

## MEET YOUR LOCAL EXPERT



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*Let's connect!*

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## COST CONSIDERATIONS THINGS TO WATCH OUT FOR



**LOOKING AHEAD** There is a large volume of ongoing and planned work in our market, but high cost escalation is straining owner budgets. However, cost escalation in Portland year-over-year is 9.35%. Continued escalation threatens to make some projects financially unfeasible. If cost escalation does not begin to abate, then market could see a plateau or decline in 12-24 months, as owners cannot absorb rampant escalation indefinitely.



**LET'S TALK INFRASTRUCTURE** Infrastructure spending by local, state, and federal entities continues to boost that sector in the Portland market. Government continues to spend significant amounts to improve local roads, bridges, mass transit, and right-of-ways. Several large projects such as the Columbia River Crossing Interstate Bridge Replacement and the Interstate 5 Rose Quarter Improvement Project continue to progress through the planning stage.

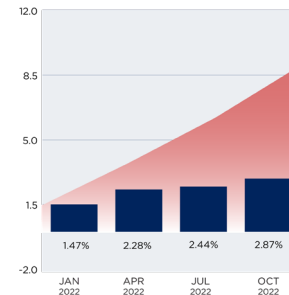


**OUR ADVICE** Whenever possible, utilize and faithfully implement a Target Value Design process to control costs. This requires buy-in from all stakeholders and a formal, iterative process to establish, monitor, and adjust budget targets throughout design.

### CONSTRUCTION COST DRIVERS

SELECT MATERIALS	APPROX. INCREASE FROM Q3 2022
Rebar	▼ -15.8%
Structural Steel	▼ -3.6%
Ready-Mix Concrete	▼ -7.4%
Lumber	▼ -33.4%
Copper	▲ 2.0%
Plumbing Fixtures	▼ -10.2%
Diesel	▼ -26.2%

### CITY COST INDEX



### PROJECTED MARKET TRENDS

**9.36%**

Portland YOY escalation rate

**8.35%**

RLB YOY escalation rate



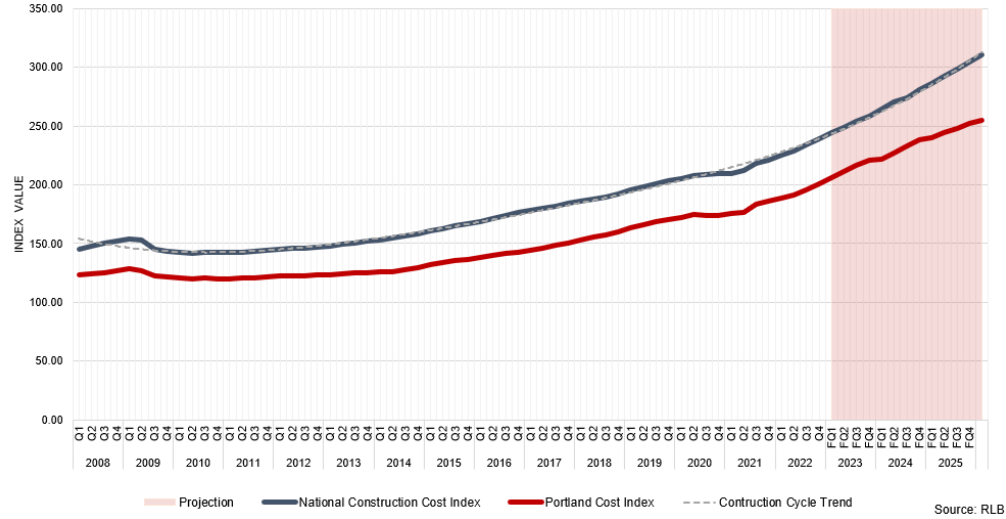
**DON'T MISS OUT ON FUTURE INSIGHTS!**



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 2021. As we are moving into 2023 with increasing public investment in infrastructure and institutional work, we anticipate a gradual upward trend.

Our outlook for Portland moving to 2024-25 is positive but the residential market cannot keep pace with demand. 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.

Source: RLB