

MEET YOUR LOCAL EXPERT



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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!

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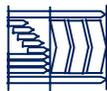
COST CONSIDERATIONS THINGS TO WATCH OUT FOR



MARKET TREND We continue to observe construction cost escalation, but it has been increasing at a slower rate than what was observed in the last few quarters.



MATERIAL COST Over the last quarter most construction materials have reduced in cost, with the exception of Diesel fuel. This trend is helping to reduce the volatility of material pricing of the past months and we predict that this trend will continue into the new year.



CONSTRUCTION SCHEDULE Supply chains for construction materials and equipment are still causing general contractors, owners, and developers concern, especially when it comes to construction scheduling. To assist in alleviating the effects, the general contractor can procure products and materials much earlier than typically expected. These materials and products can be stored offsite and then deployed whenever they are needed on site based on the construction schedule.

CONSTRUCTION COST DRIVERS

MATERIALS	APPROX. CHANGE FROM Q2 2022
Structural Steel	▼ -2.3%
Rebar	▼ 2.2%
Lumber	▼ -39.8%
Copper	▼ -2.2%
Plumbing Fixtures	▼ -1.7%
Diesel	▲ 27.4%
Ready-Mix Concrete	▼ -0.8%

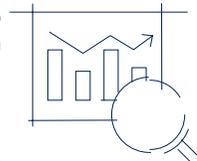
CITY COST INDEX



PROJECTED MARKET TRENDS

6.61%
San Francisco
YOY escalation

7.50%
National
YOY escalation



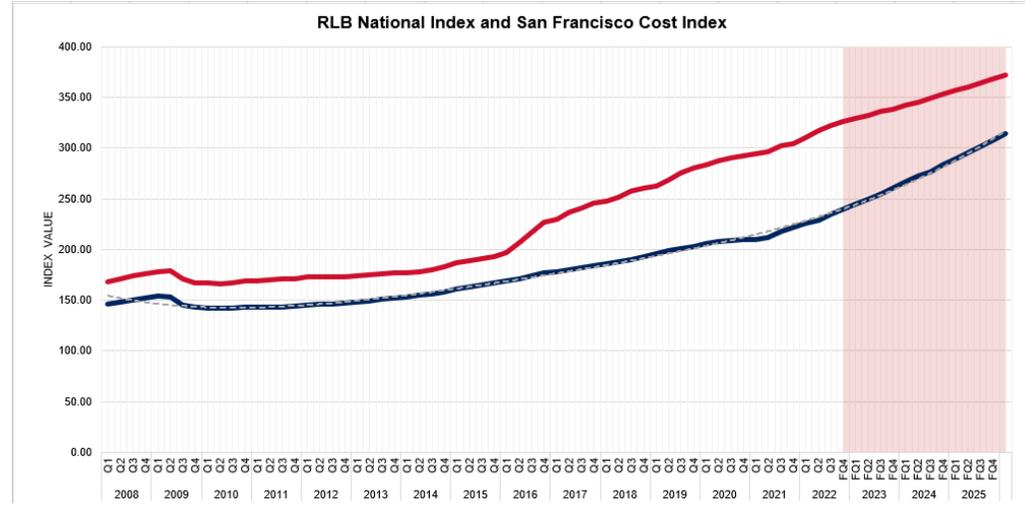
DON'T MISS OUT ON FUTURE INSIGHTS!



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.

SCAN TO SUBSCRIBE

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.