

MEET YOUR LOCAL EXPERT



ALED JENKINS

Associate Principal
Los Angeles, California

Aled Jenkins has 21 years' 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!

T: +1 213 689 1103

E: aled.jenkins@us.rlb.com

in /in/aled-jenkins-071226133/

RLB.com

COST CONSIDERATIONS THINGS TO WATCH OUT FOR



SUPPLY CHAINS AND LABOR Supply chains for construction materials and equipment are still causing owners/developers major concern. The ports of Los Angeles and Long Beach, a significant - if not the largest thoroughfare for international economic trade - have experienced issues with labor shortages, although this has started to correct itself and the back-up is starting to ease.



Nationally, labor shortages and unforeseen surges in demand are affecting costs for commodity materials such as structural steel, copper for plumbing and electrical works, and lumber. Some prices are still increasing, some have held, but most of them are much higher than pre-COVID.



EMERGING SECTORS include multi-family residential, affordable housing and senior living. With the massive shortage of housing in the greater Los Angeles area, many developers are looking at the opportunity to expand those portfolios. Aviation and hospitality are increasing to meet rising travel and tourism demands, and sports venues are opening back up due to easing COVID restrictions.

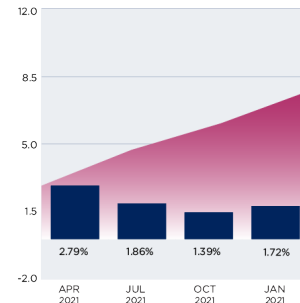


GROWING SECTORS include education (both K-12 and higher education), healthcare, infrastructure, all forms of residential, and the warehouse logistics sector.

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

7.99%
Los Angeles YOY
escalation rate

8.04%
RLB YOY
escalation rate



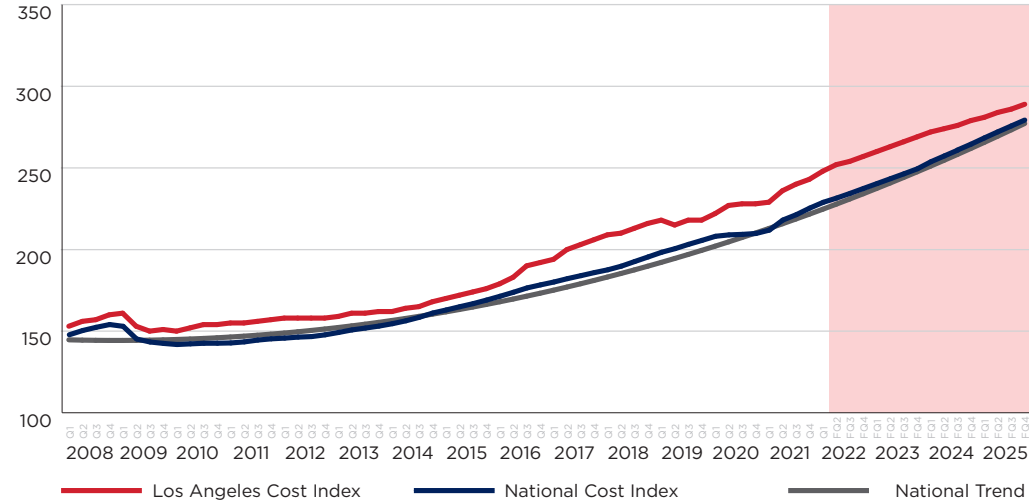
**DON'T MISS OUT ON
FUTURE INSIGHTS!**



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

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.