

USA

Chicago, Indianapolis and Houston

Uncertainty clouds sound economic fundamentals

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Economic overview

The mood in the central states of the USA is mixed. Unemployment is down to below 4 percent and real wage growth is supportive.

But as the Chicago Fed Survey of Business Conditions shows, business sentiment is volatile. It saw optimism dive in 2018 following tricky trade negotiations and the government shutdown.

Construction market and trends

Construction in Chicago, Indianapolis and Houston is growing, workforces have expanded in all these cities. Labour costs are high in Chicago and Indianapolis has a skills shortage.

Top-performing sectors in Chicago currently include office development and sports, leisure and hospitality, with transport performing relatively well. High-profile projects, including the

International building costs per m ² of internal area, in 2018	Chicago		Indianapolis		Houston	
	(m ²)	USD (ft ²)	(m ²)	USD (ft ²)	(m ²)	USD (ft ²)
Airports (Building only)						
Domestic terminal, full service	6,195	576	5,523	513	5,162	480
Low-cost carrier terminal, basic service	3,465	322	3,090	287	2,887	268
Car parks						
Multi-storey – above ground	792	74	605	56	565	53
Multi-storey – below ground	1,537	143	1,174	109	1,098	102
Commercial						
Offices – Business Park	1,652	154	1,348	125	1,322	123
CBD Offices – up to 20 floors medium (A-Grade)	3,182	296	2,318	215	2,273	211
CBD Offices – high-rise prestige	5,091	473	3,709	345	3,636	338
Education						
Primary and secondary	2,500	232	2,465	229	2,448	228
University	3,788	352	3,486	324	3,258	303
Hospitals						
Day centre (including basic surgeries)	3,071	285	2,528	235	2,363	220
Regional hospital	4,719	439	3,271	304	3,057	284
General hospital (e.g. city teaching hospital)	4,916	457	4,039	375	3,775	351
Hotels						
3 Star travellers	2,406	224	1,839	171	1,718	160
5 Star luxury	5,277	490	4,033	375	3,770	350
Resort style	3,139	292	2,488	231	2,325	216
Industrial						
Warehouse/factory units – basic	978	91	712	66	698	65
Large warehouse distribution centre	1,224	114	1,040	97	1,020	95
High-tech factory/laboratory	4,300	400	3,928	365	4,911	456
Residential						
Individual detached or terrace style house – medium standard	1,730	161	1,470	137	1,441	134
Individual detached house – prestige	3,958	368	2,884	268	2,827	263
Townhouses – medium standard	1,264	117	1,074	100	1,053	98
Apartments – low-rise medium standard	1,570	146	1,334	124	1,308	122
Apartments – high-rise	2,054	191	1,676	156	1,643	153
Aged care/affordable units	1,428	133	1,267	118	1,242	115
Retail						
Large shopping centre including mall	3,343	311	2,842	264	2,786	259
Neighbourhood including supermarket	1,613	150	1,266	118	1,241	115
Prestige car showroom	3,350	311	3,104	288	3,043	283