

Charlotte's construction costs are 20% lower than the national average.

Low Costs: High Quality Construction

New towers will reshape the Charlotte center city skyline by the end of 2007. But the entire county also continues to witness new construction or expanding facilities. This can be attributed to Charlotte's competitive construction costs, skilled construction workers, and convenient transportation of raw materials. For these and other reasons, companies continue to relocate new or expand current facilities in Charlotte. Favorable weather conditions year round simply boost the benefits of locating in a city that can boast construction costs well below the national average.

The R.S. Means Company City Cost Index reflects the total cost, excluding cost of land and other peripheral expenses (e.g., architectural fees), of residential, commercial and industrial construction. Many cities have seen higher costs recently, but Charlotte has experienced a construction boom. Developers announced over 14 million square feet of new office, industrial and other commercial facilities in 2006 alone. The following construction cost index table indicates Charlotte's competitive construction cost advantage.

Charlotte also shines in the Marshall & Swift

Valuation Service rankings. Charlotte's construction costs rank as one of the lowest of the major U.S. Distribution Centers and cities of comparable size. The average cost of construction has consistently been lower than other major markets such as Memphis, Atlanta, and Dallas.



Construction Cost Index

Charlotte, NC	80.4
Dallas, TX	84.0
Memphis, TN	86.5
Atlanta, GA	89.4
Cincinnati, OH	92.2
Baltimore, MD	92.8
Denver, CO	95.1
Washington, DC	98.1
Pittsburgh, PA	98.9
Cleveland, OH	100.6
Portland, OR	102.2
Kansas City, MO	103.1
Seattle, WA	104.1
Detroit, MI	105.0
Los Angeles, CA	107.0
Newark, NJ	110.4
Minneapolis, MN	112.3
Chicago, IL	113.3
Boston, MA	115.4
San Francisco, CA	121.8
New York City, NY	130.9

Source: R.S. Means Company, Inc., 2007. Means Building Construction Cost Data

The attraction of the area is apparent in the numbers. In 2006, Charlotte awarded 24,250 building permits representing over \$4.3 billion of new construction. The following factors exemplify reasons for Charlotte's consistently low construction costs.

In the past 10 years nearly \$12 billion in new commercial construction was built.

A Construction Center

The growth of Charlotte is a magnet for construction companies. Low costs, high construction activity levels, and convenient access to both materials and skilled labor provide the reasons that over 4,400 construction firms employ 54,144 qualified workers in the metro area. These companies come in a wide variety of sizes, from a number of small, more personal operations to at least 80 firms each employing more than 100 people.

Quality Services

In addition to the quality and choices you will find with Charlotte's construction companies,

you will also find a wealth of additional services to design new or reconfigure the perfect quarters for your business. Charlotte has 321 engineering firms with 5,189 employees. In addition, there are more than 180 architectural firms in the city with a total of 2,097 employees. Over half of these architectural firms are members of the American Institute of Architects, an organization dedicated to the highest standards of professionalism, integrity and competence.

Residential construction has surpassed \$2.5 billion annually



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In the past ten years 136,878 new residential units have been built in Charlotte.

Stable Wages and Talented Workers

The North Carolina Right-to-Work law ensures stable wages and dedicated workers. Community colleges and apprenticeship programs offer comprehensive courses that train construction workers to be the best in their field.

Favorable Weather Conditions

The Charlotte region enjoys the best qualities of each of the four seasons. One benefit is the ability to build throughout the year and with considerably less insulation costs than Charlotte's competitor cities.

Charlotte-Mecklenburg's 5-Year Construction Summary

Year	Permits	Permit Value (millions)		Total
		Residential	Non-Residential	
2006	24,250	\$2,709.5	\$1,560.9	\$4,270.4
2005	22,037	\$2,063.2	\$1,297.6	\$3,360.7
2004	19,243	\$1,730.8	\$1,326.1	\$3,056.9
2003	18,984	\$1,600.8	\$841.5	\$2,442.3
2002	19,770	\$1,564.1	\$814.4	\$2,378.5

New Residential Construction By Type

Year	Single Family	Multi-Family	Total Units
2006	10,215	7,874	18,089
2005	9,775	3,827	13,602
2004	8,730	3,959	12,689
2003	8,935	3,677	12,612
2002	9,638	3,851	13,489



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Average Commercial Building Cost of the Largest Distribution Cities in US*

(\$ per square foot)

City	Distribution Warehouse Class C	Industrial Light Manufacturing Class C	Industrial Flex Building Class C	Discount Retail Class C	Store Class C
Dallas	36.67	37.49	37.40	60.87	48.80
Houston	36.67	37.49	37.40	60.87	48.80
Charlotte	36.90	37.72	37.63	61.25	49.11
Atlanta	36.90	37.72	37.63	61.25	49.11
Memphis	37.90	38.75	38.66	62.92	50.45
Baltimore	40.07	40.97	40.87	66.52	53.34
Pittsburgh	40.47	41.37	41.28	67.18	53.34
Denver	41.17	42.08	41.99	68.34	54.80
Washington, DC	41.26	42.18	42.08	68.50	54.92
Cincinnati	41.61	42.54	42.44	69.08	55.39
Kansas City	44.09	45.07	44.96	73.18	58.68
Cleveland	44.09	45.07	44.96	73.18	58.68
Portland	44.91	45.91	45.80	74.55	59.77
St. Louis	46.15	47.17	47.07	76.60	61.42
Detroit	46.56	47.60	47.49	77.29	61.97
Seattle	47.41	48.46	48.35	78.69	63.10
Minneapolis	47.82	48.89	48.77	79.38	63.65
Philadelphia	48.40	49.48	49.36	80.35	64.43
Los Angeles	48.65	49.74	49.62	80.76	64.76
Chicago	49.03	50.12	50.01	81.39	65.26
Boston	49.20	50.29	50.18	81.67	65.49
Newark	51.58	52.73	52.61	85.62	68.65
New York	54.75	55.97	55.84	90.89	72.88
San Francisco	56.97	58.24	58.10	94.57	75.83

Marshall and Swift, December 2006 *Based off of total wholesale sales accounted in 1997 economic census

Only two major distribution centers have lower construction costs than Charlotte.

Crews are also able to work with fewer interruptions, making the whole construction process more efficient and cost-effective.

A Wealth of Raw Construction Materials

North Carolina is one of the leading producers of brick, lumber and laminates. This assures convenient selection and minimum transportation costs.

The Bottom Line

By building your new quarters in Charlotte, you will benefit from the area's strong economic growth, high quality of life, and centralized location. You'll also have the area's experienced construction services organizations (who practice the newest and most efficient techniques), easy access to raw materials, and a large number of workable days at your disposal. The bottom line for you is quality construction at a comparably low cost.

The low cost of construction is one of many reasons that new and relocating firms are drawn to the Charlotte region.

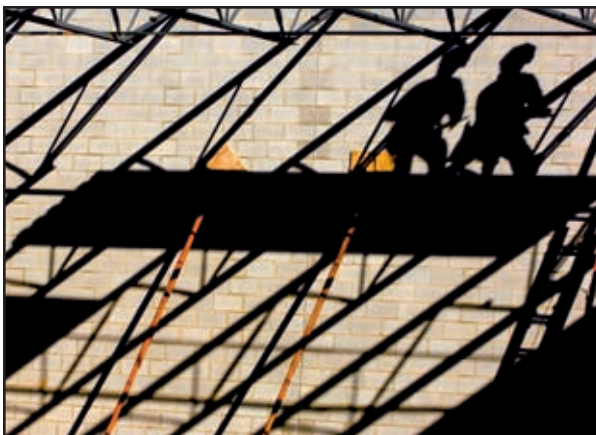
Average Office Building Cost of Mid-Sized Cities*

(\$ per square foot)

City	Class A	Class B	Class C	Class D
Dallas	112.11	108.01	79.71	76.13
Houston	114.66	109.24	79.71	75.27
Charlotte	115.31	111.10	80.21	76.60
Atlanta	115.32	109.92	80.21	76.60
Richmond	116.54	112.29	81.93	79.90
Memphis	117.21	112.92	82.40	78.69
Jacksonville	117.77	113.47	82.80	79.07
Lexington	122.30	116.60	84.19	80.40
Denver	127.39	122.74	88.67	84.68
Baltimore	127.59	121.74	87.11	89.19
Pittsburgh	127.59	121.74	87.97	84.02
Cincinnati	129.94	123.97	90.46	86.93
Washington DC	130.01	125.29	89.70	84.84
Kansas City	136.31	130.11	95.83	92.38
Cleveland	137.59	132.56	95.83	91.52
Portland	138.86	133.79	97.63	93.23
St. Louis	141.41	136.24	100.31	95.80
Detroit	145.23	138.70	101.07	97.51
Seattle	146.58	139.98	103.05	97.55
Minneapolis	149.15	143.70	103.95	98.41
Boston	149.67	144.20	106.95	102.96
Philadelphia	150.89	144.20	105.22	101.31
Los Angeles	151.72	146.18	105.76	101.00
Chicago	154.15	148.52	106.58	101.79
Newark	161.94	154.84	112.12	107.08
New York	171.75	163.11	119.02	116.96
San Francisco	174.86	169.71	123.84	116.54

Marshall and Swift, December 2006

*Population between 400,000 and 1,000,000



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