

MEET YOUR LOCAL EXPERT



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Paul Brussow is Executive Vice President for RLB in North America and leader of our Las Vegas office. He is an expert in construction project management, having advised clients on more than \$10 billion worth of projects, developing and executing custom construction-management programs.

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COST CONSIDERATIONS THINGS TO WATCH OUT FOR



RESIDENTIAL MARKET

The housing market is hot for the time being, with apartment vacancy rates at 3% and property prices up more than 32% since the pandemic began. This may not last, as rising mortgage rates, house affordability, and inflation are expected to put downward pressure on property values in 2023.



EMERGING SECTORS

Las Vegas is seeing a rise in the commercial sector due to migration of businesses from the Los Angeles area. The retail sector is emerging in line with the expansion of the housing market.



SUPPLY CHAIN

Pricing in the supply chain and logistics continues to be an issue. There has been a 260% price increase on lumber since this time last year. Metal stud framing, concrete block wall, and other supply chain issues have all caused shortages in the last year, complicating ground-up construction.

Contractors should continue to look to permanent regional suppliers as long as supply chain issues persist. We recommend keeping larger inventories of essential materials on hand to protect against future supply chain disruptions and delays. Material substitutions can also help to mitigate these problems.

CONSTRUCTION COST DRIVERS

SELECT MATERIALS	APPROX. INCREASE FROM Q4 2021
Rebar	▲ 11.2%
Structural Steel	▼ -0.1%
Ready-Mix Concrete	▲ 2.3%
Lumber	▲ 41.2%
Copper	▲ 4.1%
Plumbing Fixtures	▲ 2.3%
Diesel	▲ 43.8%

CITY COST INDEX



PROJECTED MARKET TRENDS

6.38%

Las Vegas YOY Escalation Rate

7.50%

National YOY Escalation Rate



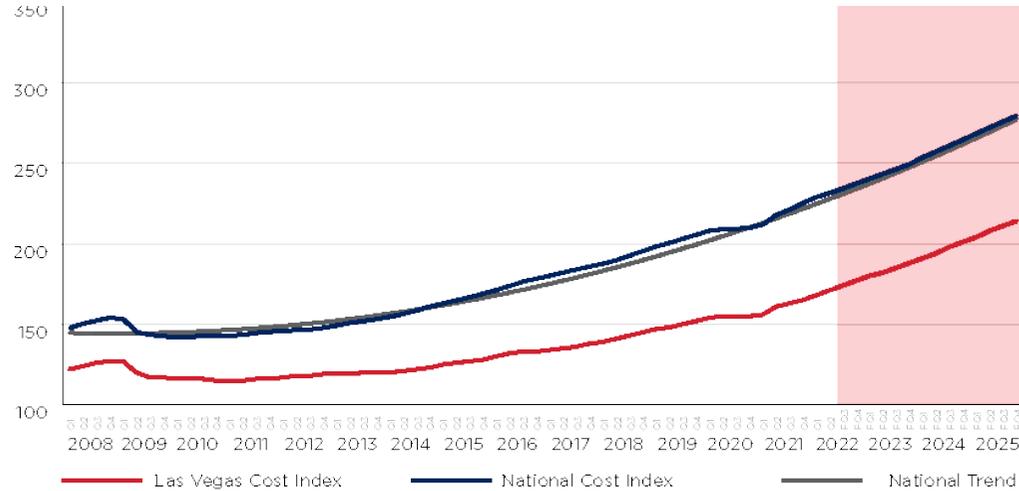
**DON'T MISS OUT ON
FUTURE INSIGHTS!**



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

Early 2020 showed a steep decline in cost of construction due to the decrease in new projects starting during that period because of the pandemic. 2021 is marked by a large increase in demand and, with a crippled supply chain, led to a spike in construction costs that started to normalize coming into 2022. This year will show slightly lower construction volume, but supply chains should start to correct themselves, leading to more predictable cost trends.