



2025

Fourth  
Quarter

**QUARTERLY  
CONSTRUCTION  
COST REPORT**

# AT A GLANCE

NORTH AMERICA | Q4 2025



Paul Brussow  
President  
North America

## Progress is Underway, Just Not at Full Throttle

While many anticipated that economic uncertainty in 2025 would slow engagement across the construction industry, it didn't. Demand did not disappear, it merely became more selective. Owners and developers didn't exit the roadway; they simply became more deliberate about which lanes they chose and how fast they were willing to travel.

Overall construction spending softened slightly, down approximately 1.8% compared to the same period in 2024. That said, activity has varied significantly by sector. Commercial and institutional work has experienced more nominal movement, while data centers and megaprojects have remained robust and resilient - continuing to push forward at speed while other sectors eased off the accelerator.

Federal interest rates remained the primary factor influencing private-sector spending. October marked the first dip into the 3% range, followed by a 25-basis-point cut at the Federal Reserve's December 10 meeting. While rates stabilized by year-end, they remain higher than many in the private sector would prefer. As a result, lower rates at the close of 2025 are more likely to support refinancing efforts for projects already underway rather than to ignite a surge of new construction starts. In short, the engine is running, but many owners are waiting for clearer road conditions before pressing the gas.

The AEC industry once again demonstrates its ability to adapt, responding quickly to risks tied to political uncertainty, trade policy, and tariffs. Additionally, while universities, technical programs, and industry leaders are actively investing in the future skilled-labor

pipeline, these initiatives are still gaining traction and have not yet closed the gap between workforce supply and accelerating demand. This challenge has not resolved itself and remains a key contributor to cost and schedule delays. Owners should plan accordingly, leveraging schedule and cost expertise to navigate workforce availability, productivity constraints, and associated cost impacts.

Looking ahead to 2026, the weakened design pipeline remains a notable trend. The Architecture Billings Index (ABI) continues to sit below 50, signaling fewer new projects entering design and slower-than-anticipated progression of existing work. This lag upstream reinforces the broader pattern we've seen: projects are not stopping outright, but they are advancing cautiously, often at reduced speed.

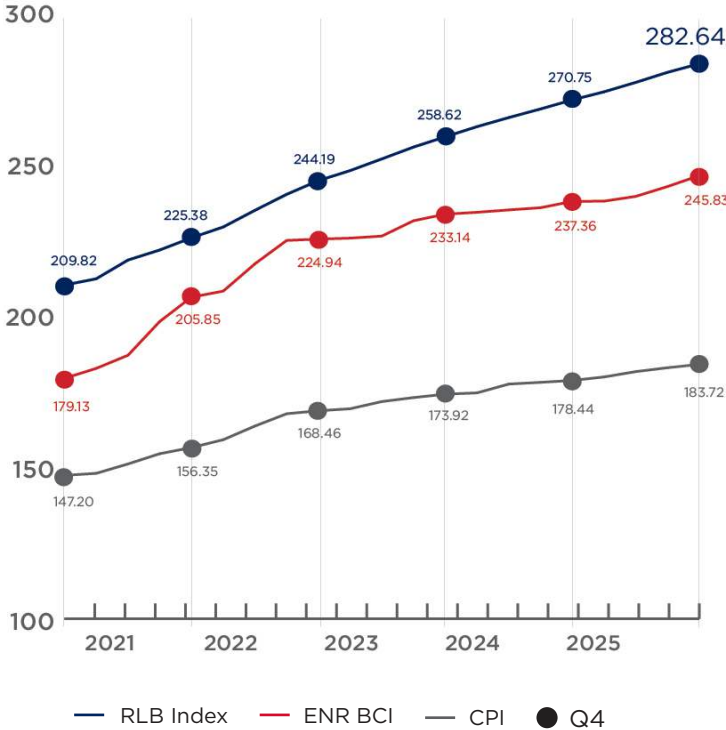
The takeaway from 2025 and into 2026 is clear: uncertainty can stall momentum, but it does not eliminate demand. Progress in the coming year will depend on the industry's ability to move decisively: continuing proactive-investment to resolve skilled-labor shortages; anticipating reductions in federal interest rates to unlock renewed private-sector investment; and proactively managing procurement bottlenecks and project backlogs.

As long as the collective foot hovers just above the gas pedal, the industry will continue to roll forward, steady, controlled, and without sharp setbacks. But meaningful acceleration will require commitment. Progress is underway - just not at full throttle - and the next phase will be defined by deliberate decisions about when, where, and how hard to accelerate.



# NATIONAL CONSTRUCTION COST INDEX

Welcome to the fourth quarter 2025 issue of the RLB Quarterly Cost Report! This issue contains data current to mid-Q4 2025.



Date	NCCI
Q4 2022	244.19
Q1 2023	247.49
Q2 2023	251.34
Q3 2023	255.24
Q4 2023	258.62
Q1 2024	262.00
Q2 2024	264.94
Q3 2024	267.77
Q4 2024	270.75
Q1 2025	273.41
Q2 2025	276.51
Q3 2025	279.82
<b>Q4 2025</b>	<b>282.64</b>

**\$2,169.5**  
billion

According to the U.S. Department of Commerce, construction-put-in-place during August 2025 was estimated at a seasonally adjusted annual rate of \$2,169.5 billion, which is

**0.2%**  
Above

the revised July estimate of \$2,165 billion, and

**1.6%**  
below

the August 2024 estimate of \$2,205.3 billion.

The National Construction Cost Index shows the changing cost of construction between October 2022 and October 2025, relative to a base of 100 in April 2001. Index recalibrated as of April 2011.

# FEATURE PROJECT

LAHAINA,  
HAWAII



## ROYAL LAHAINA RESORT

Royal Lahaina Resort & Bungalows, a beloved destination on Maui's Kaanapali Beach, recently underwent a comprehensive revitalization. The project refreshed 127 retro-chic bungalows, reimagined the welcoming lobby, and enhanced landscaping to deepen the resort's Hawaiian sense of place. Through thoughtful design and guest-focused improvements, the 27-acre property now offers a curated experience that fosters lasting memories and meaningful connections.

Once a retreat for Hawaiian royalty, the resort continues to serve its community. Following the 2023 Lahaina wildfires, it provided shelter and essential services to more than 1,000 displaced residents demonstrating the true spirit of hospitality and its commitment to care.

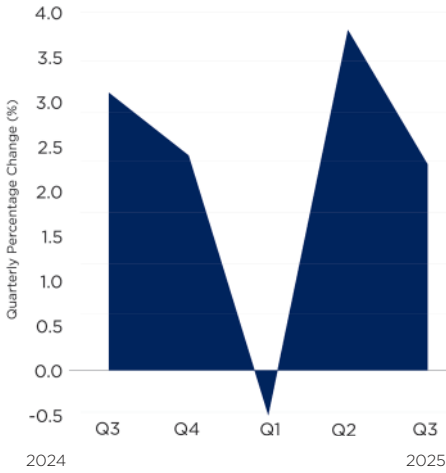
Rider Levett Bucknall (RLB) provided full Project Management and Cost Consultancy services for the revitalization of Royal Lahaina Resort & Bungalows, guiding strategic budgeting during preconstruction and coordinating stakeholders throughout delivery. The team's proactive approach and adaptability ensured the project stayed on track despite shifting priorities to support emergency relief efforts following the 2023 Lahaina wildfires. RLB's early involvement and consistent oversight were key to transforming this legacy property into a refreshed destination that serves both visitors and the Maui community.



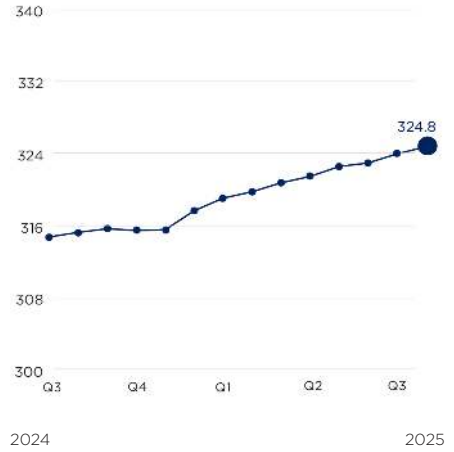


# KEY STATISTICS

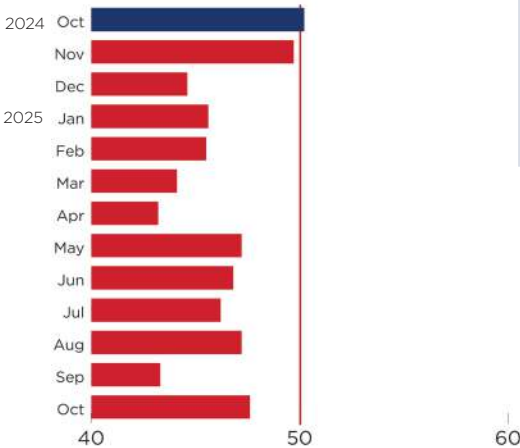
## Gross Domestic Product\* (GDP)



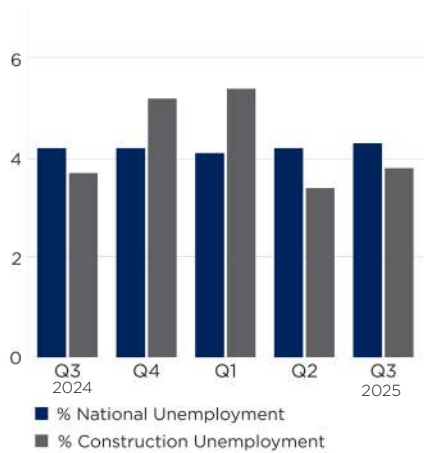
## Consumer Price Index (CPI)



## Architectural Billings



## Unemployment Comparison

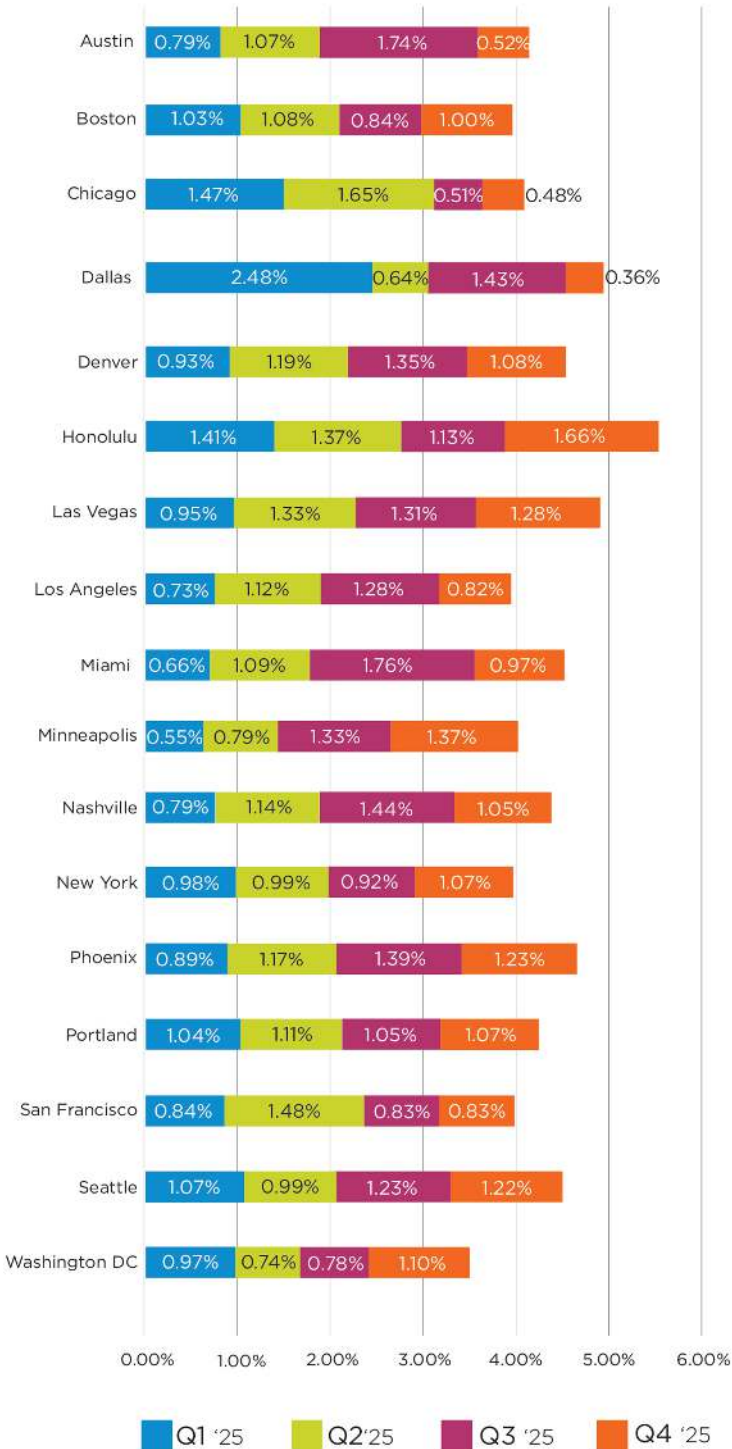


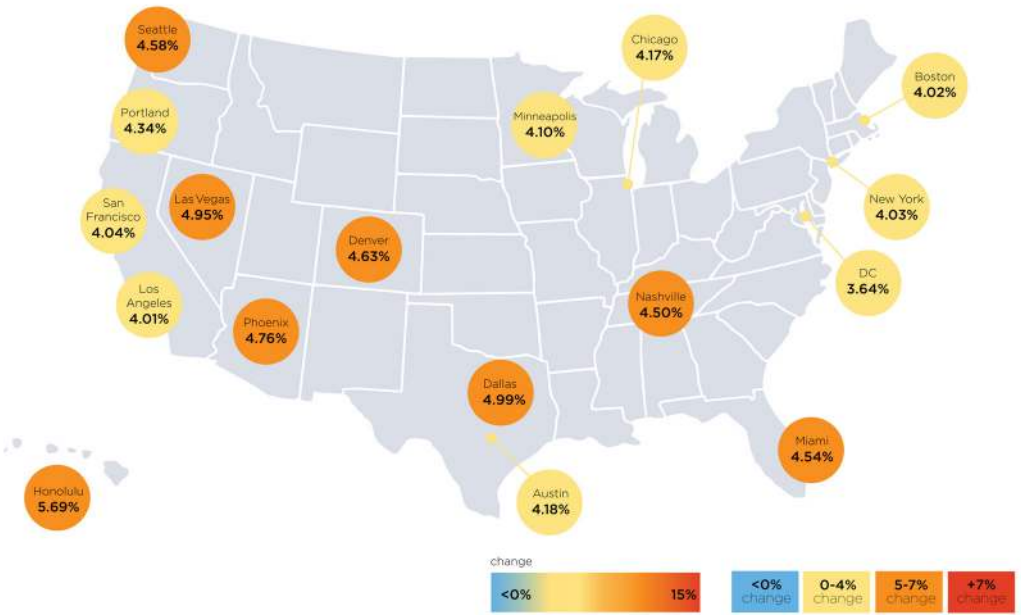
GDP represented in percent change from the preceding quarter, seasonally adjusted at annual rates. CPI figures represent the monthly value at the end of the quarter. ABI is derived from a monthly American Institute of Architects survey of architectural firms of their work on the boards, reported at the end of the period. Construction Put-in-Place figures represent total value of construction dollars in billions spent at a seasonally adjusted annual rate taken at the end of each quarter. General Unemployment rates are based on the total population 16 years and older. Construction Unemployment rates represent only the percent of experienced private wage and salary workers in the construction industry 16 years and older. National unemployment rates are seasonally adjusted, reflecting the average of a three-month period.

\* Adjustments made to GDP based on amended changes from the Bureau of Economic Analysis.  
 Sources: U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, American Institute of Architects.



# COMPARATIVE COST INDEX



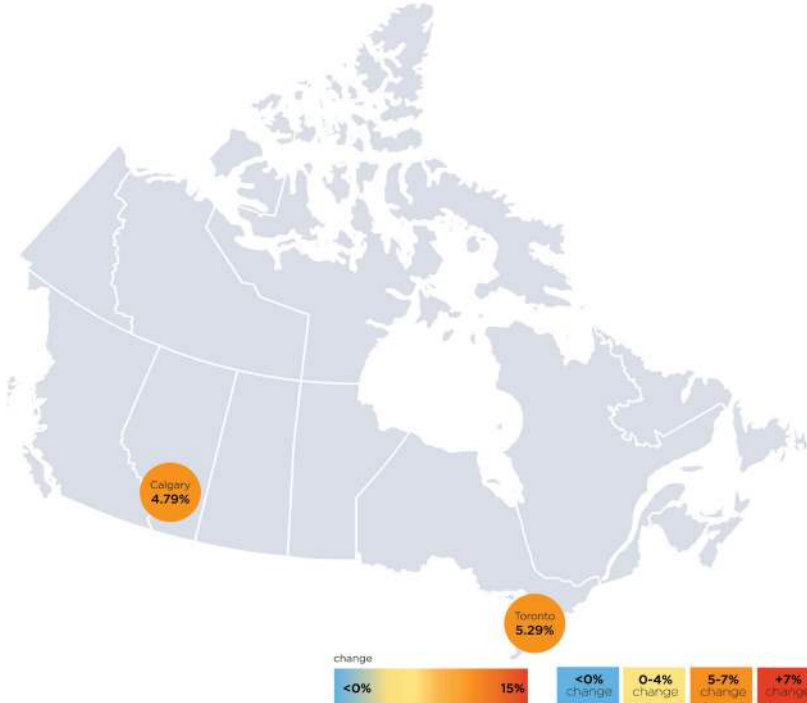


City	October 2024	January 2025	April 2025	July 2025	October 2025	Annual % Change
Austin	19,202	19,353	19,560	19,901	20,004	4.18%
Boston	31,672	32,000	32,346	32,619	32,944	4.02%
Chicago	32,670	33,151	33,697	33,870	34,032	4.17%
Dallas	19,315	19,794	19,922	20,207	20,280	4.99%
Denver	19,852	20,036	20,274	20,549	20,771	4.63%
Honolulu	31,906	32,356	32,798	33,170	33,721	5.69%
Las Vegas	19,619	19,806	20,069	20,331	20,592	4.95%
Los Angeles	28,731	28,942	29,265	29,640	29,884	4.01%
Miami	19,774	19,904	20,121	20,475	20,673	4.54%
Minneapolis	23,255	23,383	23,566	23,881	24,207	4.10%
Nashville	19,617	19,773	19,999	20,286	20,499	4.50%
New York	36,366	36,721	37,085	37,428	37,830	4.03%
Phoenix	20,518	20,700	20,942	21,232	21,494	4.76%
Portland	23,091	23,330	23,589	23,837	24,093	4.34%
San Francisco	36,076	36,378	36,916	37,223	37,533	4.04%
Seattle	26,162	26,442	26,703	27,030	27,360	4.58%
Washington, DC	29,293	29,576	29,796	30,029	30,359	3.64%

Comparative Cost Map Indicates percentage change between October 2024 to October 2025.



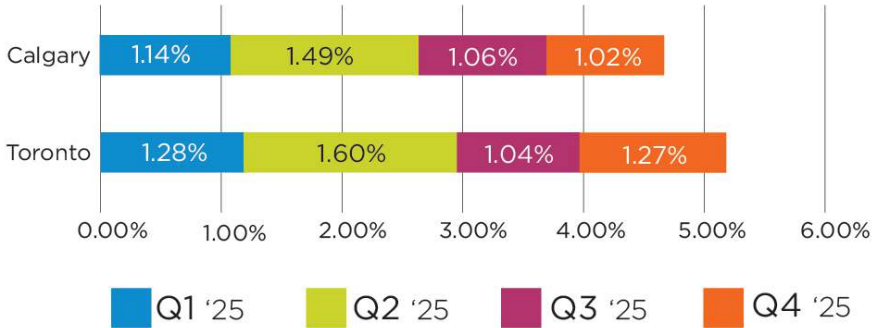
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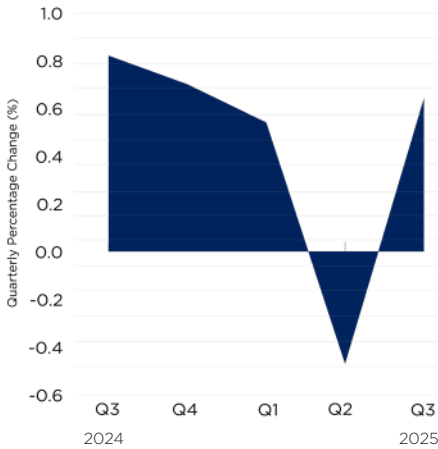
City	October 2024	January 2025	April 2025	July 2025	October 2025	Annual % Change
• Calgary	27,163	27,474	27,882	28,178	28,465	4.79%
• Toronto	35,952	36,413	36,995	37,379	37,853	5.29%

Alberta's economy is projected to grow by 1.9% in 2025 and 2.1% in 2026, outpacing the national average. Population growth is slowing but remains stronger than the rest of Canada, with 170,000 new residents expected over two years, supporting consumer spending and housing demand. Housing starts are forecast to hit a record 55,000 in 2025 as builders respond to migration, with home sales projected to grow nearly 10% next year. Year-to-date starts are up 22% compared to Q3 2024, driven by a 29% increase in multi-unit dwellings and an 8% rise in single-unit construction. Calgary leads in housing starts per 10,000 residents. Non-residential construction intentions rose at the end of Q3, with permit values up 31% year-to-date, fueled by a 142% increase in Institutional & Governmental projects, particularly schools.

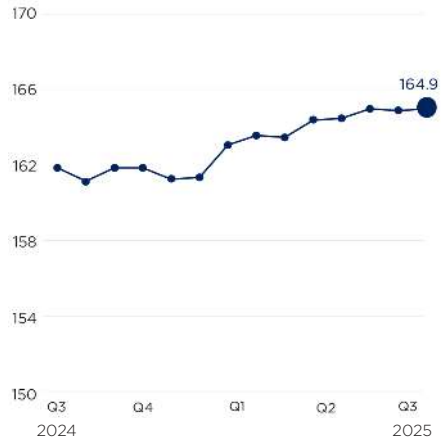
In Ontario, condominium construction faces challenges but shows signs of recovery. Existing home sales surged 25% in Q3 from Q1 lows, and GTA condo resales are up 30% since March. While overall activity remains low and supply high, demand is trending upward, supported by more rental starts and government incentives. Toronto's rental apartment construction outperformed condos but fell 8% year-over-year. Meanwhile, GTA retail grew 12%, with investors favoring food-anchored properties. Ontario also announced a \$56 billion, decade-long healthcare plan to support over 50 hospital projects and add 3,000 beds.



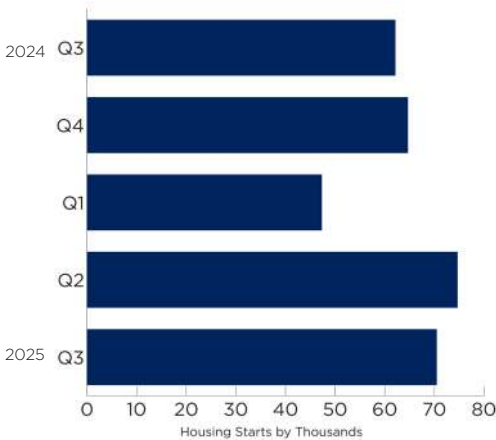
## KEY STATISTICS



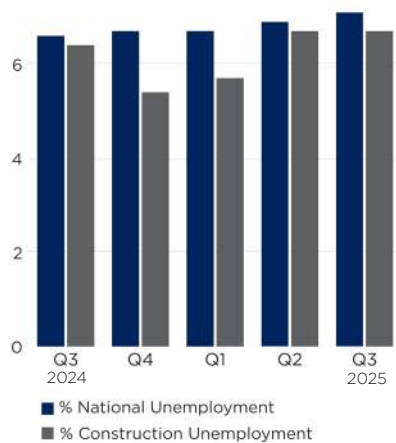
Gross Domestic Product\* (GDP)



Consumer Price Index (CPI)



Housing Starts



Unemployment Comparison



# INDICATIVE CONSTRUCTION COSTS

LOCATION	OFFICES				RETAIL SHOPPING				HOTELS				HOSPITAL	
	PRIME		SECONDARY		CENTER		STRIP		5 STAR		3 STAR		GENERAL	
	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH
<b>USA</b>														
Austin	250	420	165	225	200	330	190	255	425	580	300	445	475	670
Boston	455	705	270	405	250	405	175	280	475	805	330	555	605	1110
Chicago	345	570	215	350	215	460	170	280	520	800	380	510	450	920
Dallas	255	430	160	230	205	340	190	260	435	595	305	450	480	685
Denver	350	575	250	350	200	360	200	275	460	665	320	475	700	1000
Honolulu	385	645	245	375	305	615	285	465	735	880	420	665	565	950
Las Vegas	280	495	200	265	175	670	160	360	440	810	260	445	555	665
Los Angeles	270	410	210	300	190	400	160	230	435	675	310	415	695	1055
Miami	255	435	165	235	210	345	180	280	460	620	320	420	495	700
Minneapolis	420	685	295	420	240	420	240	325	545	745	385	565	830	1190
Nashville	360	595	260	360	210	360	195	285	470	645	330	435	710	980
New York	415	960	240	595	355	715	375	755	515	775	375	515	640	975
Phoenix	265	455	175	240	215	360	125	210	425	660	225	340	515	725
Portland	325	425	305	400	325	425	300	375	550	725	425	550	1000	1300
San Francisco	460	800	360	580	320	550	275	500	580	1020	430	660	750	1500
Seattle	370	660	245	340	275	445	210	335	485	735	340	485	650	920
Washington, D.C.	340	565	235	370	185	330	150	250	435	675	285	445	520	930
<b>CANADA</b>														
Calgary	295	440	250	300	245	335	145	215	320	495	240	275	715	970
Toronto	310	505	260	360	235	490	190	245	440	815	270	320	645	1005

## DODGE MOMENTUM INDEX (DMI) & RLB NCCI

The bar chart to the right is the Dodge Data & Analytics 'Momentum Index' (DMI). This index is a monthly measure of the initial report for nonresidential building projects in planning that has been shown to lead construction spending for non-residential buildings for a full year.

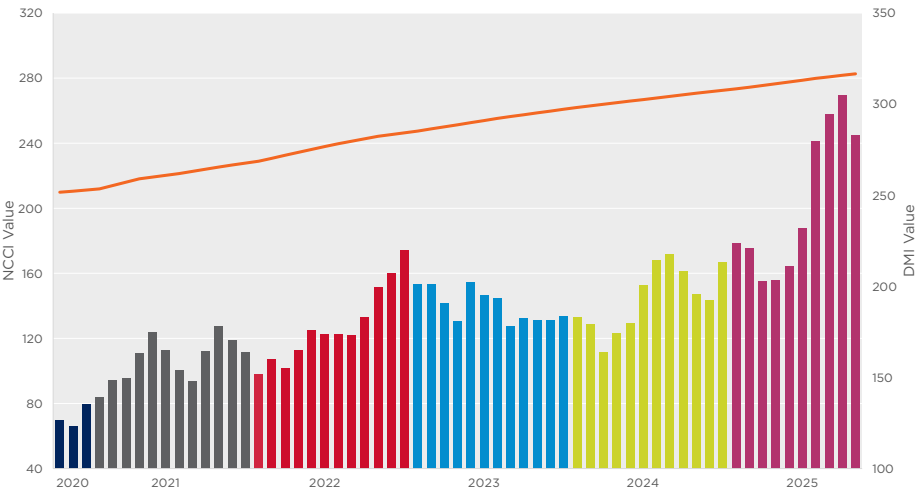
The orange line above the bar chart is Rider Levett Bucknall's National Construction Cost Index (NCCI) (see page 2 of the QCR). The NCCI represents the average escalation of costs across U.S. 17 cities, representing the hypothetical change in bid pricing across cities measured that quarter

The DMI decreased in October following significant growth during the summer and early fall. However, activity remains strong overall, particularly in the data center and hospital sectors. When compared to October of last year, planning activity increased by 52 percent. On a year-over-year basis, RLB's NCCI climbed 4.4 percent from 270.75 to 282.64. This means the NCCI is trending downward from 4.7 percent a year earlier.

Despite the general slowdown, numerous nonresidential projects worth \$100 million or more began planning throughout October, preserving the significant pipeline of large-scale initiatives. Commercial activity decreased for warehouses and hotels, but planning remained strong for data centers, traditional offices, and retail stores. Continued deceleration is expected in the coming months due to rising macroeconomic risks and the Federal Reserve's cautious monetary policy stance.

The data in the chart below represents estimates of current building costs in each respective market. Costs may vary as a consequence of factors such as site conditions, climatic conditions, standards of specification, market conditions, etc. Values of U.S. locations represent hard construction costs based on U.S. dollars per square foot of gross floor area, while values of Canadian locations represent hard construction costs based on Canadian dollars per square foot.

INDUSTRIAL		PARKING				RESIDENTIAL				EDUCATION					
WAREHOUSE		GROUND		BASEMENT		MULTI-FAMILY		SINGLE-FAMILY		ELEMENTARY		HIGH SCHOOL		UNIVERSITY	
LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH
75	150	115	190	165	260	180	270	190	515	275	390	310	475	420	645
130	220	110	165	140	190	285	390	305	430	595	675	625	800	650	900
150	240	100	150	165	285	210	480	285	570	320	480	370	510	450	910
75	150	115	190	165	265	185	275	195	520	280	400	315	480	430	660
130	205	125	200	175	280	210	375	240	475	375	500	400	610	650	900
145	290	180	235	205	315	300	505	335	625	565	930	585	790	725	1060
80	170	80	110	105	200	210	500	245	495	455	565	540	740	705	930
145	220	120	150	165	225	265	435	235	415	415	540	355	625	515	705
80	150	125	195	170	285	185	285	195	530	290	410	320	495	435	675
150	235	150	240	210	330	240	425	275	555	390	565	475	725	775	1070
130	205	130	210	185	290	210	365	240	475	335	485	410	630	645	725
145	240	115	210	170	250	250	490	355	715	550	695	595	765	585	840
85	160	60	115	95	170	195	290	205	555	295	425	335	515	455	695
275	350	275	325	300	375	325	415	305	450	600	750	750	1000	750	1000
150	255	130	205	250	350	400	640	330	580	650	950	700	1100	750	1200
185	255	140	205	215	310	285	485	265	410	450	675	385	675	595	810
130	215	75	100	90	155	215	360	270	395	390	595	405	610	490	740
115	175	95	130	100	155	215	300	325	470	270	370	275	380	355	535
140	200	130	175	170	235	265	335	330	650	285	350	285	375	325	580



If you have questions or for more information, please contact us.

#### **AUSTIN**

Phone: +1 817 821 9624  
E-mail: AUS@us.rlb.com  
Contact: Melissa Jones

#### **BOSTON**

Phone: +1 617 737 9339  
E-mail: BOS@us.rlb.com  
Contact: Michael O'Reilly

#### **CALGARY**

Phone: +1 403 571 0505  
E-mail: YYC@ca.rlb.com  
Contact: Himanshu Bhagat

#### **CHARLOTTE**

Phone: +1 336 926 2550  
E-mail: CLT@us.rlb.com  
Contact: Johnnie Sheppard

#### **CHICAGO**

Phone: +1 312 819 4250  
E-mail: ORD@us.rlb.com  
Contact: Warren Todd

#### **DALLAS**

Phone: +1 945 527 1544  
E-mail: DFW@us.rlb.com  
Contact: Sandra Akmansoy

#### **DENVER**

Phone: +1 720 904 1480  
E-mail: DEN@us.rlb.com  
Contact: Jordan Miller

#### **HILO**

Phone: +1 808 934 7953  
E-mail: ITO@us.rlb.com  
Contact: Erin Kirihara

#### **HONOLULU**

Phone: +1 808 521 2641  
E-mail: HNL@us.rlb.com  
Contact: Erin Kirihara  
Cassie Idehara

#### **KANSAS**

Phone: 1 808 383 5244  
E-mail: MCI@us.rlb.com  
Contact: Paul Brussow

#### **LAS VEGAS**

Phone: +1 702 227 8818  
E-mail: LAS@us.rlb.com  
Contact: Kevin Mitchell

#### **LOS ANGELES**

Phone: +1 213 689 1103  
E-mail: LAX@us.rlb.com  
Contact: TJ McNulty

#### **MAUI**

Phone: +1 808 875 1945  
E-mail: OGG@us.rlb.com  
Contact: Paul Belshoff

#### **MIAMI**

Phone: +1 305 924 6531  
E-mail: MIA@us.rlb.com  
Contact: Charles O'Loughlin

#### **MINNEAPOLIS**

Phone: +1 480 349 1280  
E-mail: MSP@us.rlb.com  
Contact: Jesse Zunke

#### **NASHVILLE**

Phone: +1 615 739 2254  
E-mail: BNA@us.rlb.com  
Contact: Chris Willis

#### **NEW YORK**

Phone: +1 646 821 4788  
E-mail: NYC@us.rlb.com  
Contact: David Eivers

#### **PHOENIX**

Phone: +1 602 443 4848  
E-mail: PHX@us.rlb.com  
Contact: Paul Brussow  
Scott Macpherson  
John Jozwick  
Scott Summers  
Joel Brown

#### **PORTLAND**

Phone: +1 503 226 2730  
E-mail: PDX@us.rlb.com  
Contact: Daniel Junge

#### **SAN FRANCISCO**

Phone: +1 415 362 2613  
E-mail: SFO@us.rlb.com  
Contact: Brian Schroth

#### **SEATTLE**

Phone: +1 206 441 8872  
E-mail: SEA@us.rlb.com  
Contact: Scott Macpherson

#### **ST. LUCIA**

Phone: +1 758 452 2125  
E-mail: UVF@us.rlb.com  
Contact: David Piper

#### **TORONTO**

Phone: +1 905 827 8218  
E-mail: YYZ@us.rlb.com  
Contact: Himanshu Bhagat  
Franco Lora

#### **TUCSON**

Phone: +1 520 777 7581  
E-mail: TUS@us.rlb.com  
Contact: Josh Marks

#### **WAIMEA (KAMUELA)**

Phone: +1 808 883 3379  
E-mail: KOA@us.rlb.com  
Contact: Windy Damo

#### **WASHINGTON, DC**

Phone: +1 410 740 1671  
E-mail: DCA@us.rlb.com  
Contact: Paraic Morrissey

#### **AMERICAS ALLIANCE**

##### **BOGOTÁ, COLOMBIA**

Phone: +1 602 443 4848  
E-mail: info@us.rlb.com  
Contact: Charles O'Loughlin

##### **MEXICO CITY, MEXICO**

Phone: +1 602 443 4848  
E-mail: info@us.rlb.com  
Contact: Charles O'Loughlin

##### **VITÓRIA, BRAZIL**

Phone: +1 602 443 4848  
E-mail: info@us.rlb.com  
Contact: Charles O'Loughlin