

## MEET YOUR LOCAL EXPERT



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*With over 40 years of experience in the construction industry, Chris is an expert in the field of cost management. He assists owners, design professionals and lenders in controlling the financial and time aspects of their projects.*

*Let's connect!*

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## COST CONSIDERATIONS THINGS TO WATCH OUT FOR



**CURRENT CONSTRUCTION PROJECTS** We see more office and residential development expanding in Fulton Market and little new development in the Loop.



**UP-AND-COMING** Private development in the city will be focused on interior office fit-out, renovation, and a need to re-purpose empty office space, providing opportunities to colleges and apartments. The city itself is strengthening its infrastructure with another revitalized CTA station, while the suburbs METRA link stations will also see significant upgrades. The schools program continues with renovation of old stock and new schools required to meet the moving population. Health clinics, both private and public, are expanding and upgrading.



**BIDDING ENVIRONMENT** The suburbs continue to see large box warehouse facilities. Traditional city or state funded projects continue along competitive GC lines. Whereas private projects are more inclined to negotiated GMP contracts. The lack of staff and materials is affecting schedule and causing owners to make early decisions on incomplete design, exacerbating the risk.

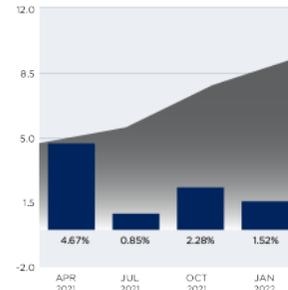


**PROCUREMENT** All indications are that the construction market is growing coming out of the pandemic. However, the result of labor and staff shortages along with material delays continues to frustrate procurement. The latest war is seriously affecting transportation fuel costs and heavy civil projects needing major machinery. Stainless steel and similar materials requiring nickel will be affected by the spike in cost and new COVID and Chinese port closures will slow material delivery.

### CONSTRUCTION COST DRIVERS

SELECT MATERIALS	APPROX. INCREASE FROM Q4 2021
Rebar	▲ 2.6%
Structural Steel	▲ 1.7%
Ready-Mix Concrete	▲ 0.5%
Lumber	▲ 38.8%
Copper	▲ 1.3%
Plumbing Fixtures	▲ 2.8%
Diesel	▲ 4.1%

### CHICAGO COST INDEX



### PROJECTED MARKET TRENDS

**9.61%**  
Chicago YOY  
escalation rate

**8.04%**  
National YOY  
Escalation rate



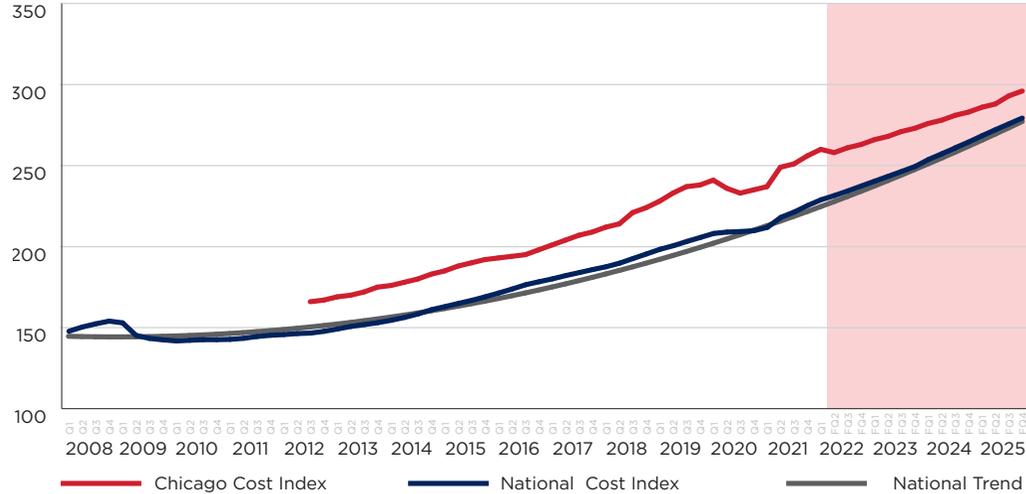
**DON'T MISS OUT ON  
FUTURE INSIGHTS!**



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

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

### WHAT THIS MEANS FOR YOU

The graph shows that construction costs in Chicago 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.