

MEET YOUR TRUSTED ADVISOR



SCOTT MACPHERSON MRICS
Executive Vice President
Phoenix, Arizona

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!

T: +1 602 443 4848

E: scott.macpherson@us.rlb.com

in /in/scott-macpherson

RLB.com



COST CONSIDERATIONS THINGS TO WATCH OUT FOR



INDUSTRIAL Industrial construction remains robust in Arizona and will continue to develop for several years. A significant amount of Public/Civic and Higher Education projects are centered around planning and design.



UP-AND-COMING Residential markets in the southwest are seeing consistent increases in migrations from other states. The housing market in Arizona will need to continue to produce homes at the pre-GFC rate. Infrastructure will need to be expanded at a rapid rate to keep up with migration patterns. Southwest region water treatment and water recycling projects will need to 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. The rate of increase for inflation has tapered; however, lead time issues are persistent. Construction labor availability also continues to remain an issue.

CONSTRUCTION COST DRIVERS

SELECT MATERIALS	APPROX. INCREASE FROM Q3 2022
Rebar	▼ -8.0%
Structural Steel	▲ +5.4%
Ready-Mix Concrete	▲ +1.3%
Lumber	▼ -27.2%
Copper	▲ +11.5%
Plumbing Fixtures	▼ -1.9%
Diesel	▼ -19.3%

CITY COST INDEX



PROJECTED MARKET TRENDS

8.21%
Phoenix 2022
escalation rate

8.35%
National 2022
escalation rate



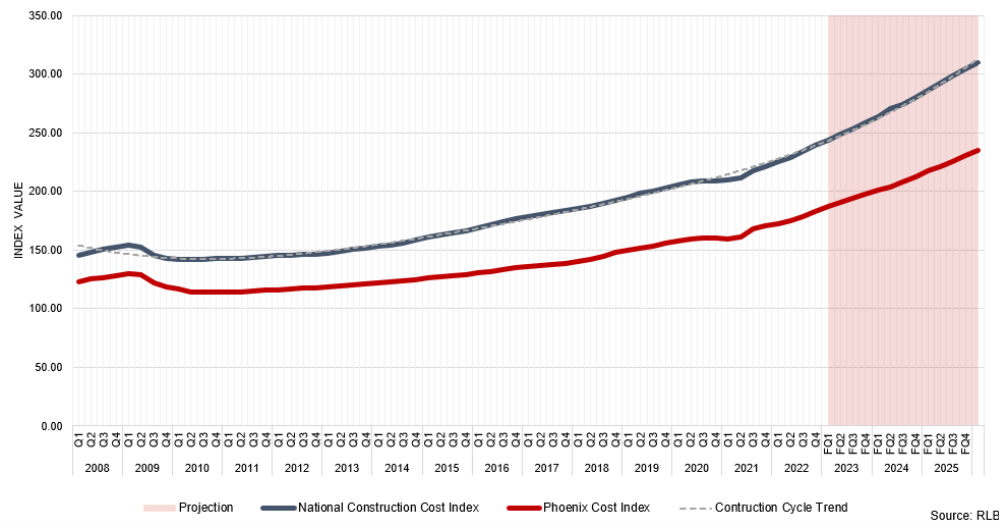
DON'T MISS OUT ON FUTURE INSIGHTS!



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 continue to rise, staying in line with the construction cycle trend. We do not forecast a decrease in construction costs any time soon; however, the rate of increase for inflation has tapered.

WHAT THIS MEANS FOR YOU

Material price increases, in some cases, have leveled off or slightly decreased from earlier highs. Interest rate increases along with high inflation have not had a significant impact on the SW market, yet. RLB recommends assembling a dedicated team to each project and to tread lightly as the market uncertainty develops with inflation, lead time issues, and the restart of the election cycle.