

MEET YOUR LOCAL EXPERT



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COST CONSIDERATIONS THINGS TO WATCH OUT FOR



INFRASTRUCTURE New York is expected to benefit from the infrastructure bill. Funds will be allocated to upgrades in airports, mass transit, sewer systems, water, rail, and electric car infrastructure. In total, New York could receive up to \$170 billion leading to significant job creation and spend in the construction sector.



UP-AND-COMING The residential market in New York has potential growth after a few quiet years. The City is struggling to find enough homes to accommodate the increase in population. With the COVID-19 restrictions continuing to ease and the pandemic being brought under control office are beginning to reopen. This may bring a re-surgency to the corporate interior market.



MATERIALS Material costs are rising across the board that is impacting all trades. The accessibility of materials is a huge factor. Lead times are constantly changed, making it increasingly hard to develop a schedule for a project. The volatility of on price and lead time fluctuation means that sub-consultants will not lock in pricing until a purchase order is issued. It makes it challenging to give cost certainty to the client procurement is 100% complete.



LABOR Before COVID, labor shortages were a growing problem in the construction industry in New York and was highlighted as the biggest issue the construction industry was facing. COVID-19 has accelerated this issue. With the growing number of COVID cases, as a result of the Omicron virus and the vaccine mandates being imposed by the City and many private building management firms, productiveness is being affected greatly in New York City.

CONSTRUCTION COST DRIVERS

MATERIALS	APPROX. CHANGE Q4 2021-Q1 2022
Rebar	▲ 7.0%
Structural Steel	▲ 0.9%
Ready-Mix Concrete	▼ -0.9%
Lumber	▲ 39.9%
Copper	▼ -3.3%
Plumbing Fixtures	▲ 0.7%
Diesel	▲ 4.1%

CITY COST INDEX



PROJECTED MARKET TRENDS

8.92%
New York YOY
Escalation Rate

8.04%
National YOY
Escalation Rate



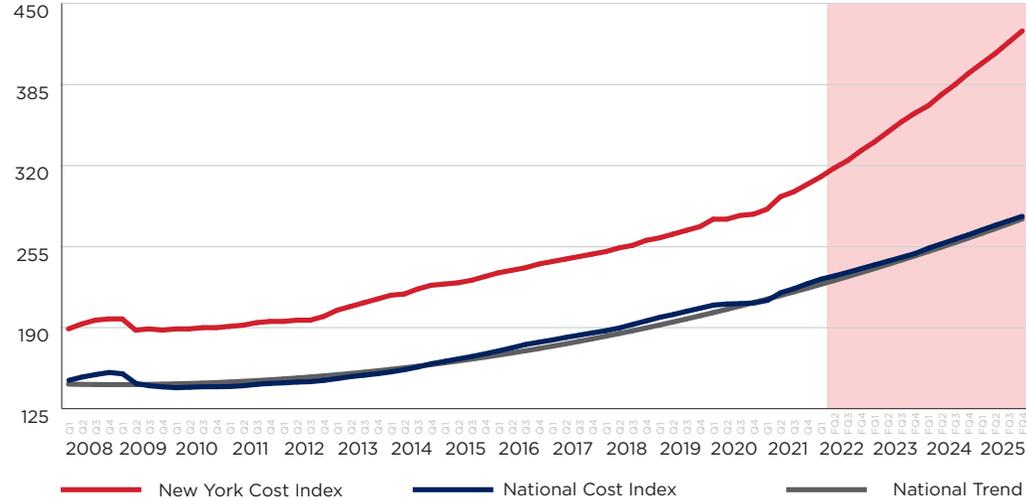
**DON'T MISS OUT ON
FUTURE INSIGHTS!**



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

This chart compares our National Construction Cost Index with local escalation, the construction cycle trend, and provides our projection through 2025.

WHAT THIS MEANS FOR YOU

The main COVID impacts are to do with the supply chain and the inflation that has come off the back of the pandemic. With new variants being reported there is a lot of uncertainty around the pandemic and there is a risk that restrictions could be introduced again. As a result of this investors may not want to sit on their funds until there is some certainty around the pandemic. Vaccine mandates are also an issue and is hurting the already stretched labor pool.

As costs are only continuing to rise and labor shortages are continuing to grow. Now is the time to get into the market with a carefully planned out and efficiently design project.