

MEET YOUR LOCAL EXPERT



PETER KNOWLES FRICS
Executive Vice President
Denver, Colorado

Peter Knowles is a recognized expert in the field of construction cost management with over 35 years of industry experience. As a degreed Quantity Surveyor, he has assisted owners, design professionals and lenders in the control of cost and time aspects of their projects so they can realize the most efficient, cost conscious, and environmentally sustainable project results.

Let's connect!

T: +1 720 904 1480

E: peter.knowles@us.rlb.com

in /in/peter-knowles-frics-82b92545

RLB.com

COST CONSIDERATIONS THINGS TO WATCH OUT FOR



CONSTRUCTION OUTLOOK Rider Levett Bucknall (RLB) is continually monitoring construction cost escalation and although Denver's year-over-year escalation is still high at 8.67%, we are seeing a slowing in the rate of cost escalation from last quarter at 9.01%.



CONSTRUCTION ENVIRONMENT RLB Denver's most recent crane count included 32 cranes within the downtown area, which is 50% more than at the beginning of 2022. The majority of the crane density is within the River North (RiNo) District where residential development is at its peak. There are also plans for a large residential development near Empower Field at Mile High. In addition to residential, we noted that healthcare projects are also staying consistent due to new build and renovations of existing medical centers.



EMERGING SECTOR TRENDS The mixed-use sector is continually growing which includes the construction of a 30-story development in the Denver metro area. We are also expecting to see an increase in new community developments consisting of residential, office, entertainment, and retail construction near the Denver International Airport, off Pena Boulevard.

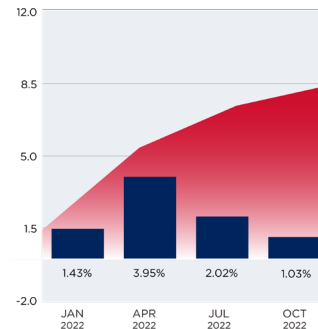


ADVICE ON THE CURRENT MARKET We encourage clients to confirm their agreements with their contractors on inflation, supply chain delays, and material storage costs within contract verbiage.

CONSTRUCTION COST DRIVERS

SELECT MATERIALS	APPROX. CHANGE FROM Q3 2022
Rebar	▼ -12.0%
Structural Steel	▲ 0.8%
Ready-Mix Concrete	▼ -3.1%
Lumber	▼ -30.4%
Copper	▲ 6.6%
Plumbing Fixtures	▼ -6.1%
Diesel	▼ -22.8%

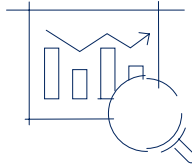
CITY COST INDEX



PROJECTED MARKET TRENDS

8.67%
Denver YOY
escalation rate

8.35%
National YOY
escalation rate



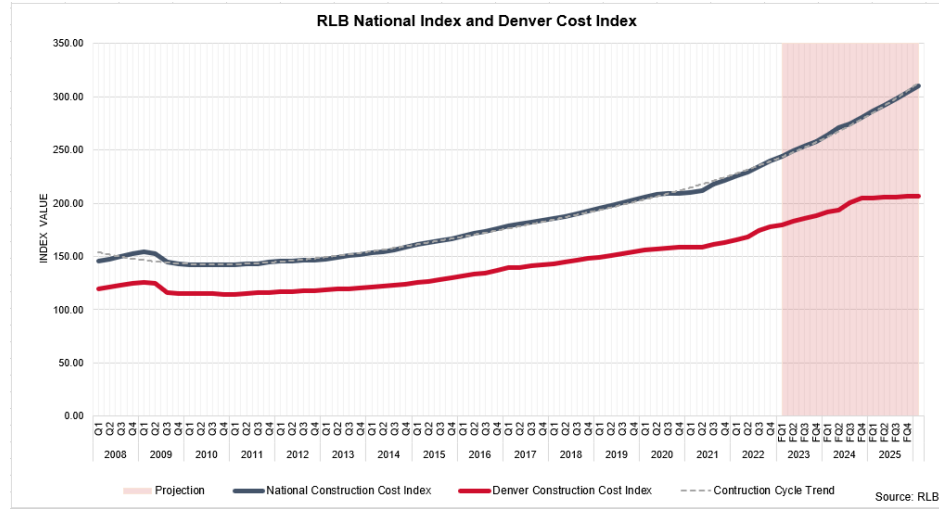
DON'T MISS OUT ON FUTURE INSIGHTS!



For more than 20 years, RLB has 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 the National and local Denver construction cost index to continue to steadily rise. 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 Denver market has observed a year-over-year construction cost escalation of 8.67% with labor shortages and material supply chains still causing major concern within the construction industry. Projects are seeing impacts on profitability due to an increased need in hiring labor outside of Denver, as well as national transportation shortages of materials. However, the interruptions from COVID have significantly decreased within the construction industry. Contractors and Subcontractors have developed a method to work with smaller crews and keep productivity at a standard level.