

**MEET YOUR TRUSTED ADVISOR**



**SCOTT MACPHERSON** MRICS  
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*Scott manages the Phoenix office. With more than 27 years of industry experience, Scott is responsible for business development, client relations, and project leadership for both public and private sector clients.*

*Let's connect!*

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**COST CONSIDERATIONS THINGS TO WATCH OUT FOR**



**INFRASTRUCTURE** Infrastructure efforts will need to continue expansion at a rapid rate to keep up with the increased migration we are seeing. In Phoenix, there are several large infrastructure efforts that are either entering or have begun the design phase.



**UP-AND-COMING** Residential markets in the southwest are seeing consistent increases in migrations from other states. The housing market in Arizona has cooled as a likely result of rising interest rates; however, inventory remains low. Southwest region water treatment and water recycling projects may increase.



**BIDDING ENVIRONMENT** Phoenix is being inundated with industrial manufacturing and will continue for several years. Looking ahead, industrial manufacturing development in the Phoenix may cause a need for a significant increase in commodities production. Inflation remains an issue and supply chain issues persist.

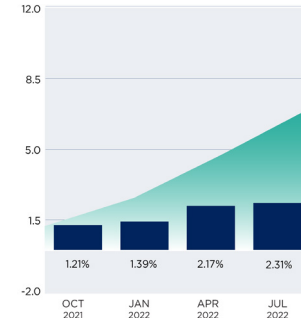


**PROCUREMENT** Market conditions may warrant a more stringent contracting, insurance, and bonding process. Inflation is creating a difficult climate for designers having to consistently design around what commodities and/or products that are in great demand or currently available.

**CONSTRUCTION COST DRIVERS**

SELECT MATERIALS	APPROX. INCREASE FROM Q1 2022
Rebar	▲ 2.3%
Structural Steel	▼ -2.2%
Ready-Mix Concrete	▼ -0.7%
Lumber	▼ -39.7%
Copper	▼ -2.1%
Plumbing Fixtures	▼ -1.6%
Diesel	▲ 27.5%

**CITY COST INDEX**



**PROJECTED MARKET TRENDS**

**8.28%**  
National 2022  
escalation rate

**7.27%**  
Phoenix 2022  
escalation rate



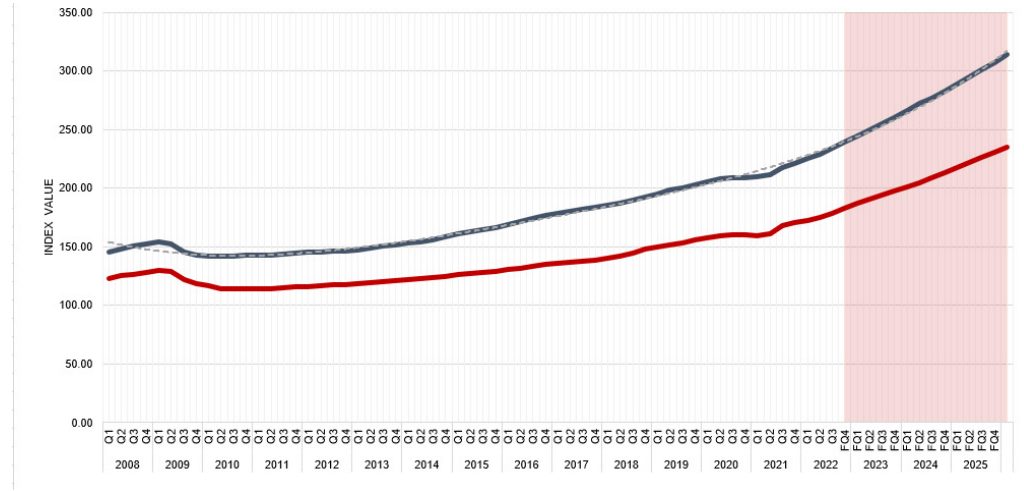
**DON'T MISS OUT ON  
FUTURE INSIGHTS!**



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. We do not anticipate a decrease in construction costs any time soon.

### WHAT THIS MEANS FOR YOU

RLB forecasts that supply chain and inflation will continue to strain pricing and schedules on construction projects. RLB recommends assembling a dedicated team to each project and to set schedules to combat the persisting supply chain issues.