

## MEET YOUR LOCAL EXPERT



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*Aled Jenkins has 22 years of experience managing major capital project portfolios for high profile clients in multiple countries such as USA, UK, and UAE. Aled is responsible for the delivery of cost management services to our valued client base within the Los Angeles region.*

*Let's connect!*

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## COST CONSIDERATIONS THINGS TO WATCH OUT FOR



**EMERGING SECTORS** Aviation and infrastructure continues to emerge above others and all types of residential activity remains strong. Los Angeles historically is not a walkable city, and the focus now is connecting neighborhoods together in different ways. The housing shortage is still a big focus, including affordable housing, senior living, student living, and single family.



**SUPPLY CHAINS AND LABOR** Supply chains for construction materials and equipment are still causing the construction industry concern. The ports of Los Angeles and Long Beach has experienced major issues with labor shortages, although this has started to correct itself, it's average cargo delay is still 8 days.

Nationally, labor shortages and unforeseen surges in demand are affecting costs for commodity materials and prices are still increasing although one or two are leveling off, such as lumbar and aluminum sheet.



**CLIMATE CHANGE** Growing threats of wildfires and droughts are putting pressure on ways to mitigate climate change within the AEC Industry, including water conservation efforts and clean energy.

### CONSTRUCTION COST DRIVERS

SELECT MATERIALS	APPROX. INCREASE FROM Q2 2022
Rebar	▲ 2.2%
Structural Steel	▼ -2.3%
Ready-Mix Concrete	▼ -0.8%
Lumber	▼ -39.8%
Copper	▼ -2.2%
Plumbing Fixtures	▼ -1.8%
Diesel	▲ 27.4%

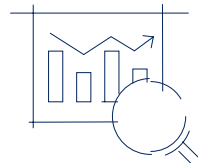
### CITY COST INDEX



### PROJECTED MARKET TRENDS

**7.29%**  
Los Angeles YOY  
escalation rate

**8.28%**  
RLB YOY  
escalation rate



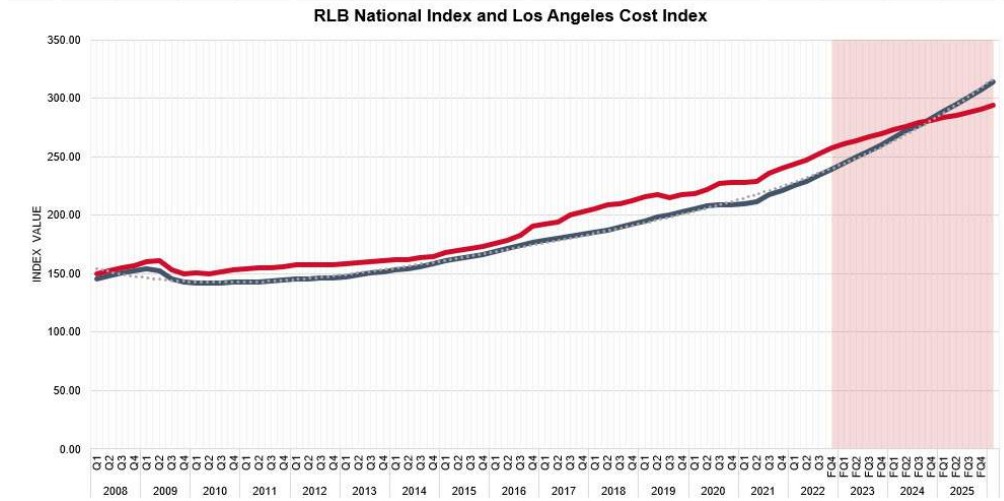
**DON'T MISS OUT ON  
FUTURE INSIGHTS!**



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

The early stages of the pandemic in 2020 show a steep decline in cost of construction mainly related to the decrease in new projects starting during that period. 2021 is marked by a huge increase in demand and a crippled supply chain leading to a spike in construction costs. This year will show slightly lower construction volume when compared to 2019, but supply chains should start to correct themselves leading to more predictable cost trends barring any societal disruptions from another major variant and subsequent lockdowns.