

MEET YOUR LOCAL EXPERT



PARAIC MORRISSEY MRICS
Associate Principal
New York, New York

Paraic Morrissey is the Associate Principal for RLB's New York office. He has provided an array of construction consulting services for different clients in New York and across North America since 2012 focusing on diverse aspects of Cost Management and Estimating.

Let's connect!

T: +1 347 246 4823

E: paraic.morrissey@us.rlb.com

in /in/paraicmorrissey
RLB.com

COST CONSIDERATIONS THINGS TO WATCH OUT FOR



INFRASTRUCTURE The Inflation Reduction Act will invest more than \$350B in renewable energy infrastructure, including solar and wind (with strong labor standards to ensure good jobs). In addition, as a result of the previous Bipartisan Infrastructure Act, New York is also expected to see a significant increase in federal funding for infrastructure projects.



UP-AND-COMING The recently passed Inflation Reduction Act will direct hundreds of billions of dollars toward renewable energy in New York. The resulting construction jobs may be able to accommodate the demands of the same workers who have been displaced and disproportionately burdened by COVID's job loss and job recovery.



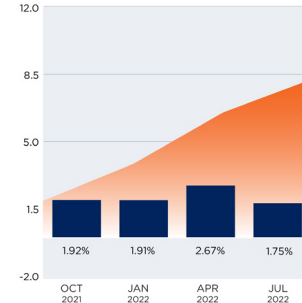
INDUSTRY ADVICE

1. Use contract terms to address inflation and supply chain.
2. Negotiate risk-sharing terms on inflation.
3. Index all or part of the cost of the work.
4. Negotiate early payment terms for shipping and storage costs, so that costs can be locked in at the time of contracting.
5. Get the right construction coverage (Delay in completion, Claim preparation, Soft Cost).
6. Spend more time on training and making sure your workers and managers get the experience they need.

CONSTRUCTION COST DRIVERS

MATERIALS	APPROX. CHANGE Q4 2021-Q1 2022
Rebar	▲ 2.3%
Structural Steel	▼ -2.1%
Ready-Mix Concrete	▼ -0.6%
Lumber	▼ -39.7%
Copper	▼ -2.1%
Plumbing Fixtures	▼ -1.6%
Diesel	▲ 27.6%

CITY COST INDEX



PROJECTED MARKET TRENDS

8.50%
New York YOY
Escalation Rate

8.28%
National YOY
Escalation Rate



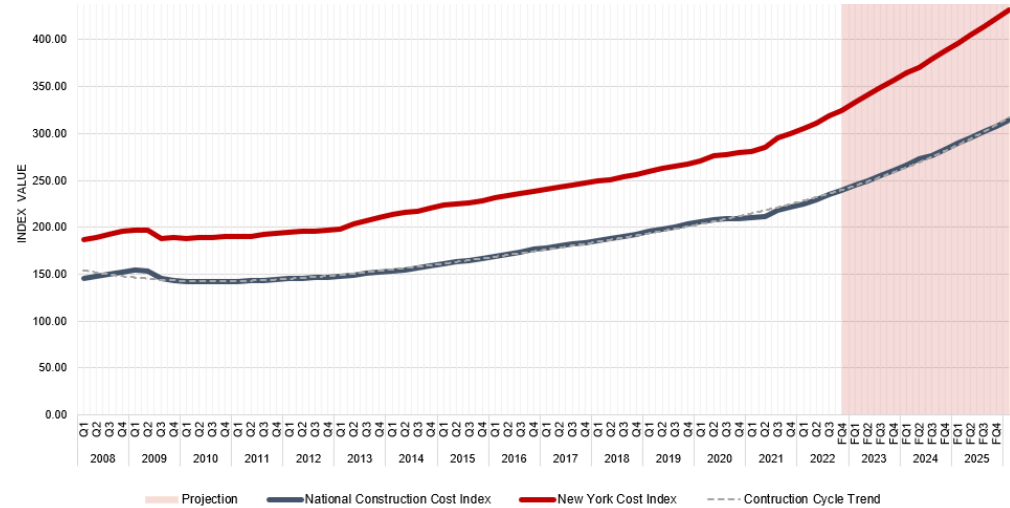
DON'T MISS OUT ON FUTURE INSIGHTS!



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

Construction activity in New York City remained robust in the second quarter of 2022. New York City has a track record of being one of the best long-term real estate investments in the U.S. The New York real estate market has been booming year over year. NYC home prices nearly doubled over the last decade. With supply and demand continuing to favor sellers, prices continue to rise year over year.