

PC Construction Industry Analysis

October 2022



Construction Cost: Inputs and Index Values

Through the early days of the pandemic, commodity and input costs to construction (defined as any resource used to create goods and services) have risen drastically while the price of new non-residential construction remained level. Beginning in the second half of 2021, the price of new non-residential construction increased to keep pace with increased input costs and contractor backlog. With some commodity pricing recently trending lower (lumber, steel and fuel), we are starting to see the input cost trend slightly downward. It's difficult to determine if this will flatten the upward trajectory of new non-residential construction cost, but it is a welcome sign to see some commodity pricing trending back down.



■ New Non-Residential Construction ■ Inputs to New Non-Residential Construction

+38%

Inputs to New Non-residential Construction Cost Since 2020

+31%

New Non-residential Construction Cost Since 2020

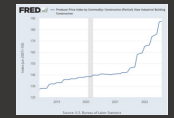


2 Month

Downward Trend in Inputs to New Non-Residential Construction Cost

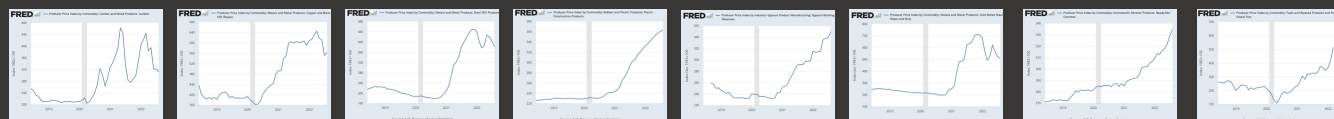
New Construction Cost

New Construction Type	1 Month	6 Months	12 Months	Since Feb. 2020
Non-Residential Building	0.26%	11.16%	23.91%	30.88%
Industrial Building	0.29%	12.89%	27.88%	35.32%
Warehouse Building	0.00%	10.69%	33.09%	41.36%
Office Building	0.46%	10.53%	24.13%	32.35%



Construction Commodities

Commodity	Lumber	Copper and Brass Mill Shapes	Steel Mill Products	Plastic Construction Products	Gypsum Building Materials	Cold Rolled Sheet Steel (Metal Studs)	Ready-Mix Concrete	Diesel Fuel
1 Month	-2.98%	2.05%	-5.73%	0.57%	3.33%	-2.71%	1.57%	-13.39%
6 Months	-26.14%	-8.26%	-4.87%	7.75%	11.84%	-8.96%	6.71%	19.30%
12 Months	10.11%	-7.05%	-4.63%	20.01%	19.94%	-19.83%	11.02%	53.75%
Since Feb. 2020	40.43%	50.82%	101.70%	56.80%	45.86%	134.79%	17.32%	192.00%



ESCALATION TABLE	Year	Escalation
	2022	0.0%
	2021	23.9%
	2020	29.8%
	2019	32.5%
	2018	40.1%
	2017	45.0%
	2016	49.8%
	2015	50.8%
	2014	53.6%
	2013	58.5%
2012	61.1%	