, surprisingly, despite posting a -4.2% drop in construction costs for the year, St. Maarten's profit levels remain above

neutral, pointing towards limited resource availability or reducing labour and material costs. Taking these factors into consideration, along with the average net year-on-year change of -2.4%, we can clearly observe that for most jurisdictions construction costs are being squeezed in order to secure the limited work available, however our present forecasts predict this friction will be lubricated to ease things slightly in 2014 and beyond.

Many factors influence construction costs across the Caribbean region, including geographic makeup, accessibility, infrastructure, size and taxation. Build quality will also be influenced by the Client base, local skill base and accessibility to resources. Build quality plays a major role and is not only restricted to a change in finishing materials or local standards. Changes in building technology and the quality of standard finishes can vary drastically between semi-skilled, skilled and professionally trained tradesmen, making an acceptable product in one jurisdiction subpar for another, a factor which must be duly considered when using this data.

Following the examination of our findings for 2013 and our current projections through 2017, we can deduce that there is unlikely to be very much change in construction costs over the medium term, with net average growth forecast not to exceed 5% across the sample between 2014 and 2017. As a consequence for those with available funds and a desire to develop a second home or otherwise, the time to make a move could be now. With land and property prices now bottomed out in most jurisdictions and others not too far behind, an aggressive buyer and heavily motivated seller may provide the perfect final piece to the puzzle in many development circumstances.



General and Government Statistics

Country	Local Currency Exchange Rate to US \$1.00	Land Area (Sq. Km.)	Capital City	Population	Workforce	GDP (Millions), (US\$)	GDP/ Capita (US\$)	Key Industries (Exc. Construction)
Bahamas	BSD 1.00	10,010	Nassau	319,031	192,200	11,400	32,000	Tourism, Finance, Cement, Oil Shipping
Barbados	BDS 2.00	430	Bridgetown	287,773	145,800	7,004	25,100	Tourism, Sugar, Light Manufacturing
British Virgin Islands	USD 1.00	151	Road Town	31,912	12,770	1,095	42,300	Tourism, Finance, Legal
Cayman Islands	KYD 0.82	264	George Town	53,737	39,000	2,250	43,800	Tourism, Finance, Insurance
Curacao (Neth. Antilles)	ANG 1.79	444	Willemstad	146,836	62,040	2,838	15,000	Tourism, Petroleum Refinement, Petrol, Transhipment
Jamaica	JMD 105.64	10,831	Kingston	2,909,714	1,261,000	25,130	9,000	Tourism, Bauxite/ Aluminium, Agro-processing
St. Lucia	XCD 2.70	606	Castries	162,178	79,700	2,216	13,100	Tourism, Manufacturing, Agriculture
St. Maarten	ANG 1.79	(Neth.) 34	Philipsburg	30,959	23,200	795	15,400	Tourism, Light Industrial/ Manufacturing, Heavy Industry
St. Martin	EUR 0.75	(Fr.) 53	Marigot	31,264	17,300	562	19,300	Tourism, Light Industrial/ Manufacturing, Heavy Industry
Trinidad & Tobago	TTD 6.4	5,128	Port of Spain	1,225,225	621,000	27,130	20,300	Petroleum, Chemicals, Food Processing
Turks & Caicos*	USD 1.00	948	Cockburn Town	31,458	15,320	568	29,100	Tourism, Finance

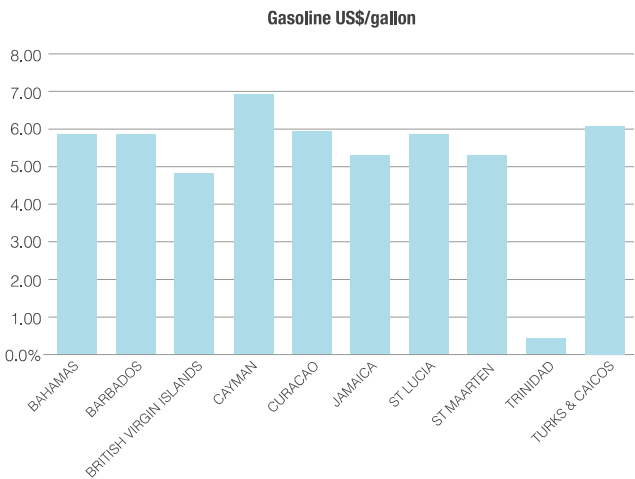
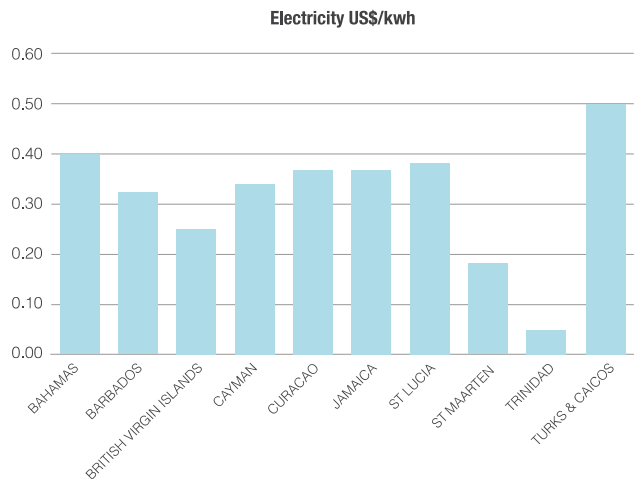
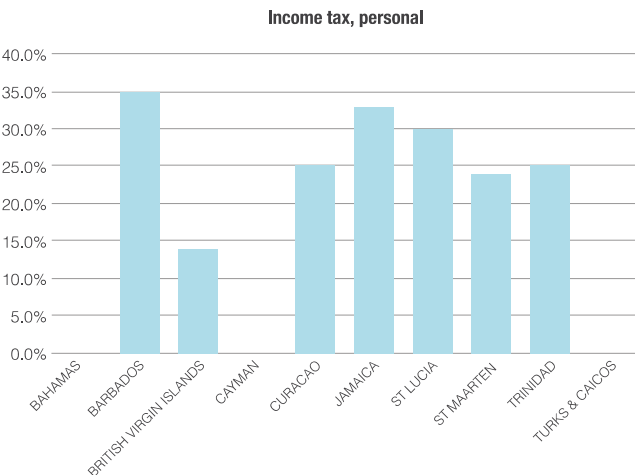
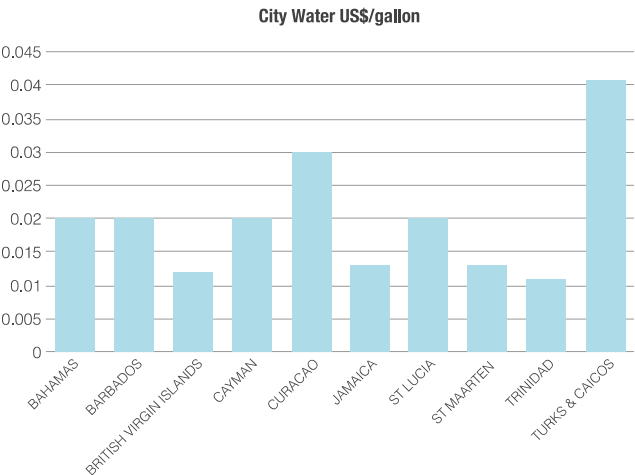
Cost of Living Indicators

Description	Unit	Bahamas	Barbados	BVI	Cayman	Curacao	Jamaica	St. Lucia	St. Maarten	Trinidad	Turks & Caicos	Avg
City Water	\$/gallon	0.02	0.02	0.01	0.02	0.03	0.01	0.02	0.01	0.01	0.04	0.02
Electricity	\$/kwh	0.40	0.32	0.25	0.34	0.37	0.37	0.38	0.18	0.05	0.50	0.27
Gasoline	\$/gallon	5.87	5.87	4.85	6.96	5.95	5.35	5.89	5.34	.47	6.10	5.26
Income tax, personal	%/income	0.0%	35.0%	14.0%	0.0%	25.0%	33.0%	30.0%	24.0%	25.0%	0.0%	19%
Income tax, corporate	%/income	0.0%	25.0%	0.0%	0.0%	35.0%	33.3%	34.0%	25.0%	25.0%	0.0%	18%
Import duty on building materials/ essential	% (average)	30.0%	20.0%	12.5%	22.0%	16.0%	43.0%	30.0%	0.0%	20.0%	37.5%	23%
Import duty on luxury goods	% (average)	50.0%	60.0%	20.0%	42.0%	32.0%	46.0%	75.0%	0.0%	30.0%	37.5%	39%
Stamp duty on property transfer	%	10.0%	1.0%	8.0%	7.5%	4.0%	4.0%	2.0%	3.0%	5.0%	8.0%	5%
Real estate commission on property sale	%	2.0%	5.0%	7.0%	6.0%	3.0%	5.0%	5.0%	7.0%	4.0%	6.0%	5%
Vendors tax on property transfer	% (average)	0.0%	3.0%	0.0%	0.0%	0.0%	5.0%	0.0%	0.0%	0.0%	0.0%	1%
Lawyers fees on property sale	%	1.0%	1.0%	1.5%	0.5%	2.0%	3.5%	2.0%	2.0%	2.0%	1.0%	2%

Notes:

- Source, The World Factbook 2014, Washington, DC: Central Intelligence Agency, 2014, <https://www.cia.gov/library/publications/the-world-factbook/index.html>
- TCI: *http://beg.thetimes.co.uk/North_America/Turks_and_Caicos_Islands#North_America/Turks_and_Caicos_Islandsworkforce
- Indicators such as water, electricity and especially gasoline are all subject to fluctuations but are indicators of cost levels at the time of writing. Where figures vary depending on value or type of goods or services, such as import duty on building materials, or stamp duty on property transfer, then a medium average has been calculated.
- Exchange rates are for general information purposes only and are subject to change at any time.

The following charts are graphical representations of key regional cost of living indicators taken from the table on page 10.



Tourism

Following the same structure from our 2012 report, in 2013, we have evaluated ethnographic trends of four key groups of tourists from the United States, Canada, Europe and Others, in order to establish their preferred travel destinations throughout 2013.

For the second consecutive year, European travelers have again drifted away from the region on the whole as a result of low economic growth in Europe and the United Kingdom's high departure tax, with only a nominal 5.5% increase in visitors to Jamaica. Nonetheless, in stark contrast to this, European visitors to Grand Cayman jumped by over 30% in 2013, possibly driven by two factors; direct marketing to the United Kingdom and the ability for Cuban nationals to now access Spanish passports.

Other travelers have shown little to no change for half of our sample group throughout 2013, with a 9.6% decrease in those visiting Barbados. As with the Europeans, Grand Cayman was their preferred destination for 2013 at 24% and this again can be linked to Cuba and its direct accessibility. Similarly, Curacao provides a natural gateway into Venezuela and South America.

US travelers contribute to nearly half of the regions tourists, and their preference for 2013 centered again

on the Dominican Republic with an 8.6% increase year on year and 11.52% in St. Lucia, with only moderate growth observed in Cayman, Curacao, Jamaica and St. Maarten. According to our sample group, perhaps surprisingly, US travellers to Bahamas declined by 6.6% through 2013, whilst Barbados fell further declining 8.7% over the same period in 2012.

In stark contrast to 2012, the number of Canadian visitors to the region has declined to all but one destination. St. Maarten proved to be the only destination with positive growth for Canadian visitors in 2013, up 13.7%. According to the CTO, 2013 saw the lowest year-on-year growth of visitors to the Caribbean from the Canadian markets since 1997.

Despite the regional interchanges and traveler fluctuations throughout our sample group, tourist arrivals only rose by 1.8% in 2013, down from the regions 4.9% increase in 2012, and well short of many other world regions.

Among individual destinations, the Bahamas, Barbados and US Virgin Islands each had visitor declines beyond 5% however analyzing our sample group only we can determine that Grand Cayman now appears to have picked up Barbados's visitor count which was lost in 2013.

Stay Over Tourists

The following table demonstrates 'stay over' tourist figures for 2012 and 2013:

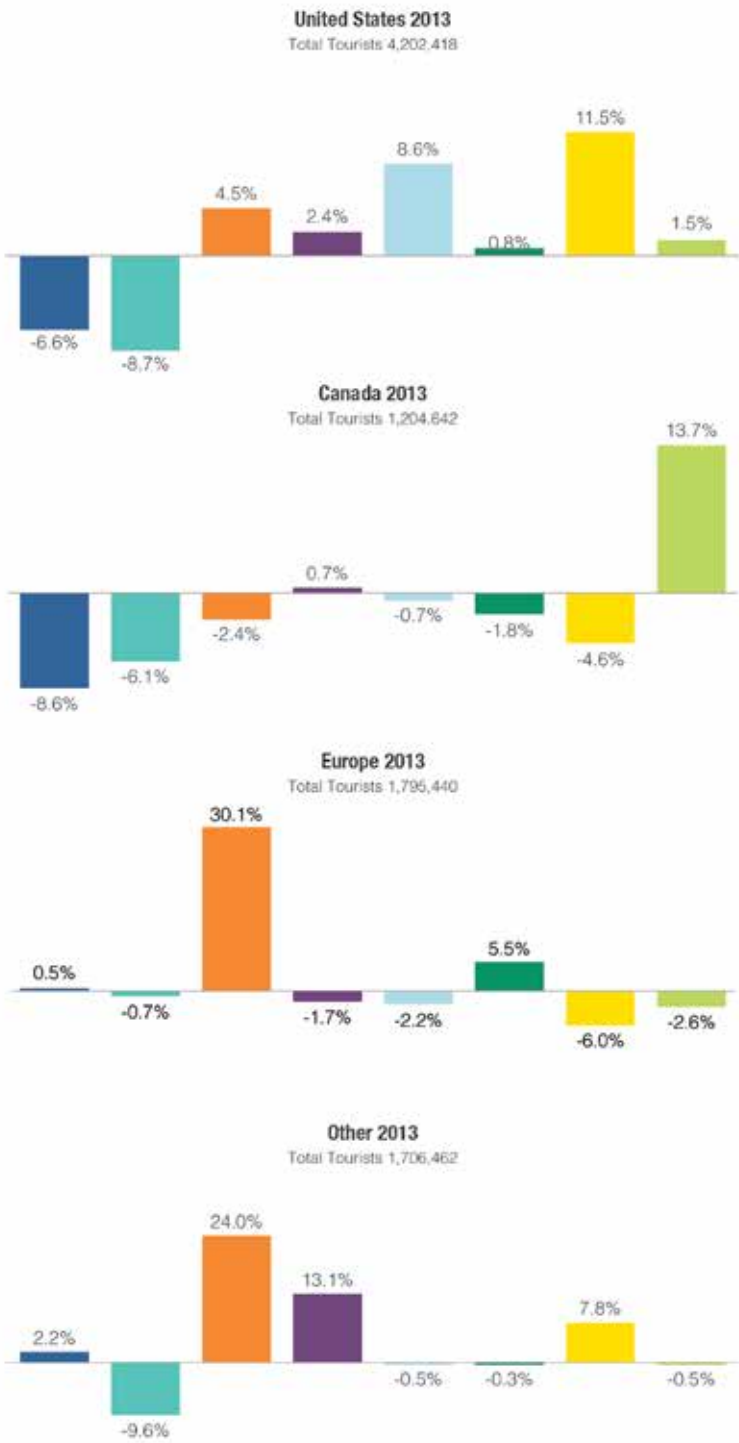
		Bahamas	Barbados	Cayman Islands	Curacao	Dominican	Jamaica	St. Lucia	St. Maarten	Total
2012 - 2013 By Market										
United States	No. Persons*	897,277	108,447	237,333	52,912	1,448,557	1,152,963	116,982	187,550	4,202,021
Canada	No. Persons*	96,377	59,689	20,156	7,552	606,111	349,816	31,624	33,317	1,204,642
Europe	No. Persons*	65,299	186,412	24,385	145,003	1,005,545	211,810	79,570	77,416	1,795,440
Other	No. Persons*	77,945	102,945	24,346	155,862	1,139,538	92,473	59,847	53,506	1,706,462
Totals		1,136,898	457,493	306,220	361,329	4,199,751	1,807,062	288,023	351,789	8,908,962

Notes:

1. Anon (2014) Caribbean Tourism Organization (CTO)

2. Please note that due to insufficient current information, data for the British Virgin Islands, Trinidad and Tobago and Turks and Caicos are not displayed.

The following pie charts demonstrate the redistribution of preferred travel destinations in 2013 per tourist sector based on our sample group totals for the same period in 2012. Additionally, the individual tourist sector charts illustrate in more detail the year-on-year trends from each source market. By monitoring annual travel patterns, it is hoped that this will assist us in predicting potential 'hot-spots' for development, and correlate this information with fluctuating construction costs in a specific jurisdiction.



- Bahamas
- Barbados
- Cayman Islands
- Curacao
- Dominican Republic
- Jamaica
- St. Lucia
- St. Maarten



Indicative Construction Costs (USD per Sq. Ft.)

The following table provides an upper and lower range of indicative construction costs for each jurisdiction on each property type. The costs are driven from our year-on-year escalation calculations and the range is intended to provide readers with data to 95% confidence intervals from our data analysis. Graphical representations of the below indicative construction costs are shown on the following page.

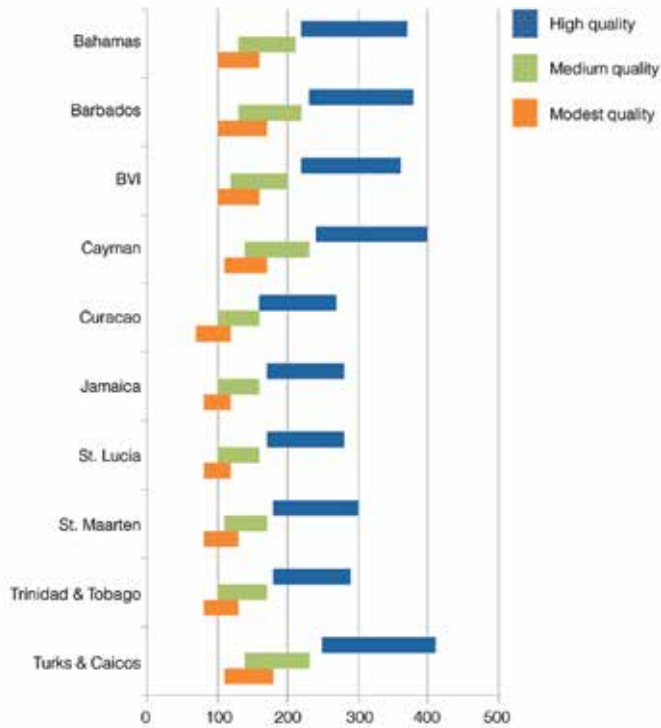
Item	Bahamas	Barbados	BVI	Cayman	Curacao	Jamaica	St Lucia	St Maarten	Trinidad & Tobago	Turks & Caicos
DESCRIPTION * See Page 33	Low - High	Low - High	Low - High	Low - High	Low - High	Low - High	Low - High	Low - High	Low - High	Low - High
Residential high quality	220 - 370	230 - 380	220 - 360	240 - 400	160 - 270	170 - 280	170 - 280	180 - 300	180 - 290	250 - 410
Residential medium quality	130 - 210	130 - 220	120 - 200	140 - 230	100 - 160	100 - 160	100 - 160	110 - 170	100 - 170	140 - 230
Residential modest quality	100 - 160	100 - 170	100 - 160	110 - 170	70 - 120	80 - 120	80 - 120	80 - 130	80 - 130	110 - 180
Offices, 1-3 storey, shell	120 - 190	120 - 200	110 - 190	130 - 210	90 - 140	90 - 150	90 - 150	100 - 160	90 - 150	130 - 210
Offices, 1-3 storey, inc. fitout	220 - 360	220 - 370	210 - 350	240 - 390	160 - 270	170 - 280	170 - 270	180 - 290	180 - 290	240 - 400
High rise, 4 to 8 stories, shell	180 - 290	180 - 300	170 - 280	190 - 320	130 - 220	140 - 220	130 - 220	150 - 240	140 - 230	200 - 330
High rise, 4 to 8 stories, inc. fitout	270 - 440	270 - 450	260 - 430	290 - 480	200 - 330	210 - 340	200 - 330	220 - 360	210 - 350	300 - 490
Specialist offices	270 - 450	280 - 470	270 - 440	300 - 490	200 - 330	210 - 350	210 - 340	220 - 370	220 - 360	310 - 510
Storage or warehouse structures	60 - 100	60 - 100	60 - 100	70 - 110	50 - 70	50 - 80	50 - 80	50 - 80	50 - 80	70 - 110
Retail, single-storey	100 - 170	100 - 170	100 - 160	110 - 180	80 - 120	80 - 130	80 - 130	80 - 140	80 - 130	110 - 190
Hotels/ condos, five star urban	250 - 420	260 - 430	240 - 400	270 - 450	190 - 310	190 - 320	190 - 310	210 - 340	200 - 330	280 - 460
Hotels/ condos, five star low-rise	270 - 440	270 - 450	260 - 430	290 - 480	200 - 330	210 - 340	200 - 330	220 - 360	210 - 350	300 - 490
Hotels/ condos, three star economy	140 - 230	140 - 240	140 - 220	150 - 250	100 - 170	110 - 180	110 - 170	110 - 190	110 - 180	160 - 260

All values in US\$

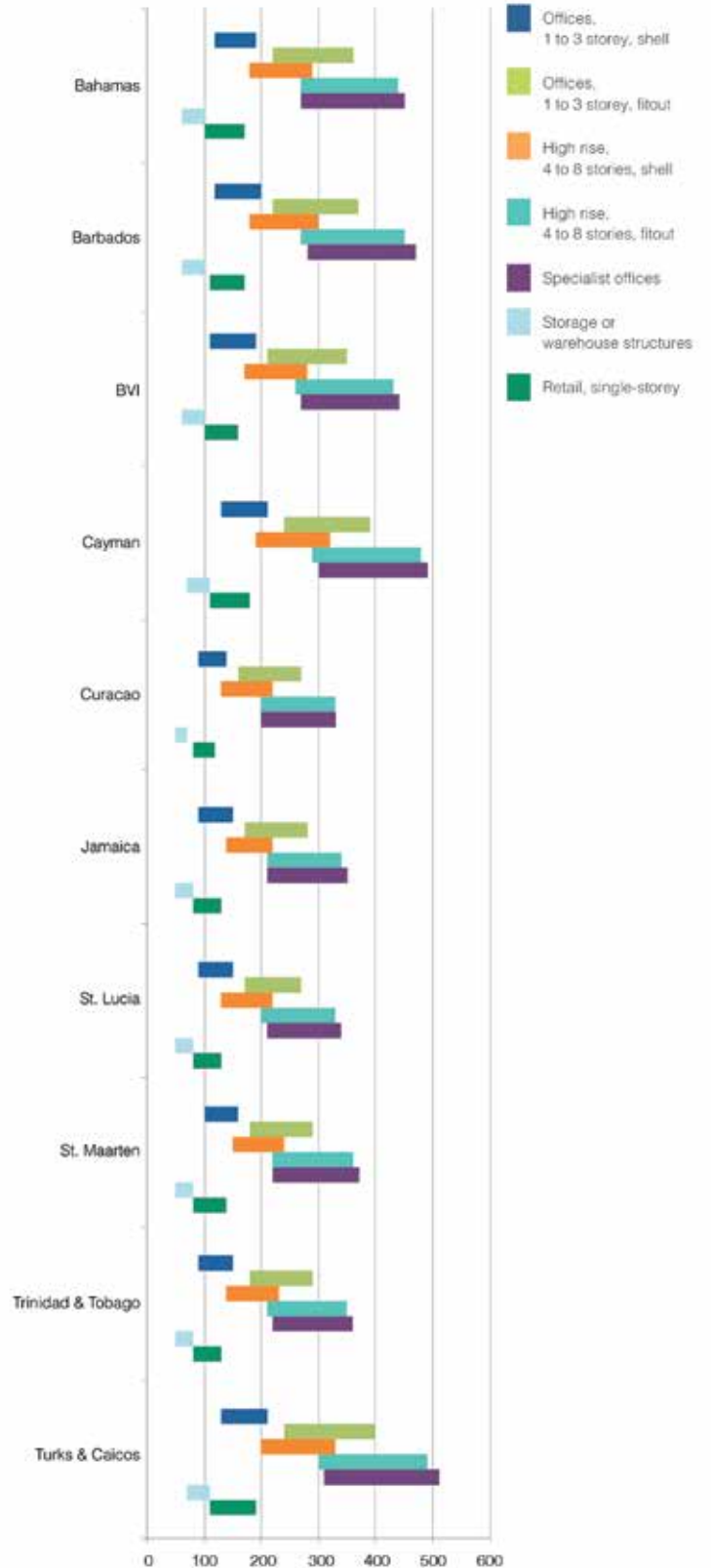
Note:

The above indicative construction costs per square foot for a spectrum of types of properties show a low to high range for each building type. These costs have been derived both from our indic of materials, plant and labour and our on-the ground expert opinion, and experience of the market in each jurisdiction.

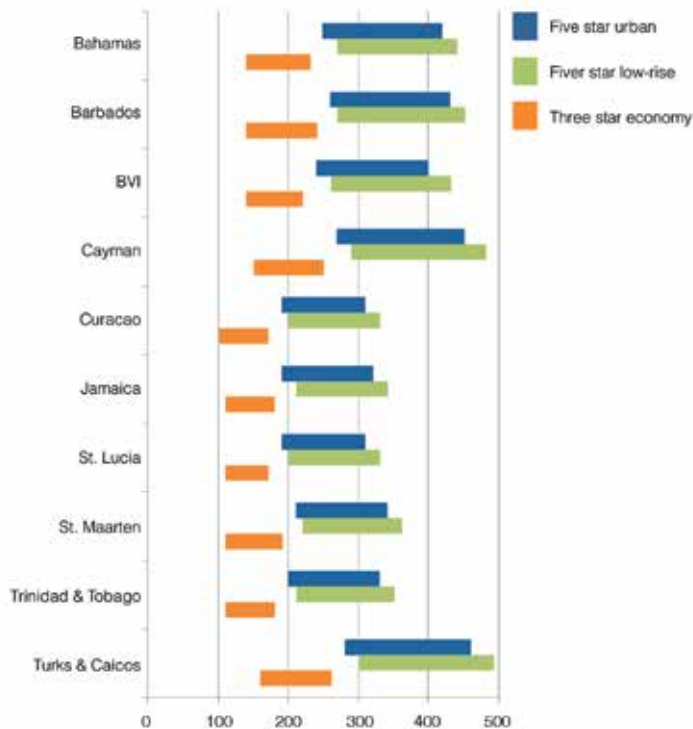
RESIDENTIAL : COST PER/ Sq. Ft.



COMMERCIAL : COST PER/ Sq. Ft.



HOTELS/ CONDOS : COST PER/ Sq. Ft.



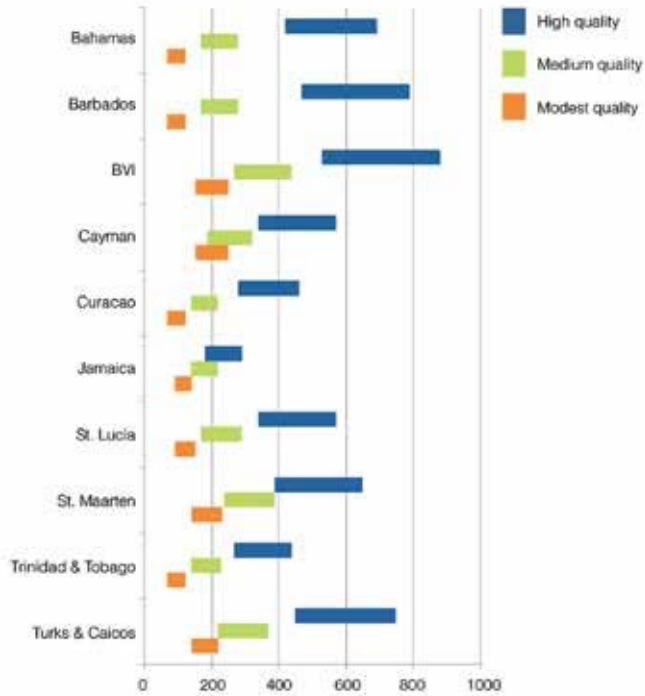
Average Rental and Sales Values (USD per Sq. Ft.)

The following table provides an upper and lower range of average rental and sales values for each jurisdiction on each property type. Graphical representations of the rental and sales values are shown on the following page.

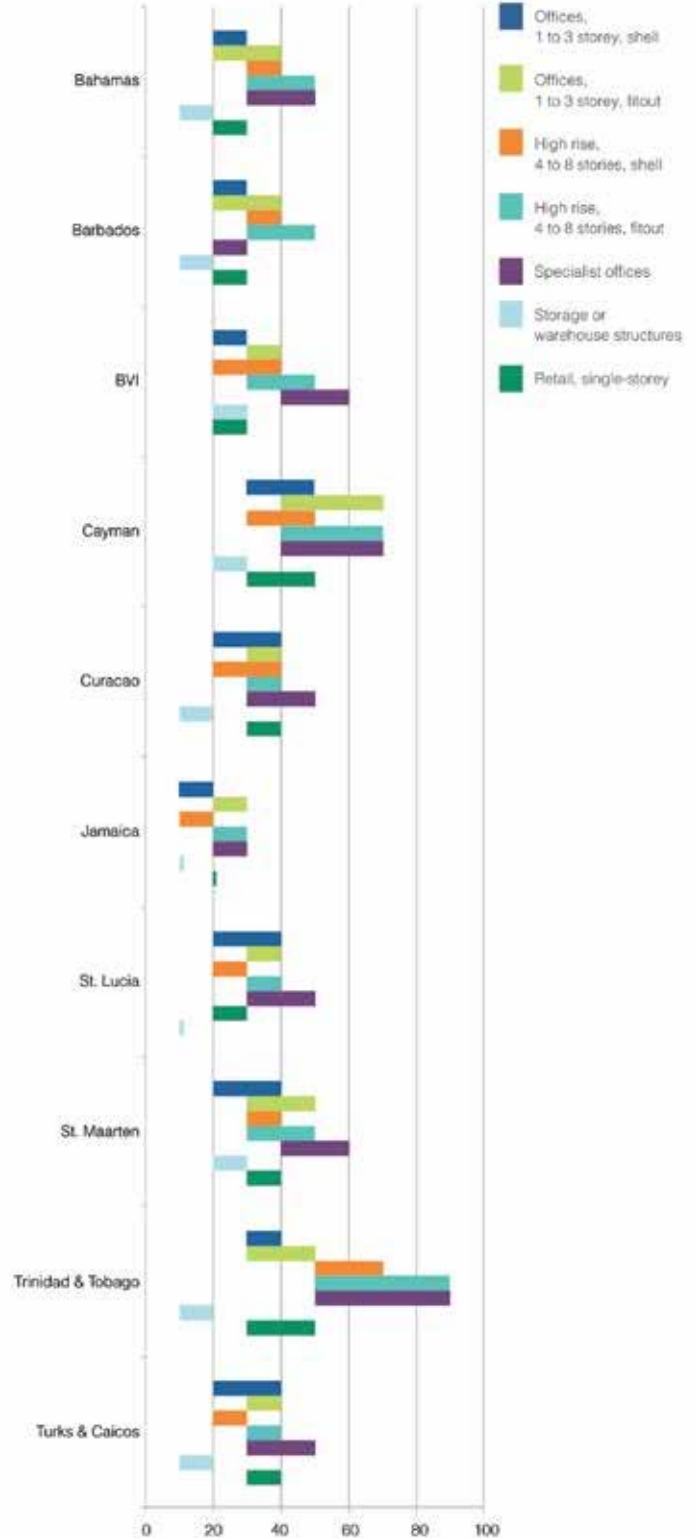
Item	Bahamas	Barbados	BVI	Cayman	Curacao	Jamaica	St. Lucia	St Maarten	Trinidad & Tobago	Turks & Caicos
DESCRIPTION * See Page 33	Low - High	Low - High	Low - High	Low - High	Low - High	Low - High	Low - High	Low - High	Low - High	Low - High
SALES - US\$/ Sq. Ft.										
Residential high quality	420 - 690	470 - 790	530 - 880	340 - 570	280 - 460	180 - 290	340 - 570	390 - 650	270 - 440	450 - 750
Residential medium quality	170 - 280	170 - 280	270 - 440	190 - 320	140 - 220	140 - 220	170 - 290	240 - 390	140 - 230	220 - 370
Residential modest quality	70 - 120	70 - 120	150 - 250	150 - 250	70 - 120	90 - 140	90 - 150	140 - 230	70 - 120	140 - 220
RENTAL LEVELS - US\$/Sq. Ft.										
Offices, 1-3 storey, shell	20 - 30	20 - 30	20 - 30	30 - 50	20 - 40	10 - 20	20 - 40	20 - 40	30 - 40	20 - 40
Offices, 1-3 storey, inc, fitout	20 - 40	20 - 40	30 - 40	40 - 70	30 - 40	20 - 30	30 - 40	30 - 50	30 - 50	30 - 40
High rise, 4 to 8 stories, shell	30 - 40	30 - 40	20 - 40	30 - 50	20 - 40	10 - 20	20 - 30	30 - 40	50 - 70	20 - 30
High rise, 4 to 8 stories, inc, fitout	30 - 50	30 - 50	30 - 50	40 - 70	30 - 40	20 - 30	30 - 40	30 - 50	50 - 90	30 - 40
Specialist offices	30 - 50	20 - 30	40 - 60	40 - 70	30 - 50	20 - 30	30 - 50	40 - 60	50 - 90	30 - 50
Storage or warehouse structures	10 - 20	10 - 20	20 - 30	20 - 30	10 - 20	10 - 10	10 - 10	20 - 30	10 - 20	10 - 20
Retail, single-storey	20 - 30	20 - 30	20 - 30	30 - 50	30 - 40	20 - 20	20 - 30	30 - 40	30 - 50	30 - 40
RENTAL LEVELS - US\$/Sq. Ft.										
Hotels/ condos, five star urban	310 - 510	310 - 510	230 - 380	230 - 380	180 - 290	200 - 320	310 - 510	100 - 170	180 - 290	420 - 690
Hotels/ condos, five star low-rise	310 - 510	290 - 470	230 - 380	230 - 380	130 - 220	150 - 250	190 - 320	110 - 170	150 - 240	450 - 750
Hotels/ condos, three star economy	90 - 150	90 - 150	120 - 190	120 - 190	60 - 100	60 - 100	260 - 420	90 - 150	90 - 150	210 - 340

All values in US\$

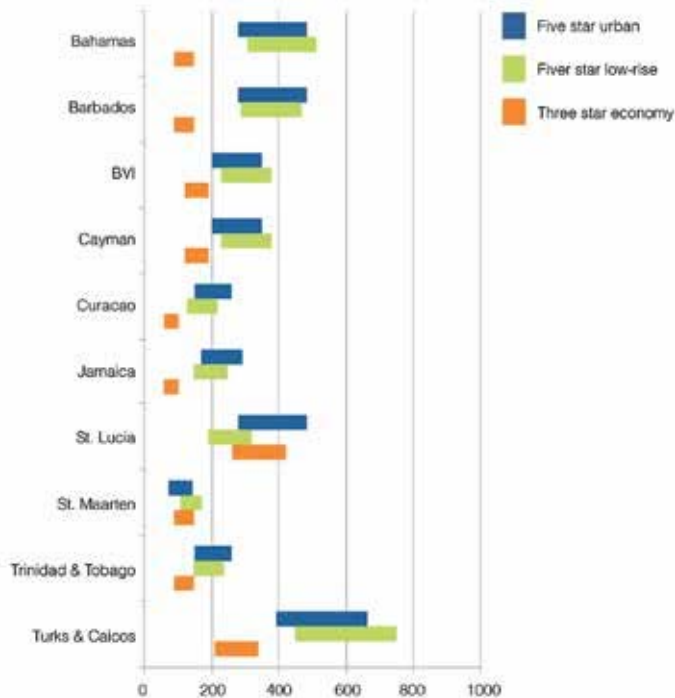
RESIDENTIAL : SALES PRICE/ Sq. Ft.



COMMERCIAL : RENTAL/ Sq. Ft.



HOTELS/ CONDOS : RACK RATES PER NIGHT



Average Construction Costs by Country

Utilising a weighted average of the indicative construction costs across select property types from our 'Country Construction Cost Escalation' results, we can continue to track the level of construction costs throughout the sample jurisdictions.

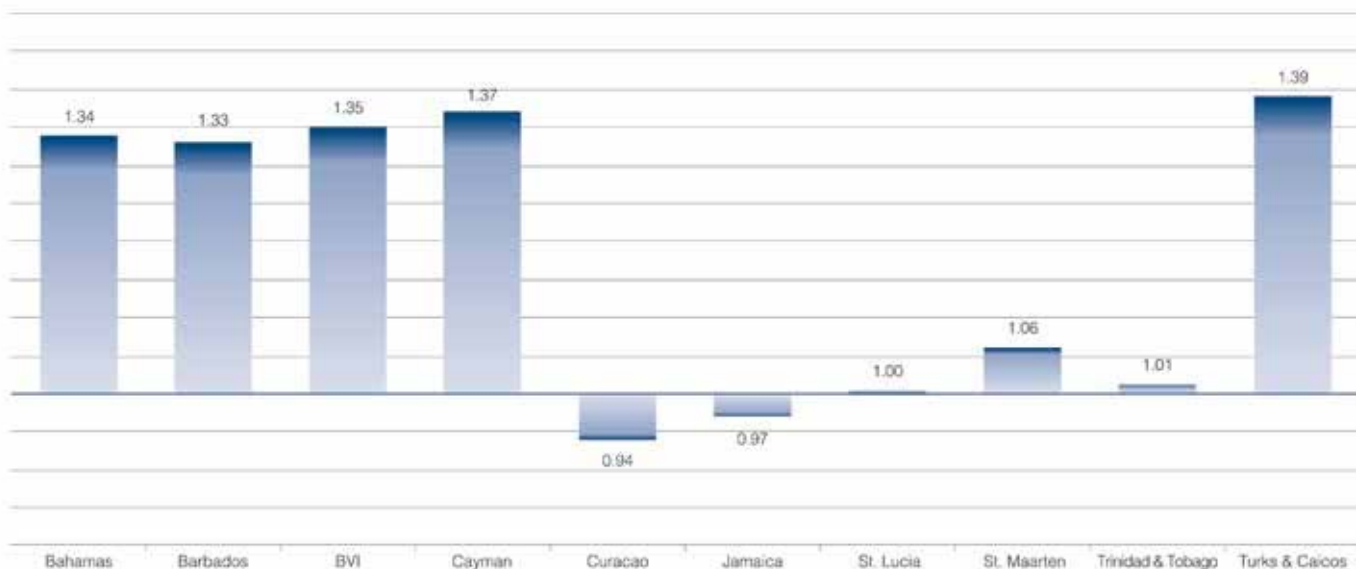
Utilising St. Lucia as the base rate (with a value of 1.00) we can observe from the chart below that Curacao (-6%) continues to offer the overall cheapest construction in the region, with Jamaica, St Maarten, St. Lucia, Trinidad and Tobago and Curacao all falling within +/- 6% of the base rate.

In stark contrast, significant increases in construction costs arise throughout the remaining five Caribbean jurisdictions which comprise; Bahamas, Cayman Islands, Turks and Caicos, British Virgin Islands and Barbados, where pricing levels range between 33% to 39% above the St. Lucia base rate. Not surprisingly, with the exception of Barbados all of these are located

in the central and northern Caribbean, more subjective to the US markets and arguably the higher specification demands of this client base.

Detailed analysis into geographical positioning unfortunately only offers a limited insight to supplement these results, however the findings can perhaps be validated by the following; i) The Bahamas continues to benefit from major inward investment and huge visitor numbers to sustain the market place, ii) Turks and Caicos, Cayman Islands and the British Virgin Islands continue to be strongly influenced by their size and location, which drive increased importation costs and dramatically affect labour, material rates and the general cost of living, and iii) Barbados, which suffers from many of the characteristics of Turks and Caicos, Cayman Islands and The British Virgin Islands and is also compounded by local taxes. Nonetheless, recent declines in market activity throughout 2012 and 2013 could now be catalyst for future construction cost reductions.

Regional Benchmark Indices

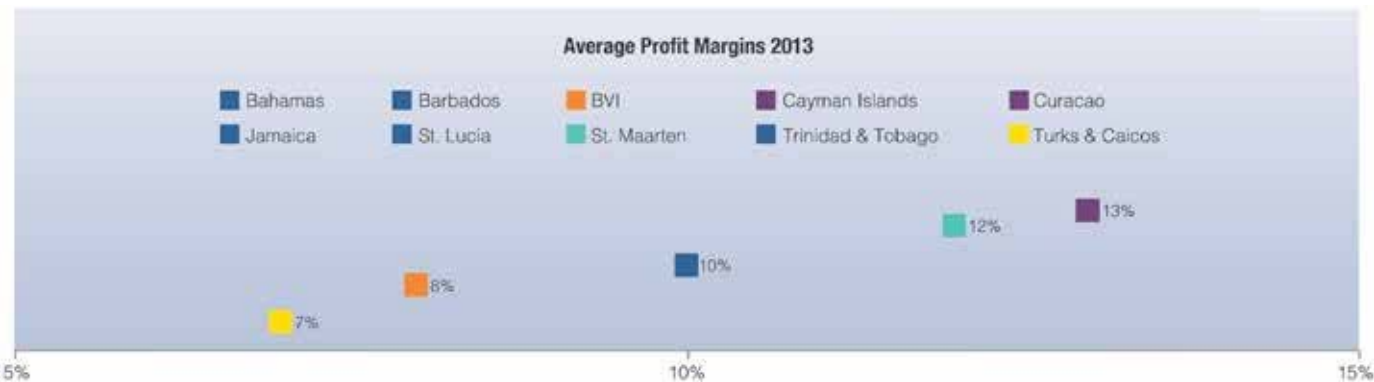


Bid Environment:

The Bid Environment can be categorised into five scenarios as per the following table:

Item	Description Of Market Conditions	Factoring Reductions and/or Increases	Indicative Percentage (%) Profit Sought
1	Very aggressive bid environment with multiple bidders, vendors, subcontractors and contractors (lump sum hard bids) are willing to bid work at or below cost in order to pay for leased equipment and keep critical work force employed. They have no or critically low backlog. They are operating in the red and need work.	At cost	5
2	An aggressive bid environment with coverage in all levels of contracting. Owners are able to get participation for all work. Contractors have a little backlog but are still aggressively looking for work. The workforce and equipment is not at 100% capacity and close to operating at a loss. Bidders will place a minimal profit on the work being bid.	Just above cost	10
3	This is a neutral bid environment. Owners are able to get participation in all work, but may have difficulty getting work/bids from specialty contractors. The contractor's labour force and equipment is operating at capacity with the flexibility to complete all work on the books. Contractors have, and are not concerned about backlog.	Neutral Historical Aggressive for profit	15
4	Contractors are operating at capacity. They are having difficulty completing work on hand. The backlog is at 100% capacity. Owners will have difficulty finding bidders for some of the specialty contractors. All tier contractors will bid work at a higher than average profit margin.	Marginally Aggressive above average profit	20
5	Contractors are operating above capacity. They cannot complete the work they have on hand without aggressive hiring, significant equipment procurement and/or expediting materials for projects. Contractors are pricing work with an aggressive mark up/profit. Owners are having difficulty getting participation for proposed projects.	Aggressive well above average	25

Research suggests that the current Bid Environment in each jurisdiction can be identified as follows:



Notes:

Turks and Caicos Islands on 7%
 British Virgin Islands on 8%
 Bahamas, Barbados, Jamaica, St. Lucia, Trinidad and Tobago on 10%
 St. Maarten on 12%
 Cayman Islands and Curacao on 13%

Forecast Escalation

Escalation forecasts continue to be guided by the culmination of reputable local data sources and world market indices in order to determine the basic construction cost elements, materials, plant and labour in conjunction with other Key Performance Indicators (KPIs).

Global market commodities trading forecasts remain fundamental to our projections for the region over the medium term. Implementing revised historical data for 2013, and updating our 2012 material, we can determine that whilst only nominal positive escalation in consolidated labour, plant and material costs occurred in 2012, regionally these costs fell on average 2.4% in 2013. Accordingly, this negative trend seems set to repeat again through 2014 before moving into moderate positive growth through 2015 which is set to gather momentum in 2016 and beyond as market confidence and recovery starts to filter through the region.

The overall the near term outlook for many industrial commodities appears to be starting to brighten since our last forecast update, with global economic growth finally beginning to recover over recent months after consistently disappointing for over 2 years. Whilst we expect better

demand to see most industry commodities rally a little, these gains are likely to be relatively modest moving forward for some time. As previously predicted we did see some market correction in early 2013 as a result of over pricing in 2012 and this coupled with latest forecast provides some confidence that we may now be heading back on track to achieving the more constant trading levels of the pre-Lehman collapse in 2006.

Amongst the commodities expected to fall substantially in 2014 are Iron Ore and Copper, whilst Tin is envisaged to remain flat, with only modest increases in the remaining construction related commodities monitored.

Taking the above into account, it will be interesting to see how these forecasts will impact on the Caribbean Region and its stakeholders, especially given that we are now seeing some project re-starts and a genuine appetite for new investment in the region. However, it still appears too early to tell how the savings stimulated by a stabilisation in commodities pricing will make their way down the supply chain to Clients, Contractors and Developers alike.

	Bahamas	Barbados	BVI	Cayman	Curacao	Jamaica	St. Lucia	St. Maarten	Trinidad	Turks & Caicos	Average
Consolidated Labour, Plant and Material											
2012	1.46%	0.24%	0.59%	0.41%	0.41%	0.76%	0.24%	0.41%	0.24%	0.24%	0.50%
2013	-2.09%	-2.44%	-2.26%	-2.44%	-2.44%	-2.44%	-2.61%	-2.44%	-2.44%	-2.44%	-2.40%
2014	-0.55%	-0.55%	-0.37%	-0.55%	-0.37%	-0.55%	-0.37%	-0.55%	-0.20%	-0.72%	-0.48%
2015	0.49%	0.31%	0.49%	0.38%	0.31%	0.49%	0.49%	0.31%	0.59%	0.84%	0.47%
2016	2.12%	2.12%	2.02%	2.02%	1.95%	1.95%	1.95%	1.95%	2.12%	2.37%	2.06%
2017	2.80%	2.73%	2.73%	2.80%	2.80%	2.73%	2.73%	2.73%	2.80%	2.90%	2.77%

Source: Credit Suisse Commodity Forecasts October 2013

Cost research on an ongoing basis includes, but is not restricted to the following cost elements, which represent common costs of construction within the region. A weighting has then been applied to proportion the percentage of the value of each element against a notional whole project cost:

Material

- 8" Hollow-core Concrete Block
- Ready-mix Concrete 4000 psi pump mix
- Washed Concrete sand
- Aggregate, 3/4 "
- Cement
- 3/4" rebar
- 5/8" plywood
- 30lb Roofing Felt
- 2" x 8" pressure treated rafter
- Plaster Sand
- 1/2" regular sheetrock

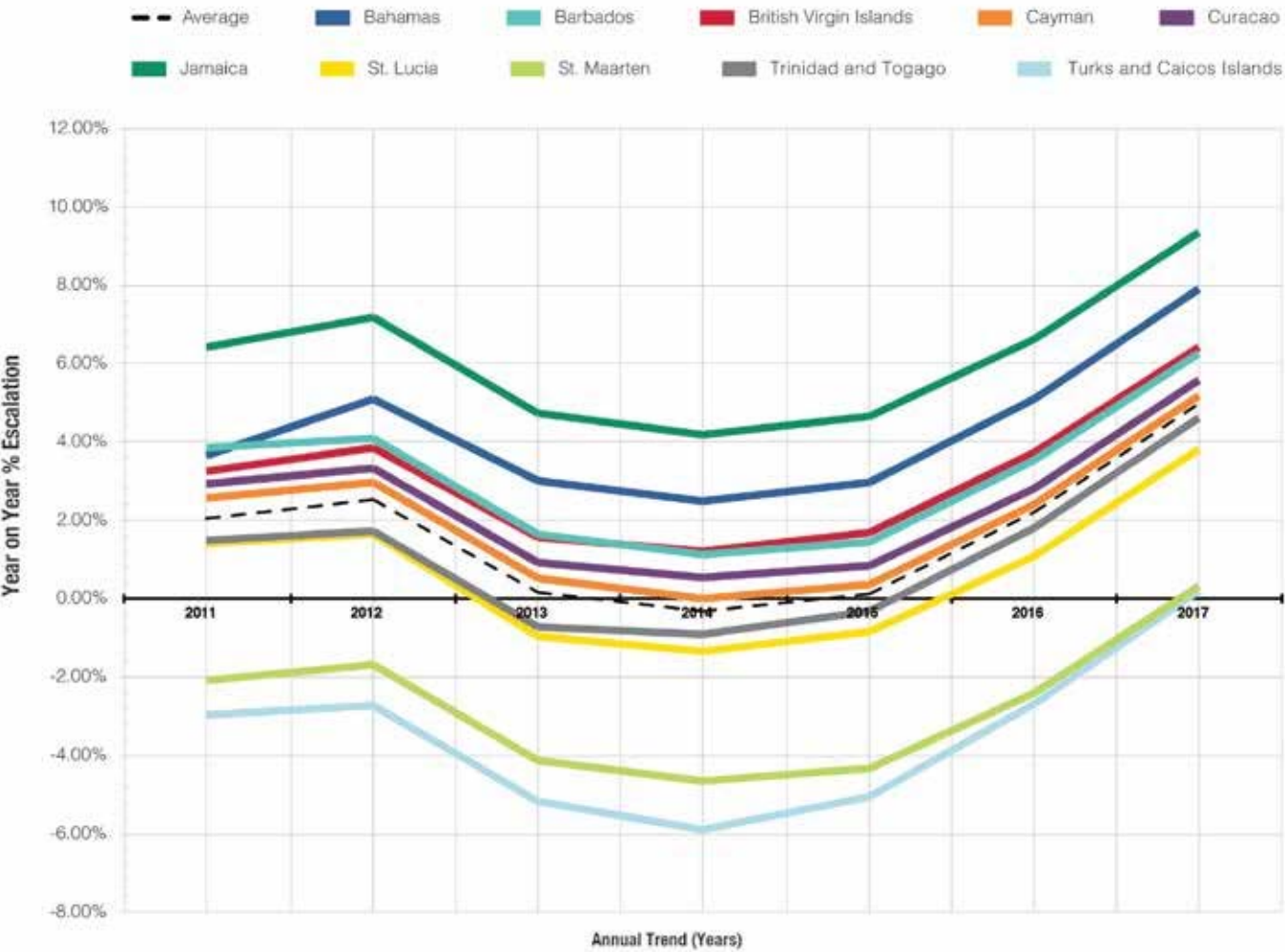
- Semi-gloss latex based white paint
- 16" x 16" ceramic floor tiles
- Hollow-core flush door 3' 0" x 6' 8"
- Copper tubing 3/8" diameter
- PVC Pipe 1 1/2" sch 40 - pressure
- Plant
- Dump truck -12 cy
- Backhoe
- D3
- Excavator, 20 tonne

Labour

- Labourer, non-skilled
- Skilled carpenter
- Painter/ finisher
- Tiler
- Mason (excl. helper)
- Plumber (excl. helper)
- Electrician
- Foreman/ Supervisor

Overall Market Trend

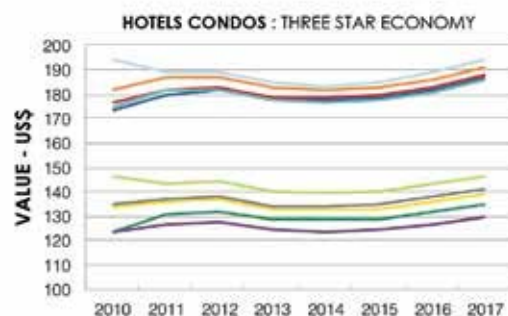
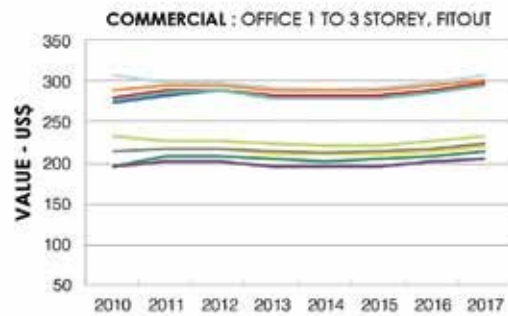
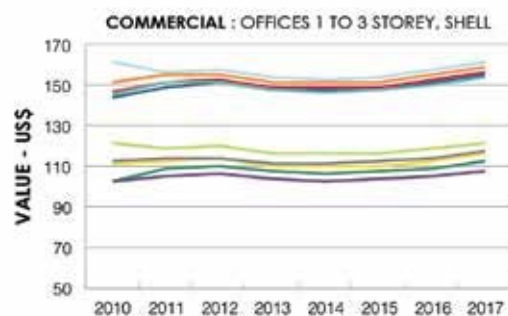
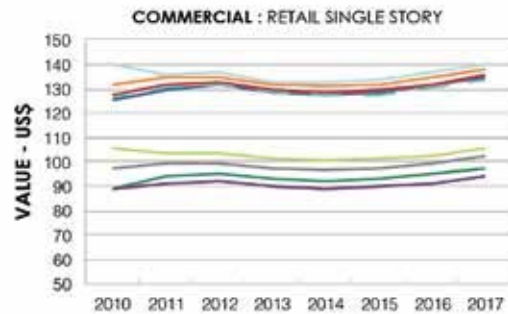
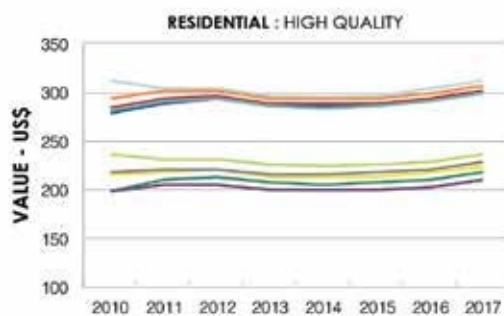
The data collected over the past three years enables us to trend our findings and forecast escalation costs, which can be seen in the chart below.



From the data displayed above we can identify that despite the decreasing year-on-year construction costs across the region between 2011 and 2013, this downward trend is currently projected to end in 2014. Following on from 2014, we can observe increasing construction costs and perhaps a start to steady recovery in the region as developments re-start and investor confidence levels return to the Caribbean.

Country Construction Cost Escalation

The following charts are intended as visual representation of construction cost by building type. The nature of our escalation forecast modelling means that all charts follow the same shape, but remain useful on an individual level for those wishing to forecast for specific types of construction in Particular regions.





Turning the Corner But Still a Ways to Go!

In keeping with the protocol established by our earlier reports we feel it is essential to include a commentary and review of the hospitality sector within our Market Trend Report, given its significance to the economies of almost every Caribbean nation. By examining overall sector performance for 2013 and 2014 to date, our aim is to determine both medium and long-term prospects for growth in resort development.

Once again, in terms of the base empirical data, 2013 provided a clear indication that the growth experienced in 2011 and 2012 continued to gain momentum in 2013. The industry's three key performance indicators all experienced positive growth in 2013 with occupancy up 1.2% to 67.1%, ADR, (average daily rate), up 6.2% to US\$186.55 and RevPAR, (revenue per available room), up 7.6% to US\$125.21.

Results for the first four months of 2014 show the trend continuing with occupancy more or less stable at 75%, ADR up 9.5% to US\$236.40 and RevPAR up 9.2% to US\$177.36 for the same four-month period in 2013.

In terms of absolute ADR the Caribbean still has some way to go to get close to the high of US\$237.52 achieved in 2007. Once again in 2013 the luxury/upscale segment continues to be the strongest performer.

The best performers, in terms of growth in the three key economic indicators for 2013 were Jamaica, St. Lucia and the Turks and Caicos Islands.

With respect to the total number of stay over tourists to the region, although data has yet to be collated for all destinations through the end of 2013, the data currently available does show an overall decrease in numbers over 2012, which would in turn suggest that the average lengths of stay have increased, given the overall increase in occupancy experienced. The only 'Main Feeder Market' to post positive growth for the 12 months ending 31st December 2013 is "Other" which reflects the year on year increases in arrivals from South America.

The best performers in terms of growth in number of stay over tourists in 2013 were Anguilla at 21.7%, Aruba at 20%, the Cayman Islands at 57.0% and Grenada at 27.1%. Results for the first four months of 2014 show strong growth in the British Virgin Islands, the Cayman Islands, Montserrat and Puerto Rico.

But again we must ask what does this all mean in terms of the economic drivers needed to re-ignite the still sluggish resort development sector?

The steady growth experienced since 2010 should all be set against a backdrop of a 'construction pipeline' that all but ran dry, so whilst growth in the key economic indicators is positive, we must ask would any growth have been experienced if the pipeline had continued to run, albeit at a much reduced rate?

The last twelve months have seen the first all new 'post recession' resort hotels open, namely the Ritz Carlton Aruba and the Westin Punta Cana. Initial indications are that both properties are performing reasonably well and above the first year projections.

In the next twelve to eighteen months a significant amount of new and newly refurbished rooms will be added to the overall Caribbean Inventory.

In terms of new ground up developments, the largest resort in the Caribbean to date, Baha Mar, on New Providence Island in the Bahamas will now open in the summer of 2015, adding 2,900 hotel rooms and villas operating under four brands.

Other all-new developments, slated for completion by the end of 2015, include the 225 room Intercontinental in Santa Domingo and the 134 room Park Hyatt on St. Kitts.

In terms of refurbished rooms, in the next twelve to eighteen months several remodeled, rebranded and expanded resorts are set to re-open. In Aruba, the RUI Palace Antillas, formerly the Westin, featuring 482 rooms will re-open during the 2014/2015 winter season and in Jamaica, the former Ritz Carlton Hotel and Spa is scheduled to re-open in December 2015 as a 527 room Playa Resort, the first to be operated in conjunction with Hyatt as an all-inclusive resort.

In addition the current pipeline, looking beyond the end of 2015, has a number of resort developments underway, including the Kimpton in Grand Cayman and the Ritz Carlton in Turks and Caicos.

As reported in our 2012 report, all of the major brands continue to make a concerted effort to get more inventory in the Caribbean, either through strategic rebranding, trying to encourage new ground up development and by the introduction of more niche

market 'lifestyle' brands. All of the brands continue to experience increased demand and revenues, but with very little new product coming on line to take full advantage of the increased demand.

As in previous reports airlift continued to provide challenges to the Caribbean tourism industry in 2013, as prices continued to rise, driven by both the airlines and government levied taxes. As more new developments open for business the demand for airlift, to and from the Caribbean, will continue to increase, but satisfying that demand at an affordable cost will continue to be the biggest challenge. On a more positive note, JetBlue, American Airlines and British Airways all increased their routes for the 2013/2014 winter season and in March 2014, the British Chancellor of the Exchequer, George Osborne, announced that the Air Passenger Duty Tax on flights to the Caribbean will be reduced during 2014.

We can therefore conclude that a modest and measured recovery does appear to be underway and provided demand can continue, at a rate equal to or greater than the supply pipeline, that recovery should continue for the foreseeable future. Developers are continuing the trend of building 'stand alone' hotels, given the ongoing lack of demand for the once highly lucrative branded residential real estate market. However, the traditional sources of debt are still a long way from returning and even when they do, the perceived risk of the development process will most likely price them out of the market.

So, it does appear that we are turning the corner, albeit a long gradual bend!

By Liam Day, Managing Director of BCQS International

Infinity Building, São Paulo, Brazil



Market Overview

Despite the 2014 economic outlook for Latin America supposedly deteriorating according to most international investors, our offices in São Paulo, Brazil and Bogotá, Colombia continue to flourish. Guyana also continues at a pace, and our new office in Panama City offers much potential.

Regional experts forecast the region's GDP growth projection for 2014 to be an average of 2.3% across the region. At current rates, the region will experience a slight deceleration compared to the 2.6% increase that was experienced for 2013. This downward revision was the result of a sizable cut to the growth forecast for Argentina, as well as lower projections for Chile, Mexico and Venezuela. Projections were left unchanged for Bolivia, Brazil, Colombia, Ecuador and Peru, while growth prospects improved for Paraguay and Uruguay. Experts expect the region's GDP to accelerate to a 3.0% expansion in 2015 due to support from stronger global demand and the key structural reforms that some countries have implemented.

In Latin America, higher inflationary pressures reappeared in the first quarter of 2014 and, consequently, regional inflation expectations rose

again. Economic experts project the regional average to close 2014 at 10.7%, in which case inflation will close the year in double-digits for the first time since 2002. For 2015, forecasters predict inflation at an average of 9.3% for the region. On the monetary policy front, the only country that did not stay put was Brazil. The Brazilian Central Bank continued its tightening policy and hiked the SELIC rate by 25 basis points in April to 11.00%.

In summary the Latin America's years booming growth are currently slowing, along with the commodity boom that fueled them. Economically, so far 2014 has been disappointing for the region. Brazil continues to level out; the promise of public spending has yet to ignite Mexican growth; Argentina had gone into recession; and Venezuela is unpredictable. As noted previously, the region is expected to summon up overall growth of perhaps 2-3% this year with forecasts downgraded in most countries. Forecasts may not always be right, but they tend not to be irrational. Some of these 2014 forecasts will doubtless get upgraded again before the year is out. Colombia grew by a startling 6.4% in the first quarter, its fastest pace in more than two years. There are tentative signs of strengthening domestic demand in Mexico. But until the region solves the challenge of unleashing productivity growth, the current trend may well persist. Despite this, the region remains attractive to investors who feel that money placed in the right region and sector still has a potential upside that outweighs the risk. Consequently, many multinationals are still looking to enter Latin America, which should keep an overall positive outlook proceeding for the immediate future.

General and Government Statistics

Country	Local Currency Exchange Rate to US\$1.00	Land Area	Capital City	Population (Millions)	Workforce 2013	GDP (Billions) (US\$)	Key Industries (Exc. Construction)
Brazil	BRL 2.2	8,459,417 Sq. Km.	Brasilia	200.36	107.3 million	2,245.67	Agriculture, textiles, shoes, chemicals, cement, lumber, iron ore, tin, steel, aircraft, motor vehicles and parts, other machinery and equipment
Colombia	COP 1867.9	1,038,700 Sq. Km.	Bogota	48.32	23.75 million	378.15	Agriculture, textiles, food processing, oil, clothing and footwear, beverages, chemicals, cement; gold, coal, emeralds

Notes:

1. Source: The World Bank, World Development Indicators (2014), *Population*, (1) United Nations Population Division, *World Population Prospects*, (2) United Nations Statistical Division, *Population and Vital Statistics Report* (various years), (3) Census reports and other statistical publications from national statistical offices, (4) Eurostat: *Demographic Statistics*, (5) Secretariat of the Pacific Community: *Statistics and Demography Programme*, and (6) U.S. Census Bureau: *International Database*. Retrieved from <http://data.worldbank.org/indicator/SP.POP.TOTL>

2. Source: The World Bank, World Development Indicators (2014), *GDP*, *World Bank national accounts data*, and *OECD National Accounts data files*. Retrieved from <http://data.worldbank.org/indicator/NY.GDP.MKTP.CD>

3. Source, The World Factbook 2013-14, Washington, DC: Central Intelligence Agency, 2013. <https://www.cia.gov/library/publications/the-world-factbook/index.html>

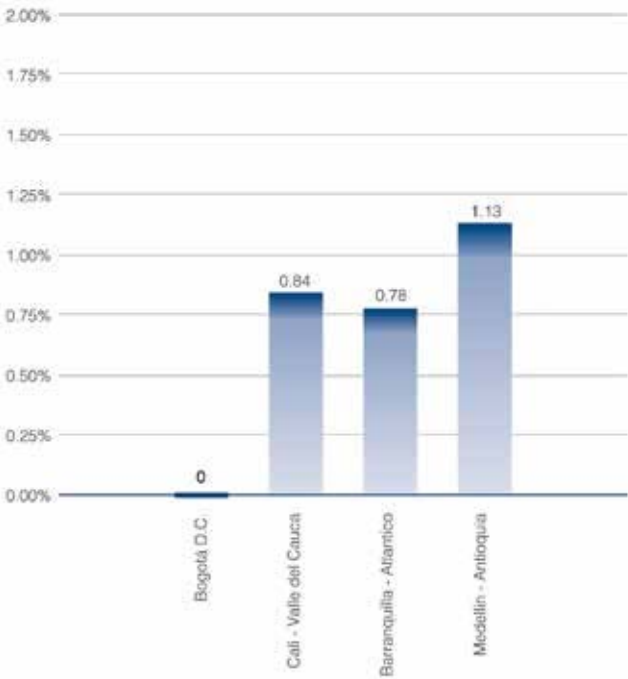
4. Exchange rates are valid as of July 2014

Colombia Regional Construction Cost Differences

Based on the size of Colombia, we have provided a table to identify internal regional construction cost fluctuations across the country. Using Bogota as our benchmark, the table identifies the adjustment indices for the region. As can be observed, Colombia construction costs are fairly consistent and aligned to Bogota, with the range less than 2% across the sample group.

Colombia: State - City		% of Change
1	Bogotá D.C.	0.00%
2	Cali - Valle del Cauca	0.84%
3	Barranquilla - Atlantico	0.78%
4	Medellin - Antioquia	1.13%

Below is a graphical representation of the above table:



Notes:

1. Source: Colombia - Website - construdata/indices e costos/fevereiro2014



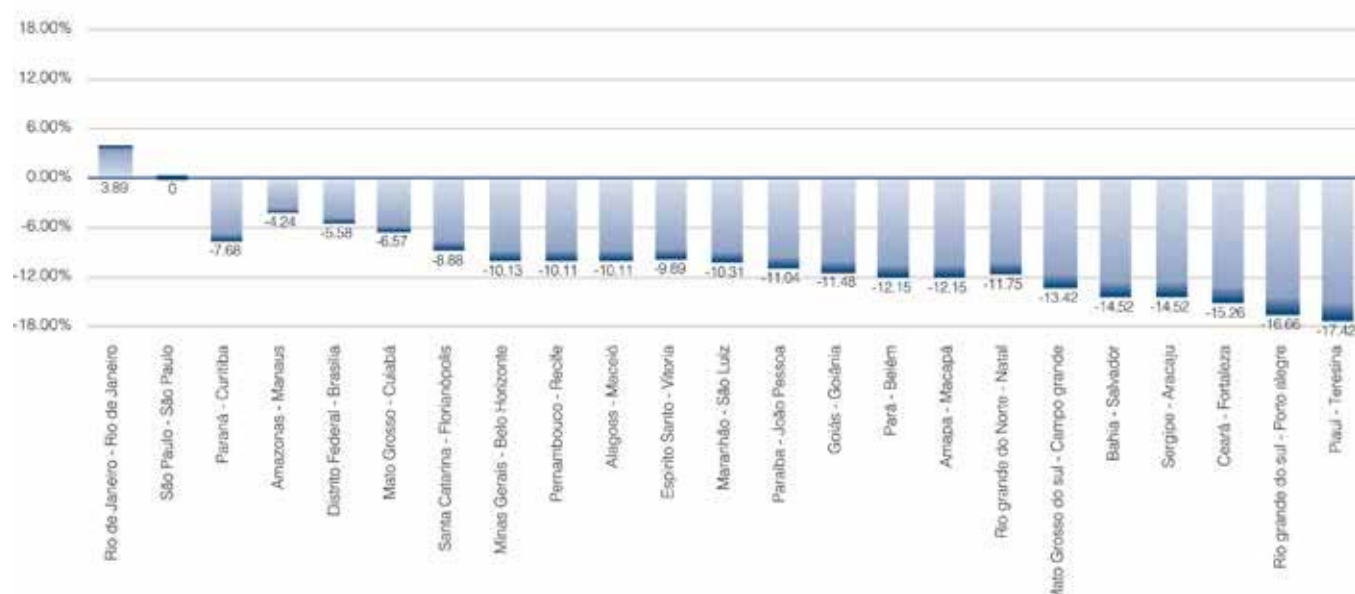
Brazil Regional Construction Cost Differences

Based on the size of Brazil, we have provided a table to identify internal regional construction cost fluctuations across the country. Using São Paulo as our benchmark, the table identifies the adjustment indices for the region. As can be observed, price ranges fluctuate considerably in Brazil; by in excess of 20%.

	Brazil: State - City	% of Change
1	Rio de Janeiro - Rio de Janeiro	3.89%
2	São Paulo - São Paulo	0.00%
3	Paraná - Curitiba	-7.68%
4	Amazonas - Manaus	-4.24%
5	Distrito Federal - Brasília	-5.58%
6	Mato Grosso - Cuiabá	-6.57%
7	Santa Catarina - Florianópolis	-8.88%
8	Minas Gerais - Belo Horizonte	-10.13%
9	Pernambuco - Recife	-10.11%
10	Alagoas - Maceió	-10.11%
11	Espírito Santo - Vitória	-9.89%
12	Maranhão - São Luiz	-10.31%
13	Paraíba - João Pessoa	-11.04%
14	Goiás - Goiânia	-11.48%

	Brazil: State - City	% of Change
15	Pará - Belém	-12.15%
16	Amapá - Macapá	-12.15%
17	Rio grande do Norte - Natal	-11.75%
18	Mato Grosso do sul - Campo grande	-13.42%
19	Bahia - Salvador	-14.52%
20	Sergipe - Aracaju	-14.52%
21	Ceará - Fortaleza	-15.26%
22	Rio grande do sul - Porto alegre	-16.66%
23	Piauí - Teresina	-17.42%
24	Roraima - Boa Vista	n/a
25	Acre - Rio Branco	n/a
26	Rondônia - Porto Velho	n/a
27	Tocantins - Palmas	n/a

Below is a graphical representation of the above table:



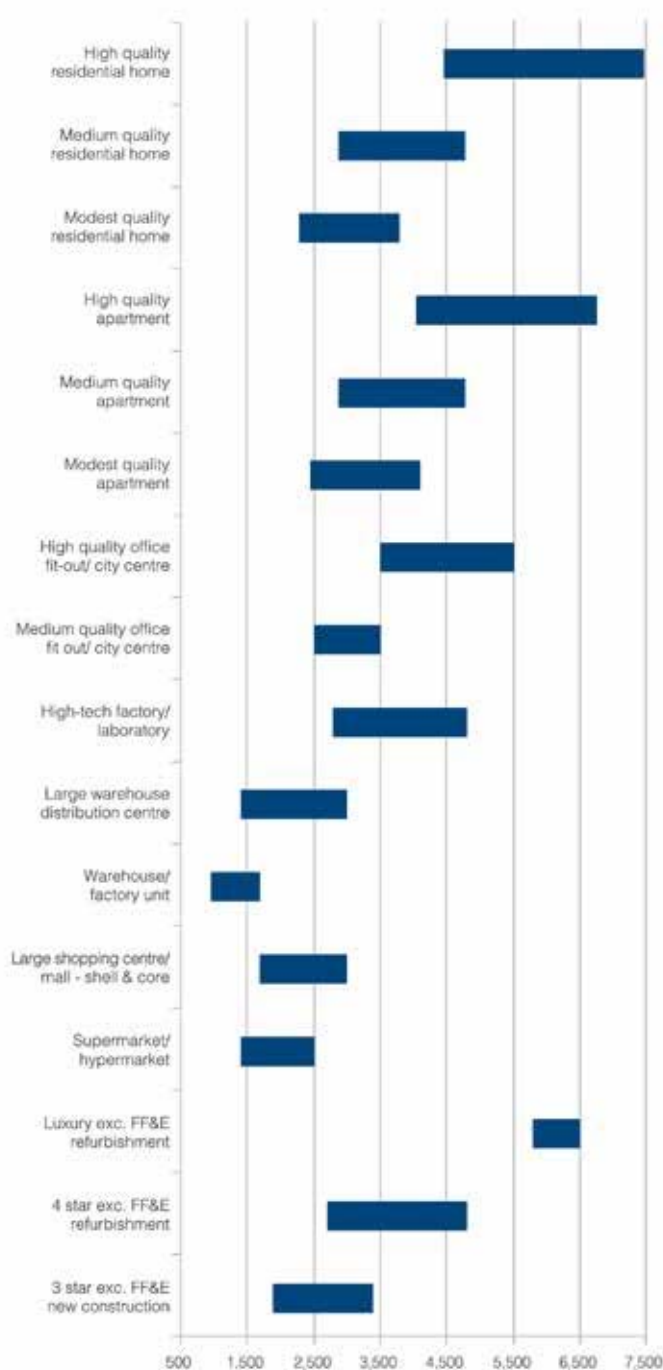
Notes:

1. Source: Brazil - Construção Mercado Pini, # 151, February 2014

Brazil – Typical Building Costs (BRL\$ per m2)

Item	Based on São Paulo BRL\$/m2
DESCRIPTION	Low - High
* See Page 33 for detailed descriptions	
RESIDENTIAL	
High quality home	4,472 - 7,460
Medium quality home	2,876 - 4,786
Modest quality home	2,292 - 3,797
High quality apartment	4,045 - 6,741
Medium quality apartment	2,876 - 4,786
Modest quality apartment	2,449 - 4,090
OFFICES/ COMMERCIAL	
High quality office fit-out / city centre	3,500 - 5,500
Medium quality office fit-out / city centre	2,500 - 3,500
INDUSTRIAL/ WAREHOUSE	
High-tech factory/ laboratory	2,800 - 4,800
Large warehouse distribution centre	1,400 - 3,000
Warehouse/ factory unit	950 - 1,700
RETAIL	
Large shopping centre/ mall, shell and core	1,700 - 3,000
Supermarket/ hypermarket	1,400 - 2,500
HOTELS	
Luxury exc FF&E - refurbishment	5,800 - 6,500
4 star exc. FF&E - refurbishment	2,700 - 4,800
3 star exc. FF&E - new construction	1,900 - 3,400

The following charts are graphical representations of Brazilian building costs shown in local currency.



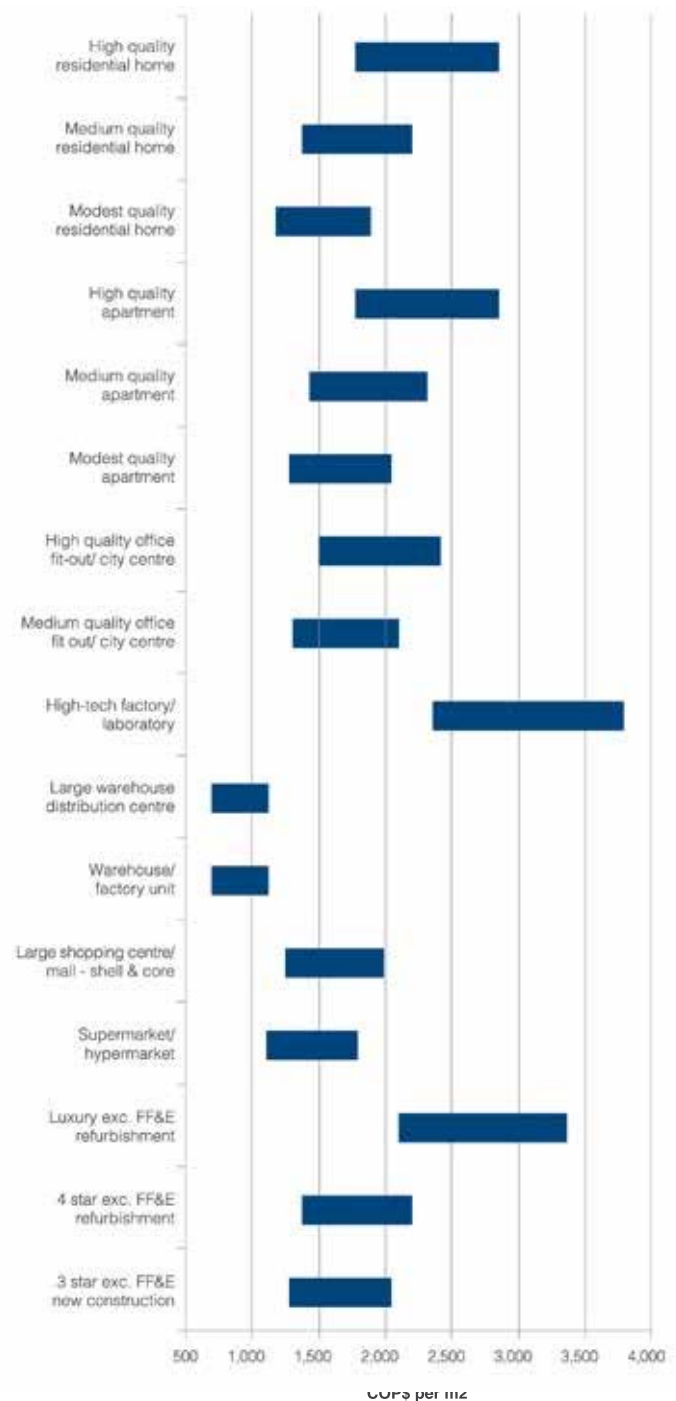
Notes 1:

1. All building costs for South America are shown in m2 (1 m2 = 10,764 sq. ft.).
2. Costs are given in local currency per m² of gross floor area, measured to the external face of the external walls.
3. All costs are indicative averages, and have many caveats.

Colombia – Typical Building Costs (COP\$ per m2)

Item	Based on Bogota COP/m2
DESCRIPTION	Low - High
* See Page 33 for detailed descriptions	
RESIDENTIAL	
High quality home	1,777,591 - 2,844,145
Medium quality home	1,377,469 - 2,203,950
Modest quality home	1,180,688 - 1,889,100
High quality apartment	1,777,591 - 2,844,145
Medium quality apartment	1,443,063 - 2,308,900
Modest quality apartment	1,279,078 - 2,046,525
OFFICES/ COMMERCIAL	
High quality office fit-out / city centre	1,508,656 - 2,413,850
Medium quality office fit-out / city centre	1,311,875 - 2,099,000
INDUSTRIAL/ WAREHOUSE	
High-tech factory/ laboratory	2,361,375 - 3,778,200
Large warehouse distribution centre	706,542 - 1,130,467
Warehouse/ factory unit	706,542 - 1,130,467
RETAIL	
Large shopping centre/ mall, shell and core	1,246,281 - 1,994,050
Supermarket/ hypermarket	1,115,094 - 1,784,150
HOTELS	
Luxury exc FF&E - refurbishment	2,099,000 - 3,358,400
4 star exc. FF&E - refurbishment	1,377,469 - 2,203,950
3 star exc. FF&E - new construction	1,279,078 - 2,046,525

The following charts are graphical representations of Colombian building costs shown in local currency.



Notes 2:

- Note that the figures exclude land costs, professional and legal fees, plus all other soft costs which should be added to the costs in this study
- Exchange rates are valid as of March 2014 - (1 USD to 2,34625 BRL) (USD to 2 043,49 COP)
- Please consult BCQS in relation to the averages used above to seek any clarification.

Weights and Measures

There is no regional pattern of quantification within the region in terms of metric or imperial systems. The following is intended as a guide to the conversion rates of the most common units of measurement within the construction industry in the region.

METRIC		
Length		
1 millimetre (mm)		.0394 in
1 centimetre (cm)	10 mm	.03937 in
1 metre (m)	100 cm	1.0936
1 Kilometre (km)	1000 m	.6214 mile
Area		
1 sq cm (cm ²)	100m ²	.1550 in ²
1 sq metre (m ²)	10000 cm ²	1.1960 yd ²
1 hectare	10000 m ²	2.4711 acres
1sq km (km ²)	100 ha	.3861 mile ²
Capacity / Volume		
1 cu ccm (cm ³)		.0610 in ³
1 cu decimetre (dm ³)	1000 cm ³	.0353 ft ³
1 cu metre (m ³)	1000 dm ³	1.3080 yd ³
1 litre (litre)	1 dm ³	1.76 pt
1 hectolitre (hl)	1000 litre	21.997 gal
Mass (weight)		
1 milligram (mg)		.0154 grain
1 gram (g)	1000 mg	.0353 oz
1 kiligram (kg)	1000 g	2.2046 lb
1 tonne (t)	1000 kg	09842 ton

IMPERIAL		
Length		
1 inch		2.54 cm
1 foot	12 in	0.3048 m
1 yard (yd)	3 ft	0.9144 m
1 mile	1760 yd	1.6093 km
Area		
1 sq inch (in ²)		6.4516 cm ²
1 sq foot (ft ²)	144 in ²	0.0929 m ²
1 sq yard (yd ²)	9 ft ²	0.8361 m ²
1acre	4840 yd ²	4046.9 m ²
Capacity / Volume		
1 cu inch (in ³)		16.387 cm ³
1 cu foot (ft ³)	1728 in ³	0.0283 m ³
1 fluid ounce (fl oz)		28.413 ml
1 pint (pt)	20 fl oz	0.5683 litre
1 gallon (gal)	8 pt	4.5461 litre
Mass (weight)		
1 ounce (oz)	437.5 grains	28.35 g
1 pound (lb)	16 oz	0.4536 kg
1 stone	14 lb	6.3503 kg
1 ton	20 cwt	1.016 t

Notes

The building types referred to in the cost indicator sections are as follows:

CARIBBEAN

- 1.00 Block and steel construction, pitched shingle roofs on sarking, cedar doors and windows, wood finish or porcelain floor tiling, solid surface countertops, electrical, hot and cold plumbing
- 2.00 As above but with ceramic floor tiling, fiberglass shingle roofing, laminated plastic countertops, standard jalousie windows, electrical hot and cold plumbing
- 3.00 Block and steel walls, sheet metal roofing, ceramic floor, aluminium jalousie windows, outside laundry tubs, cold water plumbing with electrical
- 4.00 Walled and metal sheet roofed, electrical and water
- 5.00 Open plan, bathrooms, glass storefront
- 6.00 Shell only partitioned, staircase, package units A/C, bathrooms, doors and aluminium windows
- 7.00 Fitted out partitioned, staircase, package units A/C, bathrooms, doors and aluminium windows
- 8.00 As above shell only, with elevators
- 9.00 As above fitted out, with elevators
- 10.00 Including medical centres, laboratories, restaurants, etc.
- 11.00 Five-Star high rise urban
- 12.00 Low rise Five-Star resort with normal facilities
- 13.00 Low rise Three-Star economy hotel with normal facilities

LATIN AMERICA

High quality residential home: New construction, high quality finishes, complete MEPF network including sanitary fixtures, including swimming pool

Medium quality residential home: New construction, medium quality finishes, complete MEPF network including sanitary fixtures, including swimming pool

Modest quality residential home: New construction, modest quality finishes, complete MEPF network including sanitary fixtures, including swimming pool

High quality fit-out works within existing residential apartment: Refurbishment of an existing apartment, high quality finishes to floors/ walls/ ceiling, new MEPF network including new sanitary fixtures

Medium fit-out works within existing residential apartment: Full strip out works of an existing apartment, medium quality finishes to floors/ walls/ ceiling, mechanical and electrical services and lighting upgrade

Modest fit-out works within existing residential apartment: Refurbish existing apartment with medium quality finishes

High quality office fit-out/ city centre: Acoustical quality suspended ceiling, internal partitioning with acoustic consideration, mechanical, electrical, plumbing and fire safety installations including lighting upgrade, installation of below floor power distribution and data cabling, enhanced finishes to bathrooms, tenant stand by power generation and UPS, IT and telecommunications installations, adaptation of life safety systems and signage, decoration and branding, high quality carpet generally, specialist finishes to reception/lobby

Medium quality office fit-out/ city centre: As above, with medium quality finishes

High-tech factory/ laboratory: Pad foundation system including strip footings, reinforced concrete ground floor slab and vapor barrier, structural steel frame including all columns and beams, curtain glazed facade, metal wall cladding and insulation, concrete staircase and CMU wall, internal partitioning and doors, medium quality finishes to floor, walls and ceiling, plumbing and drainage system to the overall building and sanitary fixtures, electrical system including generator set, communication/ alarms/ data system including CCTV system/ cameras/ access control, telephone/ WIFI system, audio/ video system and TV and screen projection, air handling units, air distribution ductwork and extract and supply grilles, exhaust system, elevator and scissor lift, sprinkler system

Large warehouse distribution centre: Pad foundation system including strip footings and reinforced concrete ground floor slab, roofing structural steel frame, in-situ reinforced concrete to columns and beams, external CMU wall with metal wall cladding, Internal partitioning and doors, modest quality finishes to floor, walls and ceiling, plumbing and drainage system to the overall building and sanitary fixtures, electrical system including generator set, UPS system to store, communication/ alarms/ data system including CCTV system/cameras/access control, telephone/WIFI system, audio/video system, air handling units to stores only, air distribution ductwork and extract and supply grilles, exhaust system, sprinkler system

Warehouse/factory unit: Pad foundation system including strip footings and reinforced concrete ground floor slab, reinforced concrete including all columns and beams: using bolted connections for secondary beams / primary beams, external CMU wall, internal partitioning and doors, modest quality finishes to floor, walls and ceiling, plumbing and drainage system to the overall building and sanitary fixtures, Electrical system including generator set, communication/ alarms/ data system including CCTV system/ cameras/ access control and telephone/ WIFI system, air handling units, air distribution ductwork and extract and supply grilles, exhaust system, sprinkler system

Large shopping centre/ mall - shell and core: Shell & core in concrete, glazed curtain wall façade, reinforced concrete staircase, CMU walls, Internal partitioning and doors, high quality finishes to floor, walls and ceiling, Plumbing and drainage system to the overall building and sanitary fixtures, electrical system including generator set, UPS system, BMS system, communication/ alarms/ data system including CCTV system/ cameras/ access control, telephone/ WIFI system and audio/ video system, air handling units, air distribution ductwork and extract and supply grilles, exhaust system, elevators and scissor lift, sprinkler system, landscape works

Supermarket/ hypermarket: Pad foundation system including strip footings, reinforced concrete ground floor slab and reinforced concrete including all columns and beams, external CMU wall, internal partitioning and doors, modest quality finishes to floor, walls and ceiling, plumbing and drainage system to the overall building and sanitary fixtures, electrical system including generator set, communication/ alarms/ data system including CCTV system/ cameras/ access control and telephone/ WIFI system, air handling units, air distribution ductwork and extract and supply grilles, exhaust system, sprinkler system

Luxury hotel, exc FF&E: Refurbishment of an existing building, full strip-out of an existing building, structural modifications to be compliant with the design, new external glazed façade and windows to overall building, internal partitioning with acoustic consideration, high quality finishes to new public and guestroom area with some iconic construction elements, new plumbing and drainage system to the overall building and sanitary fixtures to public, guestroom and Boh area, new electrical system including generator set, UPS system, BMS system, new communication/ alarms/ data system including CCTV system/ cameras/ access control, telephone/ WIFI system and audio/ video system, air handling units, air distribution ductwork and extract & supply grilles, exhaust system, elevators, sprinkler system

4 star hotel, exc. FF&E: Refurbishment of an existing building, As above but with medium finishes

3 star hotel, exc. FF&E: New construction, new shell and core in concrete, glazed façade and windows to overall building, concrete staircase and CMU wall, internal partitioning and doors, medium quality finishes to floor, walls and ceiling, new plumbing and drainage system to the overall building and sanitary fixtures, new electrical system including generator set, UPS system, BMS system, new communication/ alarms/ data system including CCTV system/ cameras/ access control, telephone/ WIFI system and audio/ video system, air handling units, air distribution ductwork and extract and supply grilles, exhaust system, elevators, sprinkler system, landscape works

Additional Notes:

This report is intended as a guide only. Should the reader require detailed construction advice, then the services of a professional RICS accredited and professionally indemnified Quantity Surveyor should be sought. BCQS International accepts no responsibility for results of the actions of individuals acting directly through the findings of this report;

Whilst we have made every effort to ensure that all rates and statistics herein are accurate, BCQS International accept no responsibility for the accuracy of the sources of such rates and statistics;

Sources have been referred to where appropriate. Although extensive research has been carried out in the compilation of this report, much of it has been generated in-house, and not all references have been named. We hereby extend our thanks to those sources known to us through professional relationships, suppliers, employment brokers, plant hire companies etc. throughout our named jurisdictions;

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Due to current volatile financial markets, our findings should be regarded as valid for a limited period of three months, after which they will be subject to re-examination.



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