

MEET YOUR LOCAL EXPERT



PETER KNOWLES FRICS
Executive Vice President
Denver, Colorado

Peter Knowles is a recognized expert in the field of construction cost management with over 35 years of industry experience. As a degreed Quantity Surveyor, he has assisted owners, design professionals & lenders in the control of cost & time aspects of their projects so they can realize the most efficient, cost conscious, & environmentally sustainable project results.

Let's connect!

T: +1 720 904 1480

E: peter.knowles@us.rlb.com

in /in/peter-knowles-frics-82b92545

RLB.com

COST CONSIDERATIONS THINGS TO WATCH OUT FOR



CONSTRUCTION OUTLOOK The Denver City Council approved the “Expanding Housing Affordability” Policy in June resulting in an increase of Mutli-Family and Mixed-Use construction. The vast majority of the tower cranes currently within the River North and Denver Metro neighborhoods are for residential developments.



EMERGING SECTOR TRENDS We anticipate Denver will see a spike in the Office and Industrial sectors due to companies like Microsoft and Dollar General purchasing a collective total of 335 acres of land near the Denver International Airport.



CONSTRUCTION ENVIRONMENT Many of the construction trades are still majorly impacted by labor shortages. Most are noticing a decline in apprentices or journeyman within the industry, resulting in an increasingly smaller labor market saturated by experts at higher rates. In addition, the nationwide ration of cement delivery has caused major project distrubtions due to the lack of concrete.



ADVICE ON THE CURRENT MARKET Clients should be conscious of the material shortages and long lead times, specifically for MEP equipment, to make sure they are budgeting correctly and discussing early procurements and schedule extensions with their General Contractor as soon they are selected for the project.

CONSTRUCTION COST DRIVERS

SELECT MATERIALS	APPROX. CHANGE FROM Q2 2022
Rebar	▲ 2.3%
Structural Steel	▼ -2.2%
Ready-Mix Concrete	▼ -0.7%
Lumber	▼ -39.7%
Copper	▼ -2.1%
Plumbing Fixtures	▼ -1.6%
Diesel	▲ 27.5%

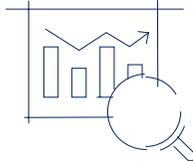
CITY COST INDEX



PROJECTED MARKET TRENDS

9.01%
Denver YOY
escalation rate

8.28%
National YOY
escalation rate



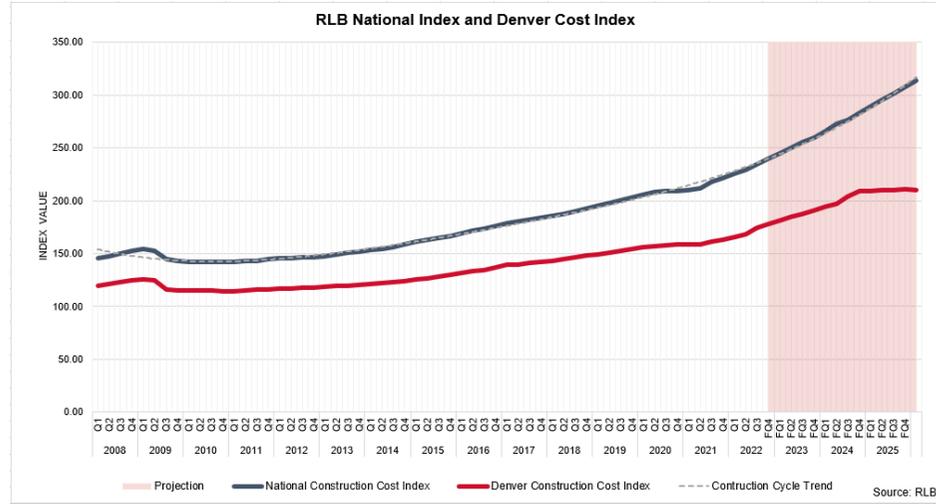
CONSTRUCTION COST INDEX, ESCALATION, AND TRENDS

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



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

The Denver market has observed a year-over-year construction cost escalation high of 9.01%. While supply chains and labor shortages are still effecting the market, we fully expect the material demands to slowly decrease over the next few years. The aftermath of COVID is becoming less noticeable to the market. While there are still labor shortages and material supply chain disruptions, new and existing projects are still proceeding within Denver.