

## Abstract

This study is a case study regarding the costs of development of the real estate project, specifically the low-rise building (7 to 8 storey) in residential development from practical developer firms in the current market. The case study is based on 10 projects situated in two major precincts: inner-city zone and outer-city zone. Meanwhile, the study is focused on the cost of land proportionate to the cost of the construction, to be referred hereafter as “land to construction ratio”. The result has evidenced the cost of land in term of average per square wah is a main factor affecting the ratio significantly. Thus, it could be concluded that higher land cost in different areas causes higher ratio, whereas cost of construction has far less impacted to the ratio with different location though.

Therefore, the land to construction cost ratio reflects the condition of surrounding area, vicinity to facilities, amenities and transit system, as well as implies the success of the projects given high sales rate if compared among projects in inner-city zone and outer-city zone in which location of the site is fundamentally a key factor for real estate development.