



Vertical Construction New Construction Cost Limits - 2021

March 19, 2021

The Qualified Allocation Plan notes that KHRC will post limits for new construction applications. KHRC reviewed recent Low Income Housing Developments, HOME/NHTF cost limits, and input from third parties to determine hard construction cost limits and related costs. The stated maximum General Requirements, Builder's Overhead, Builder's Profit, Building Permit Fee, and Construction Contingency are not part of the cost per unit stated below. On the Excel Application, the Maximum Hard Construction Cost limits apply to the Development Budget 1 Tab Unit Structures - New and Unit Structures Rehab only; the limits do not include site work.

KHRC hoped to give maximum costs related to square footage and bedroom size, but that level of detail is difficult to determine for a variety of reasons including the size of KHRC's recent portfolio. Our intent by stating the maximums below is to give contractors and developers a reasonable and fair expectation on costs. KHRC recognizes that current construction costs are rapidly changing, and we believe that the maximums outlined below take the current environment into account.

Stated Limits:

Maximum Hard Construction Cost	\$143,000/unit
Maximum Hard Construction Cost – High Cost Developments Detached single family houses, within a central business district, public housing development, or elevator buildings using steel and concrete	\$162,500/unit
General Requirements	6%
Builder's Overhead	2%
Builder's Profit	6%
Building Permit Fee	3%
Construction Contingency	7.5%