

# CONSTRUCTION ECONOMICS

ENR's 20-city average cost indexes, wages and material prices. Historical data and details for ENR's 20 cities can be found at [ENR.com/economics](http://ENR.com/economics)

## Construction Cost Index

**+1.5%**  
MAR. 2020

ANNUAL INFLATION RATE

1913=100	INDEX VALUE	MONTH	YEAR
CONSTRUCTION COST	11396.97	0.0%	+1.5%
COMMON LABOR	23917.29	0.0%	+1.3%
WAGE \$/HR.	45.96	0.0%	+1.3%

The Construction Cost Index's annual escalation is 1.5%, while the monthly component showed no change.

## Building Cost Index

**+1.8%**  
MAR. 2020

ANNUAL INFLATION RATE

1913=100	INDEX VALUE	MONTH	YEAR
BUILDING COST	6218.26	0.0%	+1.8%
SKILLED LABOR	10626.24	0.0%	+1.8%
WAGE \$/HR.	58.72	0.0%	+1.8%

The Building Cost Index is up 1.8%, while the monthly component stayed flat.

## Material Cost Index

**0.0%**  
MAR. 2020

ANNUAL INFLATION RATE

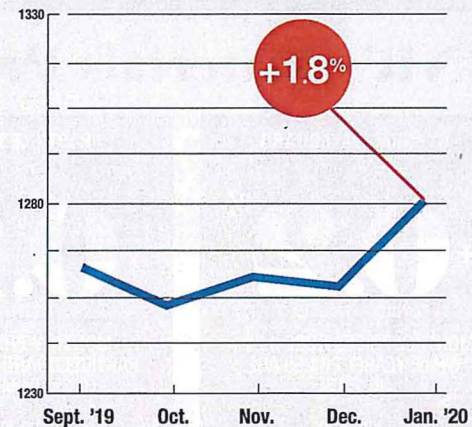
1913=100	INDEX VALUE	MONTH	YEAR
MATERIALS COST	3526.17	0.0%	+4.1%
CEMENT \$/TON	144.32	+1.6%	+20.4%
STEEL \$/CWT	55.63	+0.2%	+2.8%
LUMBER \$/MBF	605.28	+0.4%	-2.9%

The MCI held steady, while the annual escalation rate is 4.1%.

The dollar value of total construction put-in-place showed a seasonally adjusted monthly escalation rate of 1.8% in December, according to the U.S. Dept. of Commerce's seasonally adjusted data. On a yearly basis, total construction was 6.8% higher than in January 2019. The private sector experienced a 4.9% rise from a year ago, while public work experienced an 12.6% increase. Non-residential construction in the public market increased 12.3% over the past year, while non-residential in the private market rose 0.5%.

## TOTAL CONSTRUCTION

Seasonally adjusted rate in (\$) billions



PERCENT CHANGE OCT. '19 VS. OCT. '18.

SOURCE: DEPT. OF COMMERCE

**Total Construction** | **21.65** <sup>2020</sup> JAN | **19.23** JAN | **-8.3** % CHG. MONTH | **+12.6** % CHG. YEAR

CONSTRUCTION VALUE YEAR-TO-DATE, \$ BIL.	2020 JAN	2019 JAN	% CHG. MONTH	% CHG. YEAR
<b>TOTAL PRIVATE</b>	<b>73.25</b>	<b>69.54</b>	<b>-6.4</b>	<b>+5.3</b>
RESIDENTIAL BUILDINGS	37.47	34.01	-7.4	+10.2
LODGING	2.27	2.50	-8.4	-9.0
OFFICE	5.25	5.23	-5.1	-0.3
COMMERCIAL	6.16	5.84	-6.3	+5.5
HEALTH CARE	2.70	2.82	-7.1	-4.4
EDUCATIONAL	1.25	1.56	-5.3	-19.7
RELIGIOUS	0.22	0.23	-5.6	-5.2
AMUSEMENT AND RECREATION	1.00	1.12	-5.9	-10.5
TRANSPORTATION	1.19	1.26	-14.6	-5.7
COMMUNICATION	1.72	1.73	-23.9	-0.2
POWER	8.02	7.58	-1.7	+5.8
MANUFACTURING	5.90	5.57	-10.6	+6.0

CONSTRUCTION VALUE YEAR-TO-DATE, \$ BIL.	2020 JAN	2019 JAN	% CHG. MONTH	% CHG. YEAR
<b>TOTAL PUBLIC</b>	<b>21.65</b>	<b>19.23</b>	<b>-8.3</b>	<b>+12.6</b>
RESIDENTIAL BUILDINGS	0.52	0.40	-12.1	+29.1
OFFICE	0.83	0.70	-8.5	+18.5
COMMERCIAL	0.31	0.30	-11.3	+2.0
HEALTH CARE	0.68	0.67	-9.2	+0.9
EDUCATIONAL	5.43	5.21	-4.4	+4.2
PUBLIC SAFETY	0.81	0.64	-7.3	+26.5
AMUSEMENT AND RECREATION	0.98	0.81	-9.9	+20.0
TRANSPORTATION	2.74	2.48	-7.1	+10.3
POWER	0.53	0.38	-10.8	+41.0
HIGHWAY AND STREET	4.86	4.41	-13.2	+10.0
SEWAGE AND WATER DISPOSAL	1.80	1.59	-8.6	+13.6
WATER SUPPLY	1.28	0.92	-4.4	+38.7
CONSERVATION AND DEVELOPMENT	0.78	0.62	-5.7	+26.3

SOURCE: DEPT. OF COMMERCE. NON-SEASONALLY ADJUSTED CONSTRUCTION PUT-IN-PLACE. DETAILS MAY NOT ADD UP TO TOTAL SINCE ALL TYPES OF CONSTRUCTION ARE NOT SHOWN SEPARATELY.

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## Construction Cost Index

**+3.0%**

ANNUAL INFLATION RATE

JAN. 2019

1913=100	INDEX VALUE	MONTH	YEAR
CONSTRUCTION COST	11205.74	+0.2%	+3.0%
COMMON LABOR	23531.38	+0.2%	+2.3%
WAGE \$/HR.	45.21	+0.2%	+2.3%

The Construction Cost Index's annual escalation rate rose to 3.0% this month, with the monthly component rising 0.2%

## Building Cost Index

**+3.1%**

ANNUAL INFLATION RATE

JAN. 2019

1913=100	INDEX VALUE	MONTH	YEAR
BUILDING COST	6107.70	0.0%	+3.1%
SKILLED LABOR	10431.81	+0.2%	+2.0%
WAGE \$/HR.	57.70	+0.2%	+2.0%

The Building Cost Index's annual escalation rate rose to 3.1%, while the monthly component showed no change.

## Material Cost Index

**-0.1%**

MONTHLY INFLATION RATE

JAN. 2019

1913=100	INDEX VALUE	MONTH	YEAR
MATERIALS COST	3388.49	-0.1%	+3.4%
CEMENT \$/TON	114.65	-0.1%	+0.5%
STEEL \$/CWT	53.86	0.0%	+4.5%
LUMBER \$/MBF	632.83	-0.4%	+8.7%

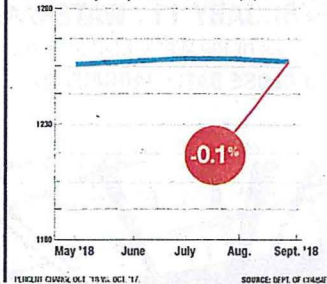
The MCI experienced a 0.1% decrease this month, while the annual escalation rate is 3.4%.

Following the government shutdown that began on Dec. 22, 2018, U.S. Dept. of Commerce construction spending data has not been updated. "Contractors still appear to be optimistic about the prospects for all categories of construction in 2019," says Ken Simonson, chief economist at the Associated General Contractors of America (AGC). "But the delayed release of data on construction spending and housing sales in November means firms and economists will be relying more on guesswork than hard numbers for their decisions about where to invest. The uncertainty will spread if there are delays for reports due out on Jan. 7 factory orders and on Jan. 16 for single- and multifamily housing starts and building permits." Still, some construction spending data is available; contractors can access monthly construction start statistics released by Dodge Data & Analytics.

The dollar value of total construction put-in-place showed a seasonally adjusted monthly escalation rate of -0.1% in October, following flat rate in September, according to the U.S. Dept. of Commerce's seasonally adjusted data. On a yearly basis, total construction was 4.8% higher than in October 2017. The private sector saw a 3.9% increase from a year ago, while public work had an 8.5% boost. Non-residential construction in both markets experienced increases compared to this time last year.

### TOTAL CONSTRUCTION

Seasonally adjusted rate in (\$) billions



### Total Construction | 1,096.38 | 2018 OCT. | 1,043.56 | 2017 OCT. | -0.5% | % CHG. MONTH | +5.1% | % CHG. YEAR

CONSTRUCTION VALUE YEAR-TO-DATE, \$ BL.	2018 OCT.	2017 OCT.	% CHG. MONTH	% CHG. YEAR	CONSTRUCTION VALUE YEAR-TO-DATE, \$ BL.	2018 OCT.	2017 OCT.	% CHG. MONTH	% CHG. YEAR
<b>TOTAL PRIVATE</b>	<b>839.96</b>	<b>804.61</b>	<b>+0.7</b>	<b>+4.4</b>	<b>TOTAL PUBLIC</b>	<b>256.44</b>	<b>238.95</b>	<b>-3.8</b>	<b>+7.3</b>
RESIDENTIAL BUILDINGS	461.99	439.97	-16.1	+5.0	RESIDENTIAL BUILDINGS	5.41	5.57	-0.4	-2.8
LODGING	25.75	23.28	+3.0	+10.6	OFFICE	7.90	6.79	+2.1	+16.4
OFFICE	52.64	48.66	+2.8	+8.2	COMMERCIAL	2.95	2.61	-2.3	+13.2
COMMERCIAL	73.02	70.72	+0.2	+3.2	HEALTH CARE	7.70	7.68	-0.1	+0.2
HEALTH CARE	27.41	27.04	-0.7	+1.4	EDUCATIONAL	62.23	60.56	-5.6	+2.8
EDUCATIONAL	17.72	17.09	+0.2	+3.7	PUBLIC SAFETY	7.55	6.75	-0.9	+11.9
RELIGIOUS	2.53	2.88	+2.6	-12.4	AMUSEMENT AND RECREATION	9.89	9.36	-0.5	+5.7
AMUSEMENT AND RECREATION	12.19	10.25	+2.0	+6.4	TRANSPORTATION	29.29	25.22	-2.1	+16.1
TRANSPORTATION	14.00	11.89	+3.7	+17.7	POWER	4.98	4.78	-2.0	+4.2
COMMUNICATION	19.97	20.07	+5.0	-0.5	HIGHWAY AND STREET	80.56	75.92	-4.8	+6.1
POWER	78.45	76.01	+1.4	+3.2	SEWAGE AND WATER DISPOSAL	18.21	16.80	+1.2	+8.4
MANUFACTURING	53.51	53.51	-1.7	-2.5	WATER SUPPLY	11.49	9.74	+1.5	+17.9
					CONSERVATION AND DEVELOPMENT	6.81	5.98	-22.5	+14.0

SOURCE: DEPT. OF COMMERCE, FIVE YEAR SEASONALLY ADJUSTED CONSTRUCTION PUT-IN-PLACE. DETAILS MAY NOT ADD UP TO TOTAL. SEEK ALL TYPES OF CONSTRUCTION ARE SHOWN SEPARATELY.

**"The delayed release of data ... means firms and economists will be relying more on guesswork than hard numbers."**

—Ken Simonson, Chief Economist, AGC