

## MEET YOUR LOCAL EXPERT



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*James leads the cost team in the San Francisco office. He has 15 years of experience working in the built environment, with the last 5 years being in the SF 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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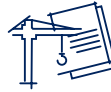
## COST CONSIDERATIONS THINGS TO WATCH OUT FOR



**UP-AND-COMING** We expect the industry to continue to grow, as projects and construction activities continue to grow. Looking ahead the San Francisco Bay Area market is seeing an increase in data centers, warehouse construction, and tenant improvements in line with companies return-to-office initiatives.



**BIDDING ENVIRONMENT** The busiest sectors in the San Francisco Bay Area market are currently multi-family residential as well as biotech and laboratories. Material and supply pricing as well as scheduling volatility continue to be major disruptors within the market.

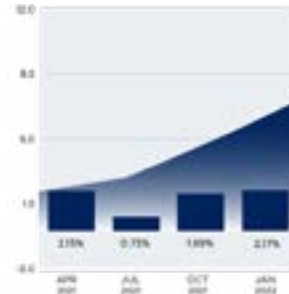


**PROCUREMENT** The procurement of the general contractor and subcontractor buyout continues to be important, as this can mitigate some logistics and cost issues. Another aspect is getting the architect to specify products that are in stock or available locally to reduce the effects of the global supply chain issues. The great news is that there are no direct delays connected with COVID-19 or issues due to public health initiatives, but global supply chain disruption continues to be an issue.

### CONSTRUCTION COST DRIVERS

MATERIALS	APPROX. CHANGE FROM Q3 2021
Structural Steel	▲ 1.7%
Rebar	▲ 2.6%
Lumber	▲ 38.8%
Copper	▲ 1.3%
Plumbing Fixtures	▲ 2.8%
Diesel	▲ 4.1%
Ready Mix Concrete	▲ 1.5%

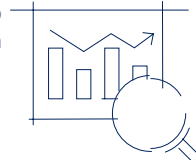
### CITY COST INDEX



### PROJECTED MARKET TRENDS

**7.22%**  
RLB SFO  
YOY escalation

**8.04%**  
RLB National  
YOY escalation



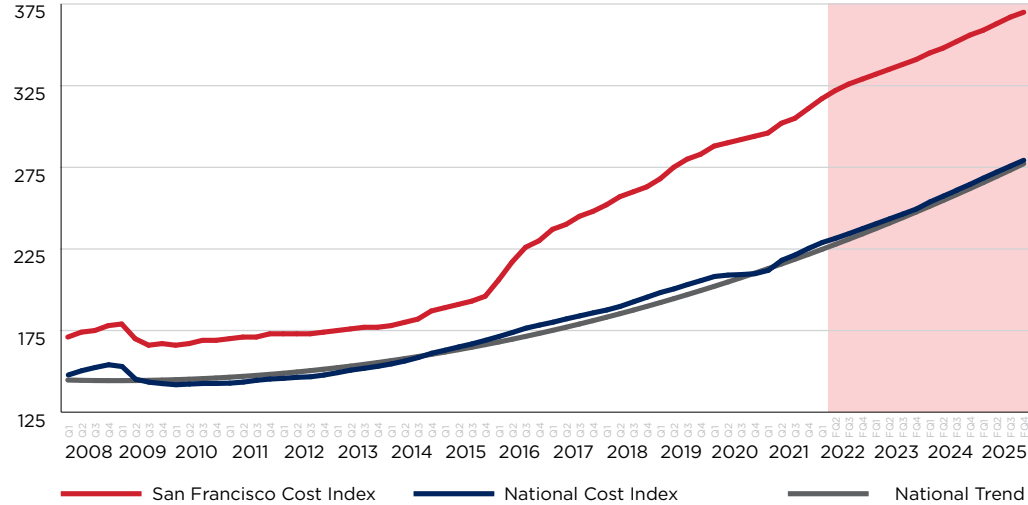
**DON'T MISS OUT ON FUTURE INSIGHTS!**



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**

The graph shows that 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.