



Cost Trend Update

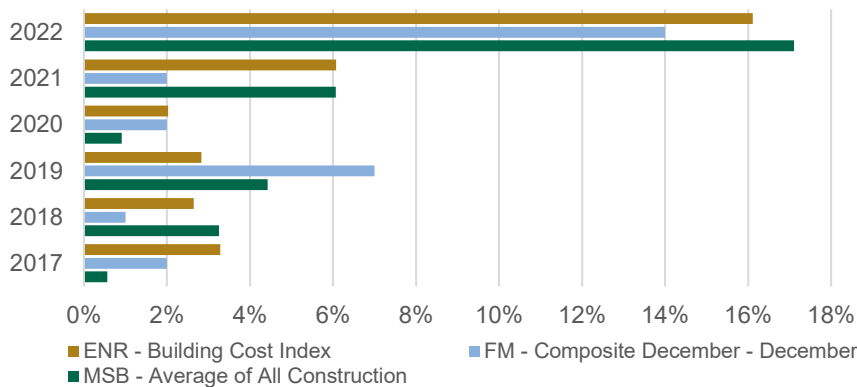
April 2022

CONSTRUCTION COST TRENDS

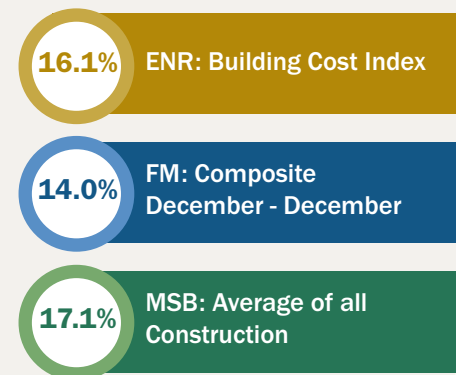
Unique to this period of inflation, almost all construction inputs are impacted. Material costs and equipment rates have increased due to supply chain bottlenecks, transportation issues, component shortages and rising fuel costs, indicating a higher overall cost of construction projects for 2022. The December 2021 Producer Price Index (PPI) for steel mill products rocketed up 127.2%. Other sharp increases included plastic construction products (34.0%), aluminum mill shapes (29.8%), copper and brass mill shapes (23.4%), gypsum products (20.7%), lumber and plywood (17.6%), paint (13.9%), petroleum products (54.9%), and concrete products (8.5% from December 2020 to December 2021, the largest rise in 15 years).

To ensure sufficient workers, construction firms increased pay - for skilled craft workers, hourly earnings increased 5.8% from February 2021 to January 2022. Similar private-sector workers averaged 6.9% increases, indicating a potential need for larger construction pay raises in 2022.

Construction Cost Trends April Yearly



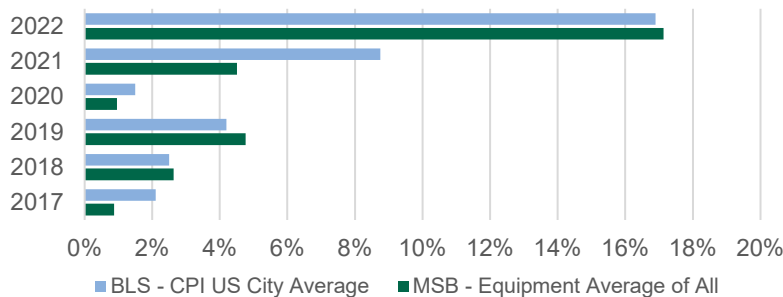
2022 Construction Cost Trends



EQUIPMENT COST TRENDS

Equipment prices have also increased dramatically, with equipment costs rising an average of 17% over the last 12 months.

Equipment Cost Trends April Yearly



2022 Equipment Cost Trends



www.cbiz.com/valuation

Sources
 Marshall & Swift/CoreLogic- Quarterly Cost Indexes
 FM Global - Cost Trends - Industrial Buildings
 US Bureau of Labor Statistics - Consumer Price Index
 Engineering News-Record
 Risk Management Solutions