

MEET YOUR  
LOCAL EXPERT

**JAMES CASEY**  
Associate  
San Francisco, California

*James Casey, Associate, leads the cost team in our San Francisco office. He has over 15 years of experience working in the built environment, with the last 5 years being in the San Francisco Bay Area. He has worked on projects of varying scales and types across a broad variety of sectors.*

*Let's connect!*

**T:** +1 (415) 909-8248

**E:** [james.casey@us.rlb.com](mailto:james.casey@us.rlb.com)

**in** [in/james-casey-a71077127](https://www.linkedin.com/in/james-casey-a71077127)

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COST CONSIDERATIONS  
THINGS TO WATCH OUT FOR

**UP-AND-COMING** We expect continued growth in the local Bay Area construction market. Looking ahead, the San Francisco Bay Area market is seeing an increase in tenant improvements with return to office initiatives on the rise. Furthermore, we are seeing a continued increase in residential construction.



**BIDDING ENVIRONMENT** We continue to see the rise of cost escalation in the construction industry, across all market sectors. With this in mind, it is especially prudent to factor this into any project budgeting and modeling.

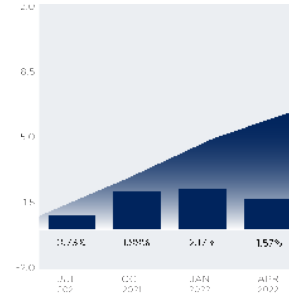


**PROCUREMENT** The global supply chain disruption continues to be an issue for the industry, resulting in not only schedule delays but also cost increases. The procurement of the general contractor and subcontractor buyout continues to be important and all project team members need to be aware of these issues so that the process can be as streamlined as possible and solutions can be found together.

## CONSTRUCTION COST DRIVERS

MATERIALS	APPROX. CHANGE FROM Q1 2022
Structural Steel	▼ -0.4%
Rebar	▲ 11.0%
Lumber	▲ 40.8%
Copper	▲ 3.9%
Plumbing Fixtures	▲ 2.1%
Diesel	▲ 43.5%
Ready Mix Concrete	▲ 2.1%

## CITY COST INDEX



## PROJECTED MARKET TRENDS

**6.61%**  
San Francisco  
YOY escalation

**7.50%**  
National  
YOY escalation



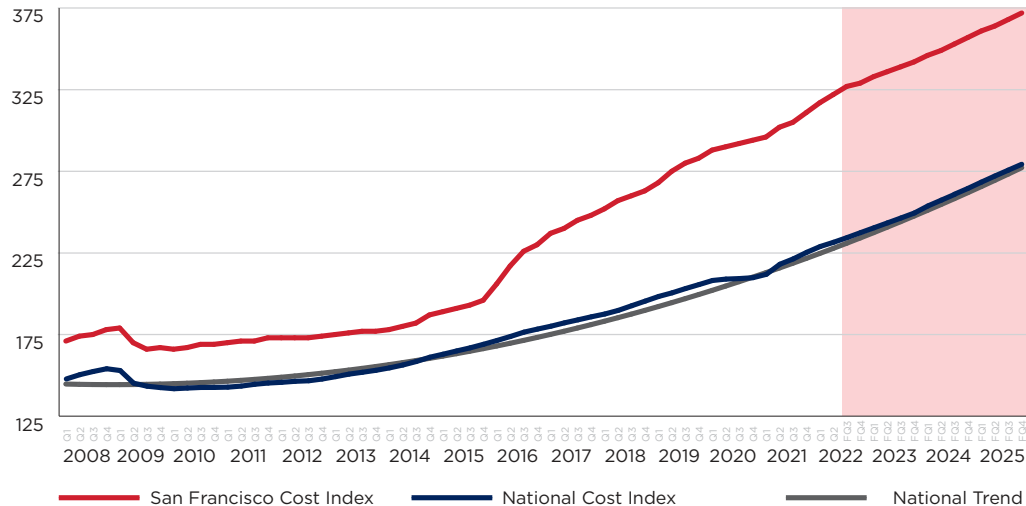
**DON'T MISS OUT ON  
FUTURE INSIGHTS!**



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.

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## CONSTRUCTION COST INDEX, ESCALATION, AND TRENDS



### ABOUT THE CHART

RLB's construction cost indexes track the 'true' bid cost of construction, which includes in addition to costs of trade works, the general contractor and sub-contractor overhead costs and fees (profit). The graph shows a comparison between San Francisco and the National average of costs.

### WHAT THIS MEANS FOR YOU

Construction costs in San Francisco have been on a steady increase over the last 10 years, out pacing the national average. Given the cost escalation experienced over the last couple of years, RLB is forecasting this to continue over the short- to medium-term.