

## MEET YOUR LOCAL EXPERT



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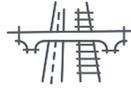
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## COST CONSIDERATIONS THINGS TO WATCH OUT FOR



**INFRASTRUCTURE** New York will receive as much as \$170 billion from the infrastructure bill. Funds will be allocated to upgrade airports, mass transit, sewer systems, water, rail and electric car infrastructure. It will have knock effects to the rest of the construction industry and have a positive impact in job creation.



**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 COVID-19 restrictions continuing to ease and the pandemic getting under control, offices are beginning to reopen. This may bring a resurgence to the corporate interior market.



**MATERIALS** Material lead times and costs continue to be a moving target. Some heavy MEP equipment lead times, while remaining long, are beginning to stabilize and not push out further. The hope is these lead times will start to decrease. We are still noticing a reluctance from sub-contractors to lock in pricing until purchase orders are issued.



**LABOR** Labor shortages continue to be a problem. This problem extends to contractors, consultants, city departments, etc. Sub-contractors and consultants should be vetted before starting a project to ensure that they have sufficient resources to meet the needs of the project.

### CONSTRUCTION COST DRIVERS

MATERIALS	APPROX. CHANGE Q4 2021-Q1 2022
Rebar	▲ 11.5%
Structural Steel	▲ 0.1%
Ready-Mix Concrete	▲ 2.6%
Lumber	▲ 41.5%
Copper	▲ 4.4%
Plumbing Fixtures	▲ 2.6%
Diesel	▲ 44.2%

### CITY COST INDEX



### PROJECTED MARKET TRENDS

**8.17%**  
New York YOY  
Escalation Rate

**7.50%**  
National YOY  
Escalation Rate



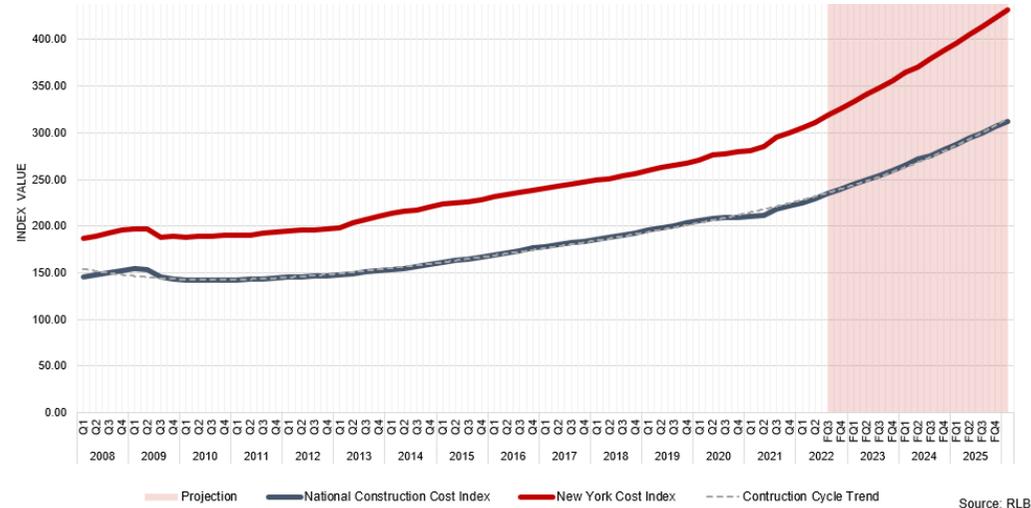
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FUTURE INSIGHTS!**



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.

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## 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

Similar to Q1 2022, material lead times and prices continue to be a big challenge. It makes it increasingly difficult to set budgets and develop accurate project schedules. Subs are reluctant to hold their pricing until they have a purchase order from a client. This is an issue when trying to gain cost certainty on a project during the pre-contract period. Things will get worse before they get better. Start planning early and set a clear strategy on how to deliver your project. Factor in all the current global issues.