

## MEET YOUR LOCAL EXPERT



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*Scott manages the Phoenix office. With more than 25 years of industry experience, Scott is responsible for business development, client relations, and project leadership for both public and private sector clients.*

*Let's connect!*

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## COST CONSIDERATIONS THINGS TO WATCH OUT FOR



**SUPPLY CHAIN STABILIZATION** RLB fully expects that over the next three months, supply chain disruptions will continue to affect pricing and scheduling on construction projects. However, we should start to see stabilization toward the end of 2022.



**RESIDENTIAL MARKET GROWTH** The Phoenix market is seeing a consistent increase in the number of residential projects due to the growing number of migrants from other states. Housing markets will need to continue to produce homes at the pre-GFC rate to accommodate this rapid growth.



**INFRASTRUCTURE IMPROVEMENTS** Infrastructure will need to be expanded at a rapid rate to keep up with the increased migration we are seeing. The region's water treatment recycling projects will likely increase as well to meet growing residential and industrial needs. The recently passed infrastructure bill will create even more infrastructure projects in the Phoenix region.

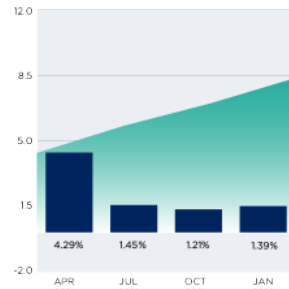


**INDUSTRIAL MANUFACTURING BOOM** The Phoenix has seen a boom in industrial manufacturing at a scale not seen since the industrial revolution. Looking ahead, industrial manufacturing development in the Phoenix may cause a need for a significant increase in commodities production.

### CONSTRUCTION COST DRIVERS

MATERIALS	APPROX. CHANGE FROM Q3 2021
Rebar	▲ 2.6%
Structural Steel	▲ 1.7%
Ready-Mix Concrete	▲ 1.5%
Lumber	▲ 38.8%
Copper	▲ 1.3%
Plumbing Fixtures	▲ 2.8%
Diesel	▲ 4.1%

### CITY COST INDEX



### PROJECTED MARKET TRENDS

**8.57%**  
Phoenix YOY  
escalation rate

**8.04%**  
National YOY  
escalation rate



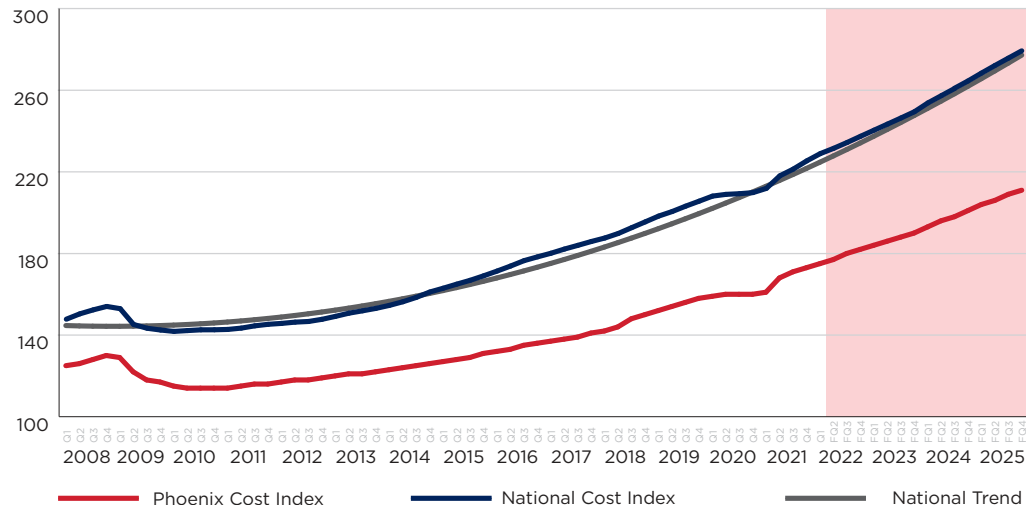
**DON'T MISS OUT ON  
FUTURE INSIGHTS!**



For more than 20 years, we have published a quarterly construction cost report to provide you with the most accurate and up-to-date construction pricing information in the market.

**SCAN TO SUBSCRIBE**

## CONSTRUCTION COST INDEX, ESCALATION, AND TRENDS



### ABOUT THE CHART

RLB expects that the National and local construction cost index will rise at a steady rate over the next three years, staying in line with the construction cycle trend.

### WHAT THIS MEANS FOR YOU

RLB believes that being a supportive project partner, engaging in consistent communication of issues pertaining to the project, and engaging design professionals to evaluate multiple solutions will help you arrive at your desired project outcomes.