

**MEET YOUR LOCAL EXPERT**



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*Kirk manages the Washington, DC office.*

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**COST CONSIDERATIONS THINGS TO WATCH OUT FOR**



**MATERIAL PROCUREMENT** The Washington DC market is still seeing delays in material procurement. This is due to shipping constraints and labor shortages. Project schedules are being pushed out longer, and contractors are forced to issue packages early to meet project schedules.



**UP-AND-COMING** Residential and mixed-use projects are by far the busiest in the Washington, DC metropolitan region with K-12 and higher education projects continuing to see an uprise in activity.



**BIDDING ENVIRONMENT** The bidding environment continues to be non-competitive, as the market is saturated with new projects; with the on-going labor shortages, the cost of projects continues to rise. Sub-contractor availability continues to remain limited.



**INFRASTRUCTURE** The new trillion dollar bi-partisan infrastructure bill was passed into law in November. The legislation will put \$110 billion into roads, bridges, and other major projects. It will invest \$66 billion in freight and passenger rail, including potential upgrades to Amtrak. It will direct \$39 billion into public transit systems.

**CONSTRUCTION COST DRIVERS**

MATERIALS	APPROX. CHANGE Q4 2021-Q1 2022
Rebar	▲ 7.0%
Structural Steel	▲ 0.9%
Ready-Mix Concrete	▲ 1.8%
Lumber	▲ 39.9%
Copper	▼ -3.3%
Plumbing Fixtures	▲ 0.7%
Diesel	▲ 4.1%

**CITY COST INDEX**



**PROJECTED MARKET TRENDS**

**8.15%**  
DC YOY  
escalation rate

**8.04%**  
National YOY  
escalation rate



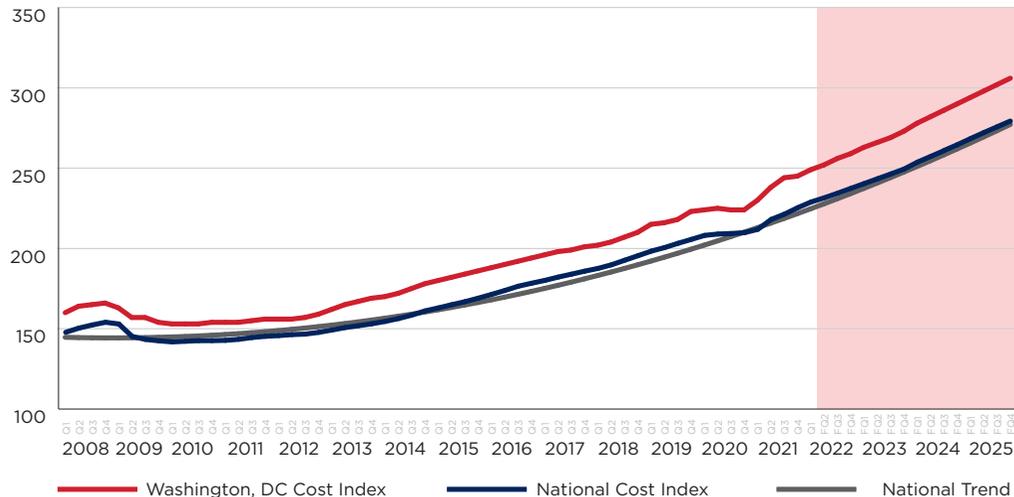
**DON'T MISS OUT ON  
FUTURE INSIGHTS!**



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.

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## 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

Based on the current market, here is some advice: consider early release and pre-purchase packages, identify long-lead items, develop strategic cost planning with potential value engineering, strategize material selection and be flexible to alternatives, and review contract language.