

MEET YOUR
LOCAL EXPERT**KIRK MILLER**

Principal
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Kirk Miller, Principal, manages our Washington, DC office. With more than 23 years of industry experience, he is responsible for project leadership for both public and private sector clients.

Let's connect!

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COST CONSIDERATIONS
THINGS TO WATCH OUT FOR

MARKET TREND The cost of diesel rose significantly due to the same factors that sent oil prices skyrocketing. The US ban on the import of Russian oil after the invasion of Ukraine put a squeeze on diesel. The US has been exporting more diesel to Europe recently to reduce the continent's reliance on Russian fuel.

The price of diesel has affected different aspects of the built environment. Concrete companies, lumber companies, and other material suppliers have plants that run on diesel, which increase production cost.



LABOR Labor shortages across the board has been increasingly noticeable over the past two years due to the decline in the number of construction workers and an increase of older workers leaving the workforce.

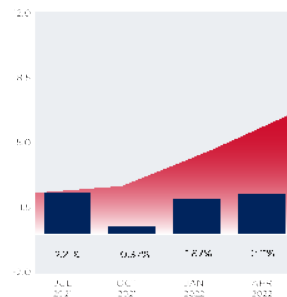


UP-AND-COMING Infrastructure, cultural, residential, mixed-use and education projects are booming all over Washington, DC neighborhoods from Capitol Hill, NoMA, Union Market, The Wharf, and Buzzard Point. There seems to be no slow down at this point.

CONSTRUCTION COST DRIVERS

MATERIALS	APPROX. CHANGE Q4 2021-Q1 2022
Rebar	▲ 11.2%
Structural Steel	▼ -0.1%
Ready-Mix Concrete	▲ 2.3%
Lumber	▲ 41.2%
Copper	▲ 4.1%
Plumbing Fixtures	▲ 2.3%
Diesel	▲ 43.8%

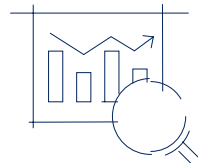
CITY COST INDEX



PROJECTED MARKET TRENDS

6.72%
DC YOY
escalation rate

7.50%
National YOY
escalation rate



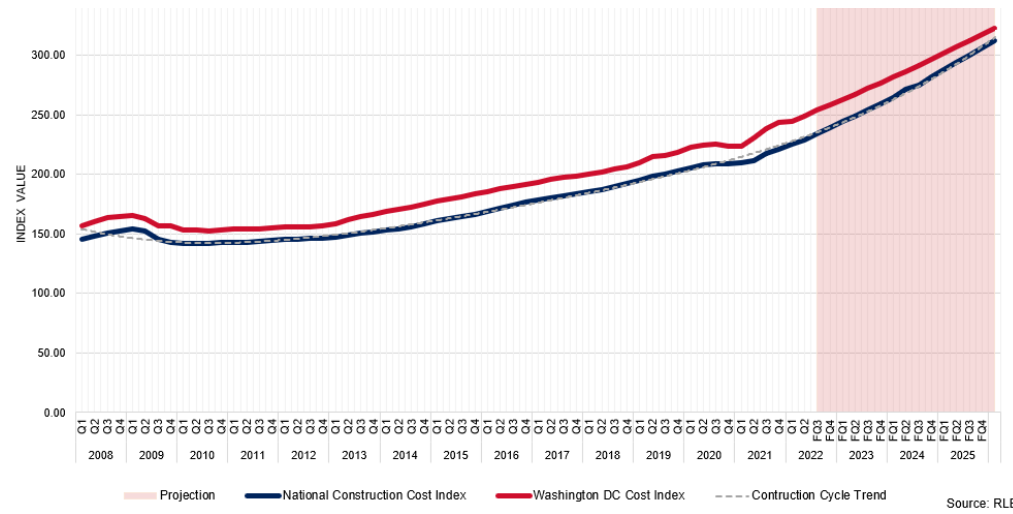
DON'T MISS OUT ON FUTURE INSIGHTS!



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

This chart compares our National Construction Cost Index with local escalation, the construction cycle trend, and provides our projection through 2025.

WHAT THIS MEANS FOR YOU

With material costs rising and equipment lead time constraints, we encourage our clients to consider early release packages for identified long-lead items. Consider the use of alternative materials to help alleviate current high-dollar items. Do not let the current volatile market deter you from proceeding with your projects. Delaying projects has proven to be more costly than waiting for the market to stabilize.