

MEET YOUR LOCAL EXPERT



DANIEL JUNGE
Associate Principal
Portland, Oregon

Dan Junge is a Associate Principal and Senior Cost Manager. He is an AACE Certified Estimating Professional (CEP) and Certified Cost Technician (CCT) with more than 15 years of experience in the construction industry.

Let's connect!

T: +1 503 226 2730

E: daniel.junge@us.rlb.com

RLB.com

COST CONSIDERATIONS THINGS TO WATCH OUT FOR



COVID-19 RECOVERY The economy in Portland is improving despite having among the nation's strictest COVID-19 restrictions until very recently. These restrictions will continue to abate in 2022 and COVID-19 should not be a significant factor going forward.



INDUSTRY IMPACTS Qualified labor is in short supply for both designers and contractors. The lack of skilled subcontractor labor will create upward pressure on construction costs this year. Inflation is also impacting producer prices, although these price increases have not been completely absorbed by owners.



LOOKING FORWARD As the local AEC industry recovers, we advise to bring cost consultants - such as RLB - on board to the project team as early as possible. Doing so will identify cost risks and opportunities within your projects. As well it will assist in identifying long lead items and implementing a procurement strategy as early as possible, to reduce the possibility of schedule delays.

CONSTRUCTION COST DRIVERS

| SELECT MATERIALS | APPROX. INCREASE FROM Q4 2021 |
|--------------------|-------------------------------|
| Rebar | ▲ 2.6% |
| Structural Steel | ▲ 1.7% |
| Ready-Mix Concrete | ▲ 1.5% |
| Lumber | ▲ 38.8% |
| Copper | ▲ 1.3% |
| Plumbing Fixtures | ▲ 2.8% |
| Diesel | ▲ 4.1% |

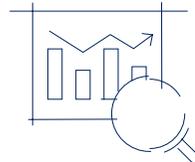
CITY COST INDEX



PROJECTED MARKET TRENDS

8.40%
Portland YOY
escalation rate

8.04%
RLB YOY
escalation rate



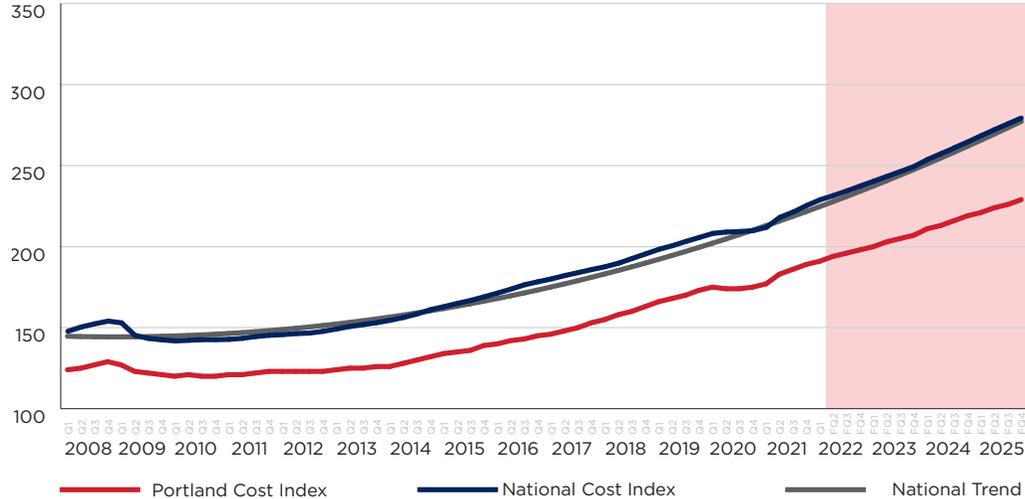
DON'T MISS OUT ON FUTURE INSIGHTS!



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

RLB expects that the national and local construction cost index will rise at a steady rate over the next three years, staying in line with the construction cycle trend.

WHAT THIS MEANS FOR YOU

Activity in the market continues to rebound from the lows of early 2021; Architectural Billings Index for Portland has softened in the last two months relative to the Fall, but remain positive (ABI of 50 or more). Moving into 2023, with increasing public investment in infrastructure and institutional work, we anticipate an increase in projects.

Our outlook for Portland moving to 2024-25 is positive but could improve further if the residential market improves. Some major local aviation projects and numerous K-12 projects will be under construction during this period, which we expect may strain the local subcontractor labor pool.