

## MEET YOUR LOCAL EXPERT



### ALED JENKINS

Associate Principal  
Los Angeles, California

*Aled Jenkins has 22 years of experience managing major capital project portfolios for high profile clients in multiple countries such as USA, UK, and UAE. Aled is responsible for the delivery of cost management services to our valued client base within the Los Angeles region.*

*Let's connect!*

**T:** +1 213 689 1103

**E:** aled.jenkins@us.rlb.com

**in** /in/aled-jenkins-071226133/

**RLB.com**

## COST CONSIDERATIONS THINGS TO WATCH OUT FOR



**GROWING SECTORS** include residential, infrastructure, healthcare and education all remain strong. Hospitality and sports are showing good signs of recovery, while corporate and commercial/retail are showing slight decline in activity.



**EMERGING SECTORS** include aviation and manufacturing, with focus on warehouses and large scale upgrades to LAX.



**COVID-19 PANDEMIC** Southern California has largely lifted pandemic restrictions and cases remain low, though there are rumblings of another surge. Direct effects by COVID-19 are minimal.



**INFLATION** Economic inflation has been at the highest levels in recent decades, directly affecting construction cost certainty. Tight cost controls and accounting for inflation are paramount.

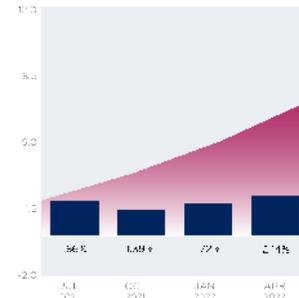


**CLIMATE CHANGE** Growing threats of wildfires and droughts are putting pressure on ways to mitigate climate change within the AEC Industry, including water conservation efforts and clean energy.

### CONSTRUCTION COST DRIVERS

SELECT MATERIALS	APPROX. INCREASE FROM Q1 2022
Rebar	▲ 11.0%
Structural Steel	▼ -0.3%
Ready-Mix Concrete	▲ 2.2%
Lumber	▲ 40.9%
Copper	▲ 4.0%
Plumbing Fixtures	▲ 2.1%
Diesel	▲ 43.6%

### CITY COST INDEX



### PROJECTED MARKET TRENDS

**7.31%**  
Los Angeles YOY  
escalation rate

**7.50%**  
RLB YOY  
escalation rate



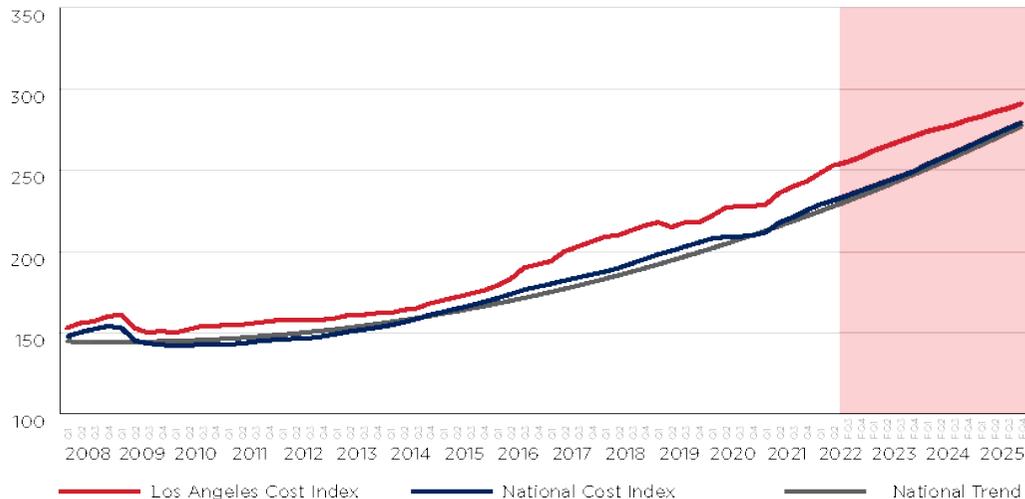
**DON'T MISS OUT ON  
FUTURE INSIGHTS!**



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 early stages of the pandemic in 2020 show a steep decline in cost of construction mainly related to the decrease in new projects starting during that period. 2021 is marked by a huge increase in demand and a crippled supply chain leading to a spike in construction costs. This year will show slightly lower construction volume when compared to 2019, but supply chains should start to correct themselves leading to more predictable cost trends barring any societal disruptions from another major variant and subsequent lockdowns.