

MEET YOUR LOCAL EXPERT



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Let's connect!

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COST CONSIDERATIONS THINGS TO WATCH OUT FOR



COST ESCALATION Cost escalation in the first two quarters of 2022 has been higher than forecasted, which is straining Owner budgets. A lack of competition in the sub-contractor market has always been an issue in Portland and continues to be.



INDUSTRY IMPACTS Owners who still have their own institutional vaccine mandates or other COVID-19 measures are running into difficulty with a subcontractor pool that is largely unvaccinated (it is estimated that over 60% of craft workers in the Portland area are unvaccinated against COVID-19). With the volume of available work increasing, Owners who create their own mandates run the risk of making their projects less attractive (or in some cases untenable) to bidders.



BIDDING ENVIRONMENT During the bidding phase, Owners should consider doing more than just putting their project on the street and hoping for competitive bids. It would benefit their projects if they could find ways to make them more attractive to the labor pool. This could include finding ways to streamline remittance to contractors and lowering or removing COVID-19 related barriers to bidding, if possible.

CONSTRUCTION COST DRIVERS

SELECT MATERIALS	APPROX. INCREASE FROM Q4 2021
Rebar	▲ 10.7%
Structural Steel	▼ 0.6%
Ready-Mix Concrete	▲ 1.9%
Lumber	▲ 40.5%
Copper	▲ 3.6%
Plumbing Fixtures	▲ 1.8%
Diesel	▲ 43.2%

CITY COST INDEX



PROJECTED MARKET TRENDS

6.71%
Portland YOY
escalation rate

7.50%
RLB YOY
escalation rate



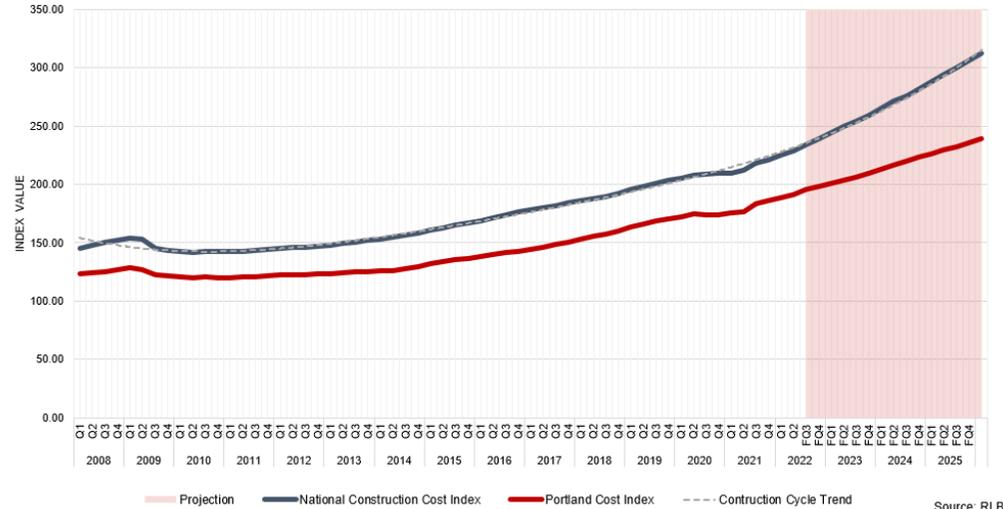
**DON'T MISS OUT ON
FUTURE INSIGHTS!**



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

RLB expects that the national and local construction cost index will rise at a steady rate over the next three years, staying in line with the construction cycle trend.

WHAT THIS MEANS FOR YOU

Activity in the market continues to rebound from the lows of early 2021 and we are moving into 2023 with increasing public investment in infrastructure and institutional work.

Our outlook for Portland moving to 2024-25 is positive but the residential market cannot keep pace with demand. Some major local aviation projects and numerous K-12 projects will be under construction during this period, which we expect may strain the local subcontractor labor pool.