


COST OF ACCOMMODATION UNITS

Understanding how much an accommodation unit costs is an important part of the budgeting process of securing worker accommodation. There's no simple answer to determining the cost of accommodation units, but this article will certainly provide some excellent insights on what you need to be allowing in your investment budget.

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So you're keen to get a grasp of how much to invest in an Aruva module or two for your property, and so you're wanting to know how much these accommodation units cost.

And trust us, we understand, we agree that it's important to invest wisely to make sure you get the right return to make it all worthwhile. So as part of our transparent approach to helping our customers, we've written this article to explain the basics of the cost of accommodation units, and what we think you should allow in your budget.

But before we jump into the nitty gritty of the figures though, we want to be upfront and say that there really are a lot of variables when it comes to how much an accommodation unit is. In fact, as with any construction project, there's always a lot going on. There are so many components that go into the building, and of course, there are so many different types of work that have to be done to bring it all together. Because of this, it's not just a simple process to arrive at an accurate cost.

We're not trying to be difficult here, it's just a reality. And of course that's why the industry generally goes through a quoting process to arrive at a figure for you. This typically involves an assessment of the design, your specific design or style requirements. And it also includes a site analysis to make sure all aspects are covered.

Having said all of that, we've been constructing modular buildings for 30 years now, so we know our stuff. This has enabled us to put the following table together to provide a range that you can use when budgeting for your project.

Cost Table

Heads on Pillows	1 BATHROOM				+ENSUITE (OR ADDITIONAL BATHROOM)			
	1 - 2	3 - 4	5 - 7	8 - 12	1 - 2	3 - 4	5 - 7	8 - 12
Per Unit	\$120k	\$136k	\$149k	\$167k	N/A	\$145k	\$159k	\$178k
	\$136k	\$149k	\$167k	\$221k		\$156k	\$177k	\$236k

And it would be irresponsible of us if we didn't mention other items that might need to form part of your budget, but because we're not the irresponsible sort, here you go:

Site Preparation

This might involve clearing of the area where the units are going to be placed, such as trees, yards or even another building. Or it could even involve some excavation to level out a footprint. Or even getting a driveway up to the unit, both for the initial delivery and also for access for the people that are going to live in it. We've seen our customers allow between \$1k to \$12k for this. But this does depend on whether they do it themselves or get a contractor in, and of course depending on the size of the area involved.

Delivery

There's a couple of different ways of getting the unit from the factory to your site, and even though the costs can greatly vary, there still be some expense you'll incur, so it's important to factor it in to your calculations.

The first one is where the manufacturer delivers the unit. This is the most common, and often the best service. Costs typically run between \$7k to \$11k for a module delivered within 200kms from the manufacturers. If there are multiple modules travelling in tandem there can be some savings although only minor. And if you're starting to talk big distances from the factory, then we would recommend allowing an extra \$20 per km extra over 200kms – not deady accurate, but will provide an estimate for you.

The alternative is for you to arrange delivery yourself, or even jump behind the wheel in your own big rig. The savings can be considerable if you have – or can easily get hold of – the necessary equipment. But a word of caution; there are lots of things to be aware of when carrying wide loads. This includes permits; having the right sort of trailer to minimise travel damage; and the best way to get the module on and off the trailer. But you could potentially halve your costs by doing it yourself.

Site Installation

Installing the unit involves 2 parts – the footings, and the actual installation of the unit to the footings. We see costs ranging from \$7k to \$9k for a single unit close to trades and other resources such as concrete, through to \$18k per unit for larger modules in remote regions. And if a crane is needed, there will be some additional cost.

The footings includes boring the holes; the supply of the steel stumps; the concrete for the holes, and of course, the labour to make it all happen.

The connection of the unit to the stumps could involve a crane, or there could be room for the transport company to roll off and on if they have the relevant equipment to do this. And then there's the work to get down under and physically connect the stumps to the chassis of the module – generally done by welding.

Site Services

Another one would be services such as supplying power and water up to the unit and collecting the sewer and stormwater from the unit. This could vary wildly due to the possibility of using existing services that supply other buildings nearby. Or even from a building that the new units are taking the place of, right through to a brand new site with no services at all. How long's a piece of string? Maybe \$2k for a site where all you have to do is plug and play. Or up to \$60k for a complete setup from scratch.

Final Touches

Another cost we see that gets overlooked from time to time is the finishing touches. Things like a carport for the vehicle. Or a bit of landscaping to make it look like home. Or finishing off the driveway to make it an all-weather surface for your team. This might not apply to you, but it's worth considering it.

Furnishing

And then of course, the cost of furnishing the inside. We include floor and window coverings, so all good there, but what about beds, tables, chairs, even the refrigerator.

These are important items that simply can't be overlooked. Now you might already have some or even all of these from elsewhere. Or you might decide to utilise a product package from the supplier of the accommodation units. But whichever way you look at it, it's important to factor it in to your workings.

Final Thoughts

And now for the crunch line, or punch line ... all of the above might be incorrect!

Well, not exactly, because we know what we're on about when it comes to modular construction, and we haven't just dreamed these figures up. Our data is based on solid data and years of experience. But we just want to reiterate that costs change over time; situations vary; and requirements are different from customer to customer.

So it pays to invest some time before you spend some money to sit down with your accommodation unit supplier to make sure you fully understand how the amounts apply to you and your land.

And last but not least, this is an investment. See, it's not like buying groceries where it's a spend, for example you buy some coffee, toilet paper and milk, and then it's all gone a few days later. This is an asset that will see some serious dividends returned to you year after year. So as a result it makes sense to factor in the ROI when tallying up your budget numbers – that's where the real financial insights emerge.

So what's stopping you assessing your budget and making a wise investment decision?



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