

MEET YOUR LOCAL EXPERT



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Aled Jenkins has 22 years of experience managing major capital project portfolios for high profile clients in multiple countries such as USA, UK, and UAE. Aled is responsible for the delivery of cost management services to our valued client base within the Los Angeles region.

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COST CONSIDERATIONS THINGS TO WATCH OUT FOR



EMERGING SECTORS Transportation and aviation continue to be the top driver of large construction projects as Los Angeles gears up for the 2028 Olympic Games. Freeway extensions, Metro, and LAX projects are continuing to come online over the next few years. Mixed-use projects that include affordable housing are also being reinforced in the region. Hospitality is growing and there is also a strong focus on adaptive reuse of older office buildings.



SUPPLY CHAINS AND LABOR Supply chains for construction materials and equipment caused major concern in the market earlier in the year, this has not worsened and remain fairly balanced. As steel and MEP materials have risen in cost more than any other materials over the past 18 months, this remains an issue in the current market.



INFLATION Economic inflation has been at the highest levels in recent decades, directly affecting construction cost certainty. Tighter cost controls and accounting for inflation are paramount along with early procurement and early lock-in of contracts.

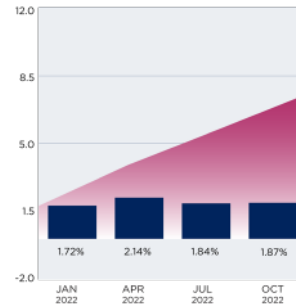


COVID-19 Southern California has largely lifted pandemic restrictions and cases remain low, though there are rumblings of surges on a regular basis its impacts in the market are minimal.

CONSTRUCTION COST DRIVERS

SELECT MATERIALS	APPROX. INCREASE FROM Q3 2022
Rebar	▼ -10.4%
Structural Steel	▲ 2.7%
Ready-Mix Concrete	▼ -1.3%
Lumber	▼ -29.1%
Copper	▲ 8.6%
Plumbing Fixtures	▼ -4.4%
Diesel	▼ 21.4%

CITY COST INDEX



PROJECTED MARKET TRENDS

7.79%
Los Angeles YOY
escalation rate

8.35%
RLB YOY
escalation rate



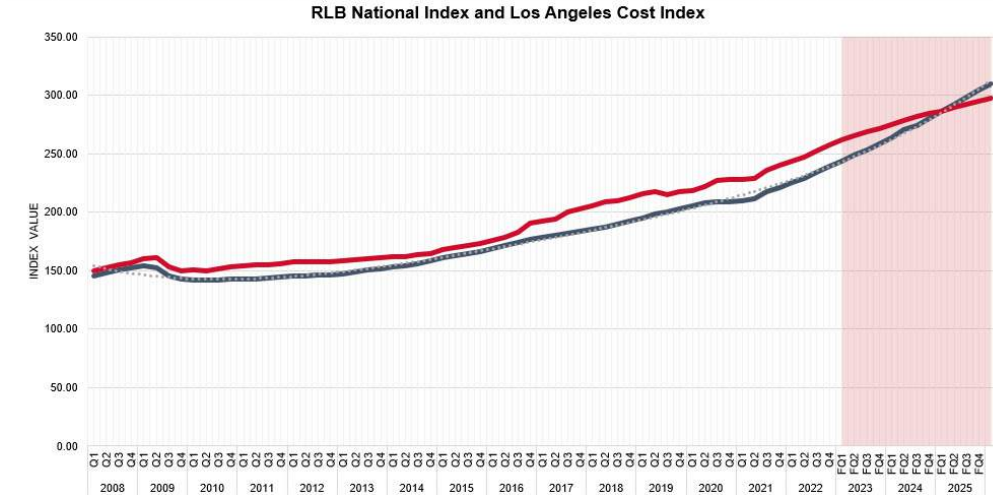
**DON'T MISS OUT ON
FUTURE INSIGHTS!**



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

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 early stages of the pandemic in 2020 show a steep decline in cost of construction mainly related to the decrease in new projects starting during that period. 2021 is marked by a huge increase in demand and a crippled supply chain leading to a spike in construction costs. 2023 will show slightly lower construction volume when compared to 2019, but supply chains should start to correct themselves leading to more predictable cost trends barring any societal disruptions from another major variant and subsequent lockdowns.