

Moana Surfrider, a Westin Resort & Spa

2026
First Quarter

**QUARTERLY
CONSTRUCTION
COST REPORT**

AT A GLANCE

NORTH AMERICA | Q1 2026



Paul Brussow
President
North America

Periods of rapid growth are often followed by moments of adjustment. For the construction industry, early 2026 appears to be one of those moments; less about slowing down and more about recalibrating how we move forward.

A Market in Recalibration

After several years of volatility, the construction industry appears to be entering a period of recalibration. Momentum hasn't disappeared, but the market is adjusting its footing as inflation stabilizes and broader economic forces reshape the landscape. At the same time, the definition of "normal" varies significantly across sectors. Contractor confidence remains strong overall, with data centers, energy infrastructure, healthcare, and education driving activity, while traditional commercial sectors continue to move forward more cautiously.

Construction cost inflation is beginning to level off. Quarterly increases are holding near 1%, translating to an annualized rate just above 4%. While still elevated (most of the pressure coming from materials costs) compared to historical 3% per annum, the consistency suggests that the industry may be settling into a more predictable environment, one where owners and developers can recalibrate expectations and plan investments with greater confidence.

At the same time, the broader economic environment continues to introduce new variables. Tariff policy, federal spending priorities, and evolving immigration laws are adding complexity to long-term planning. For an industry where projects often span multiple years, these policy shifts make forecasting labor availability and material costs increasingly challenging. Immigration policy carries particular weight, as foreign-born workers represent roughly a quarter of the construction workforce and an even larger share of skilled craft labor.

Construction activity reflects this cautious adjustment. Spending rebounded slightly at the end of 2025, supported by single-family housing and renovation activity, while public infrastructure investment continues to grow steadily. At the same time, some private nonresidential spending, has cooled following the surge driven by federal incentives.

Upstream indicators reinforce this recalibration. The Architecture Billings Index dropped at the beginning of 2026, signaling fewer projects entering the design pipeline as clients reassess timelines and project scope amid economic uncertainty.

Material costs are also reintroducing pressure. Tariffs on imported metals have driven sharp increases in steel, aluminum, and copper pricing - the largest annual spikes since the supply chain disruptions of 2022. These increases are prompting owners and contractors to revisit procurement strategies and project budgets.

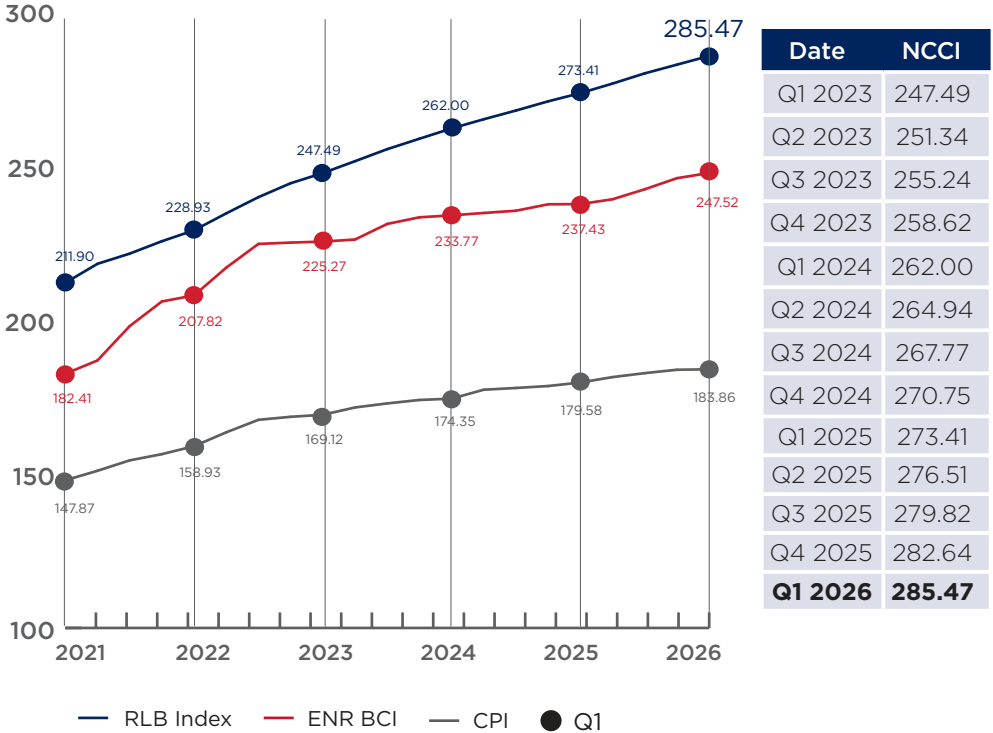
For owners and developers, the lesson is not retreat, but refinement. Projects that succeed in this environment will be those that anticipate labor constraints, manage procurement risks, and recalibrate cost and schedule expectations early in the development process.

In short, the construction industry isn't slowing down, it's simply recalibrating. And as any well-engineered system knows, the purpose of calibration isn't to stop progress, but to ensure it continues in the right direction.



NATIONAL CONSTRUCTION COST INDEX

Welcome to the first quarter 2026 issue of the RLB Quarterly Cost Report! This issue contains data current to mid-Q1 2026.



\$2,168.8
billion

According to the U.S. Department of Commerce, construction-put-in-place during December 2025 was estimated at a seasonally adjusted annual rate of \$2,168.8 billion which is

0.3%
Above

the November estimate of \$2,163.1 billion, and

0.4%
below

the December 2024 estimate of \$2,176.6 billion.

The National Construction Cost Index shows the changing cost of construction between January 2023 and January 2026, relative to a base of 100 in April 2001. Index recalibrated as of April 2011.

FEATURE PROJECT

HONOLULU,
HAWAII

Lobby



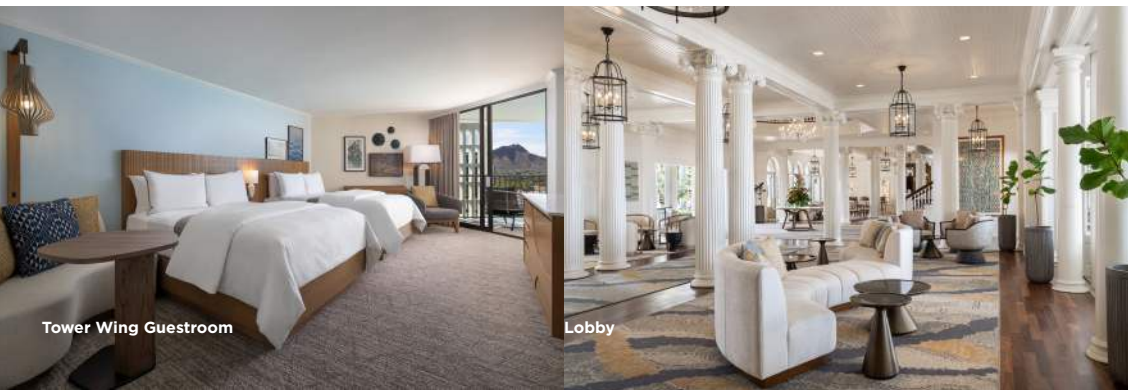
THE MOANA SURFRIDER, A WESTIN RESORT & SPA

Waikiki's first hotel, the Moana Surfrider, A Westin Resort & Spa, underwent a thoughtful transformation that preserves its iconic legacy as the First Lady of Waikiki while elevating the guest experience for the modern traveler. Honoring more than a century of history, the renewal spans three wings and 791 guest rooms, each designed to tell a story rooted in Hawaii's cultural and natural heritage. The Banyan Wing reflects timeless elegance, the Tower Wing offers modern beach luxury, and the Diamond Wing celebrates Waikiki's surf culture. With curated local art and design elements drawn from the land and sea, the Moana Surfrider continues to welcome generations with elegance, authenticity, and grace.

Rider Levett Bucknall provided preconstruction cost consultancy and project management services from the earliest stages, developing the project schedule, budget, and scoping documents, assembling the design team, recommending bid lists, and managing contract awards and negotiations. This early involvement was critical in navigating challenges such as shipping delays caused by tariffs, which influenced material availability and timelines. Through early involvement and proactive planning, Rider Levett Bucknall maintained cost certainty and schedule alignment while mitigating risks throughout the project lifecycle. Rider Levett Bucknall's flexibility, proactive communication and ability to deliver tailored solutions ensured the successful transformation of this historic property.

Tower Wing Guestroom

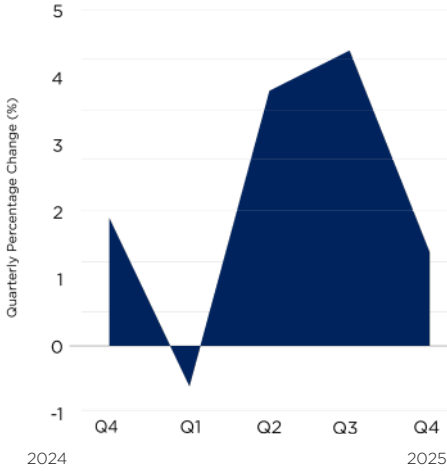
Lobby



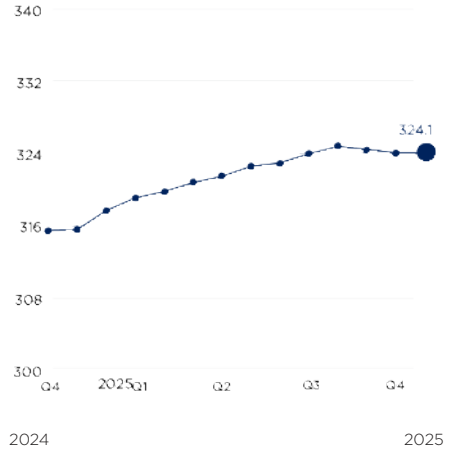


KEY STATISTICS

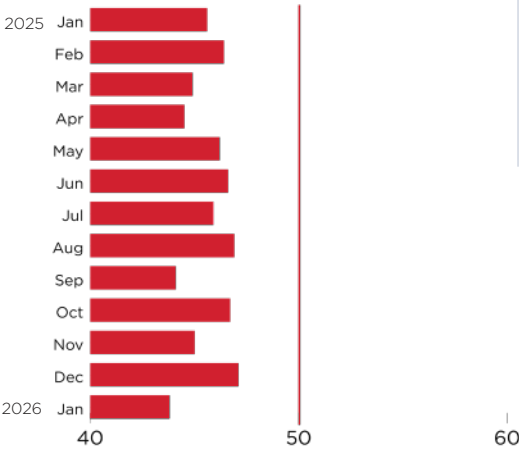
Gross Domestic Product* (GDP)



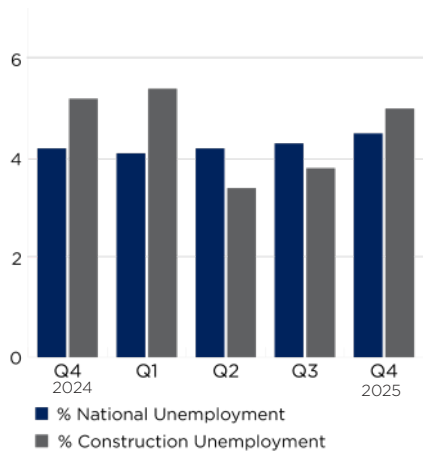
Consumer Price Index (CPI)



Architectural Billings



Unemployment Comparison



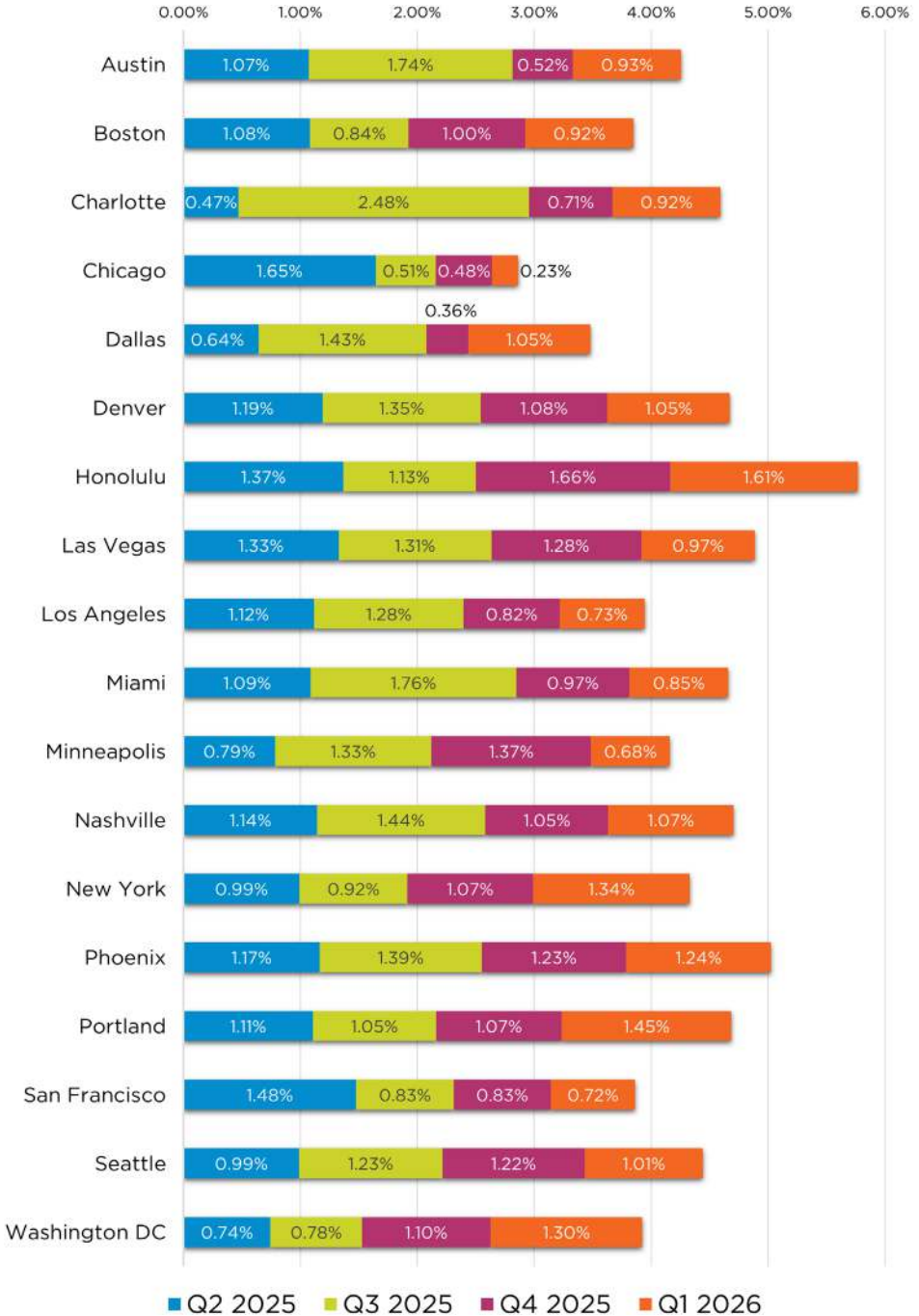
GDP represented in percent change from the preceding quarter, seasonally adjusted at annual rates. CPI figures represent the monthly value at the end of the quarter. ABI is derived from a monthly American Institute of Architects survey of architectural firms of their work on the boards, reported at the 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.

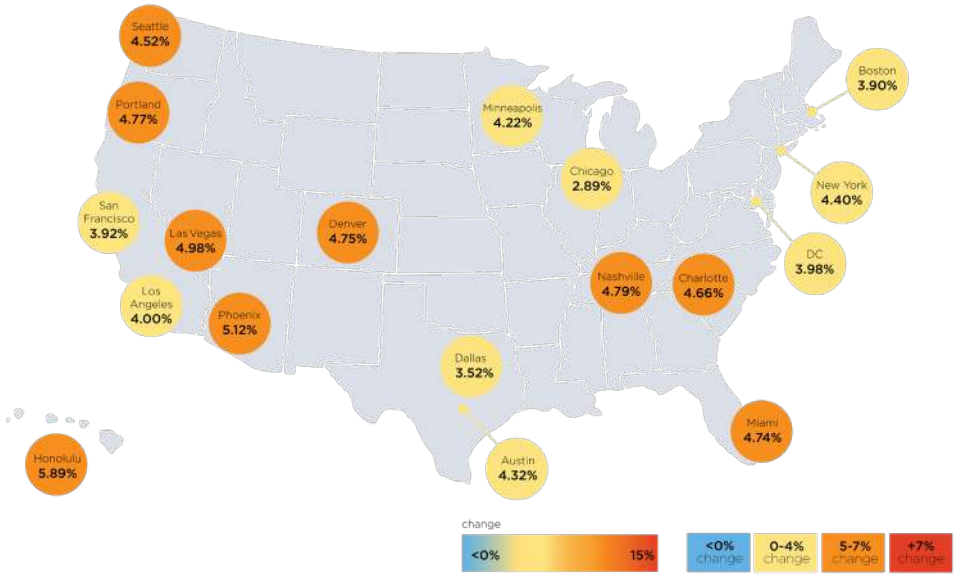
* Adjustments made to GDP based on amended changes from the Bureau of Economic Analysis.

Sources: U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, American Institute of Architects.



COMPARATIVE COST INDEX

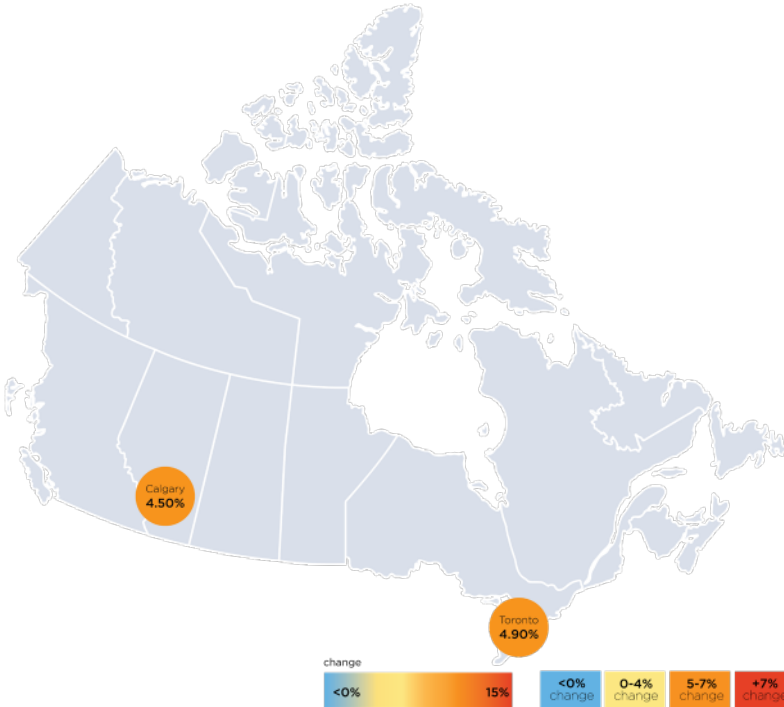




City	January 2025	April 2025	July 2025	October 2025	January 2026	Annual % Change
Austin	19,353	19,560	19,901	20,004	20,189	4.32%
Boston	32,000	32,346	32,619	32,944	32,944	3.90%
Charlotte	19,484	19,576	20,062	20,206	20,392	4.66%
Chicago	33,151	33,697	33,870	34,032	34,109	2.89%
Dallas	19,794	19,922	20,207	20,280	20,492	3.52%
Denver	20,036	20,274	20,549	20,771	20,989	4.75%
Honolulu	32,356	32,798	33,170	33,721	34,262	5.89%
Las Vegas	19,806	20,069	20,331	20,592	20,791	4.98%
Los Angeles	28,942	29,265	29,640	29,884	30,100	4.00%
Miami	19,904	20,121	20,475	20,673	20,848	4.74%
Minneapolis	23,383	23,566	23,881	24,207	24,370	4.22%
Nashville	19,773	19,999	20,286	20,499	20,719	4.79%
New York	36,721	37,085	37,428	37,830	38,337	4.40%
Phoenix	20,700	20,942	21,232	21,494	21,760	5.12%
Portland	23,330	23,589	23,837	24,093	24,442	4.77%
San Francisco	36,378	36,916	37,223	37,533	37,803	3.92%
Seattle	26,442	26,703	27,030	27,360	27,635	4.52%
Washington, DC	29,576	29,796	30,029	30,359	30,753	3.98%



COMPARATIVE COST INDEX



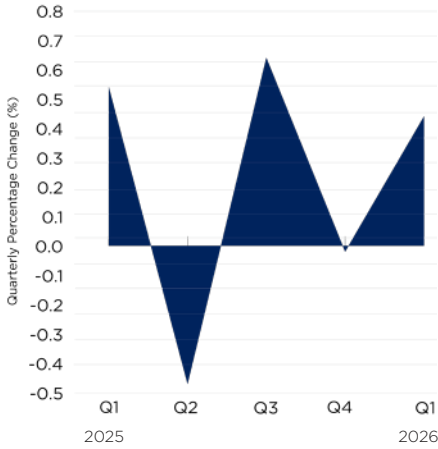
City	January 2025	April 2025	July 2025	October 2025	January 2026	Annual % Change
• Calgary	27,474	27,882	28,178	28,465	28,709	4.50%
• Toronto	36,413	36,995	37,379	37,853	38,196	4.90%

Alberta municipalities issued \$1.9 billion in building permits in Q4 2025, a 4.2% increase from the year prior. Housing activity remains strong heading into 2026: January starts reached 46,143, the third-highest total ever for that month. Although the six-month moving average shows some cooling due to slower population growth and rising inventory, starts are still projected to average 45,000 in 2026, which is 33% above the ten-year average. Calgary accounted for 56% of January starts, Edmonton 31%, and roughly 80% of new units were multifamily. Alberta’s 2026 budget directs significant capital toward Calgary, including \$1.1 billion over three years for LRT expansion—with an airport connection—alongside \$266 million for upgrades to Deerfoot Trail. Additional funding will support schools, healthcare facilities, and broader municipal infrastructure.

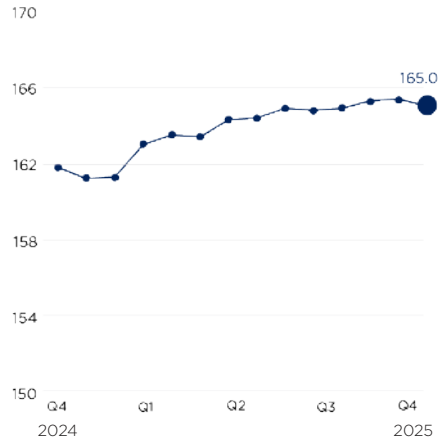
In Ontario, early 2026 data shows residential construction stabilizing. January housing starts rose 12% year-over-year, led mainly by rental-oriented multi-residential projects after several years of declines linked to weak pre-construction sales. Despite this improvement, the province remains behind its long-term target of 1.5 million new homes by 2031. Municipal housing goals increased from 150,000 in 2025 to 175,000 for 2026 as part of Ontario’s incentive-based strategy. The ICI sector also strengthened at the end of 2025: Q4 permits grew 11%, driven by an 18% rise in industrial permits and a 12% increase in commercial activity. Overall ICI investment reached \$35.36 billion in 2025—up 6.1% from 2024—with notable growth in office and school construction in Kingston, Kitchener-Cambridge-Waterloo, and London.



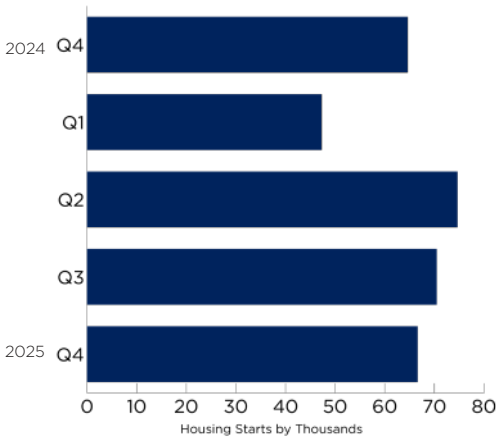
KEY STATISTICS



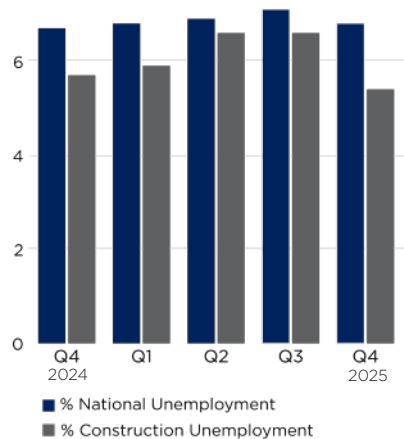
Gross Domestic Product* (GDP)



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
USA														
Austin	255	425	165	230	205	335	195	260	430	590	305	450	480	680
Boston	460	725	285	425	250	400	175	280	500	850	350	575	625	1200
Charlotte	360	600	260	360	215	360	200	285	475	650	330	435	710	985
Chicago	355	580	215	350	220	465	170	280	530	810	385	515	455	925
Dallas	260	435	160	235	210	345	195	265	440	605	310	455	485	695
Denver	350	575	250	350	235	385	235	350	485	720	350	525	700	1000
Honolulu	395	665	255	385	315	635	295	485	755	910	435	685	585	980
Las Vegas	285	505	205	270	180	685	165	370	450	830	265	455	570	680
Los Angeles	275	415	215	305	195	405	160	235	440	685	315	420	705	1070
Miami	260	445	170	240	215	350	185	285	470	630	325	430	505	715
Minneapolis	430	700	300	430	245	430	245	330	555	760	395	575	845	1215
Nashville	370	610	265	370	215	370	200	290	480	660	335	445	725	1000
New York	425	985	245	610	365	730	385	775	530	795	385	530	655	1000
Phoenix	270	465	180	245	220	370	130	215	435	675	230	350	530	745
Portland	350	450	325	425	325	425	300	375	575	750	450	650	1050	1350
San Francisco	460	800	360	600	350	715	360	720	580	1100	430	660	785	1500
Seattle	380	675	250	350	280	455	215	340	495	750	350	495	665	940
Washington, D.C.	350	580	240	380	190	340	155	255	445	690	290	455	535	950
Canada														
Calgary	300	450	255	305	250	340	150	220	325	505	245	280	730	990
Toronto	315	515	265	370	240	500	195	250	450	835	275	325	660	1025

INFLATION INDEX COMPARISON

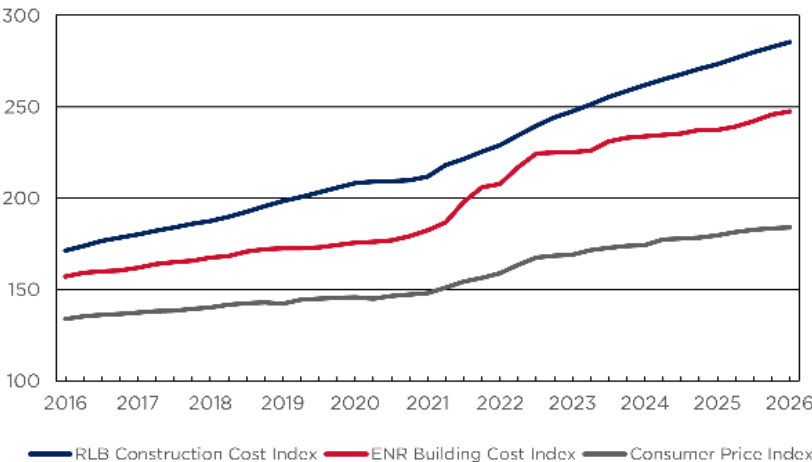
The chart on the following page demonstrates the relative differences in inflation between the cost of general goods and services (represented by the U.S. Bureau of Labor Statistics' Consumer Price Index (CPI)), the cost of construction materials and labor (represented by Engineering News-Record's (ENR) Building Cost Index) and the bid cost of construction (represented by Rider Levett Bucknall's National Construction Cost Index).

The CPI and the ENR index indicate an upward trend in 2025. RLB's Index indicates that the rate of increase in construction costs is stabilizing. The CPI increased at a slower annual rate of 2.4% in Q1 2026, marking the lowest rise since Q2 2025. During the same period, the ENR index increased by 4.2%, the highest since Q2 2023, driven by rising costs in skilled labor and materials, while the RLB's index increased by 4.4%, which is similar to the average over the previous four quarters.

But what do these numbers and trends tell us? Namely, as the above-mentioned conditions of each index continue an upward trend, it indicates a collective impact to the industry, regardless of the good or service. Success under these conditions means anticipation of labor constructions, management of procurement risks, and the recalibration of cost and schedule expectations earlier in the development process.

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	195	165	265	185	275	195	520	280	395	315	480	425	655
135	225	120	175	150	200	290	390	300	450	635	750	700	850	700	950
130	210	130	215	190	290	215	365	240	480	335	490	410	635	650	725
155	245	105	155	170	290	220	490	285	570	320	480	375	515	450	910
75	150	115	195	165	270	190	280	200	525	285	405	320	485	435	670
140	225	125	200	175	280	225	400	265	500	375	525	400	625	650	900
155	300	190	245	215	325	310	520	345	645	585	960	605	820	745	1090
80	175	80	110	105	205	215	510	250	505	465	580	550	755	720	950
145	225	120	150	170	230	270	440	240	420	420	550	360	635	525	715
80	155	125	200	175	290	190	290	200	540	295	415	325	505	445	685
155	240	155	245	215	335	245	435	280	565	400	575	485	740	790	1090
135	210	135	215	190	295	215	375	245	485	340	495	420	645	660	740
150	245	120	215	175	255	255	500	365	730	565	710	610	785	600	860
85	165	60	120	95	175	200	295	210	570	300	435	345	530	465	710
275	350	275	325	300	375	350	450	305	450	600	750	750	1000	800	1050
150	255	130	210	250	350	420	700	350	650	700	1000	750	1250	750	1300
190	260	145	210	220	315	290	495	270	420	460	690	395	690	610	830
135	220	75	100	90	160	220	370	275	405	400	610	415	625	500	760
115	180	95	130	100	160	220	305	330	480	275	375	280	385	360	545
145	205	135	180	175	240	270	340	335	665	290	360	290	385	330	595



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

KONA

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

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

ORLANDO

Phone: +1 602 443 4848
Email: MCO@us.rlb.com
Contact: Michael Godoy

PHOENIX

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

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