



Cost Trend Update

July 2019

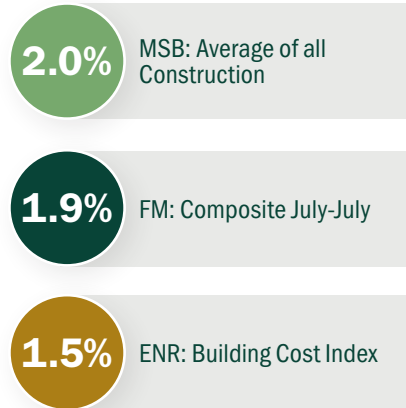
CONSTRUCTION COST TRENDS

The first half of 2019 has had its ups and downs in the construction industry. Cost trends started slowly with a 15% decrease over the first quarter. Prices rebounded in the second quarter with seasonal increases of 10%. Overall, numbers have come in lower than 2018. Economists say that the decrease is due partially to the government shutdown. Consulting Groups have predicted an 11.6% overall drop in softwood lumber prices in 2019, which they attribute to continued lower than expected demands in the US housing market. At the same time steel costs are up slightly, showing a 2.7% increase over the first half of the year, though costs in the US are well below the anticipated 25% tariff premiums.

Construction Cost Trends July Yearly



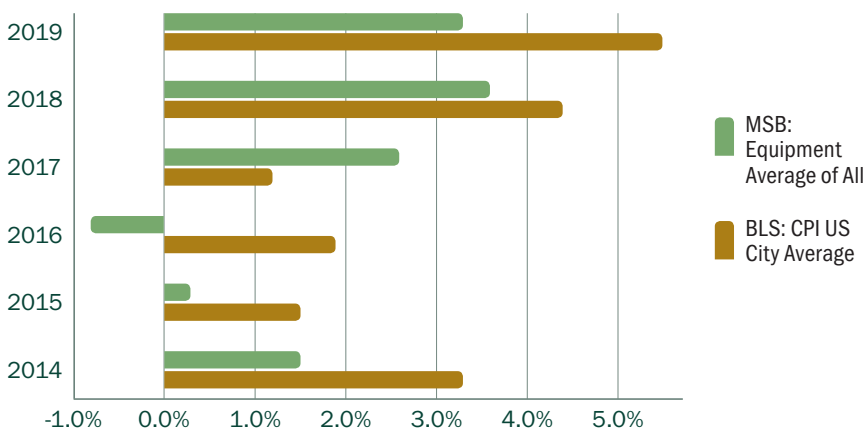
2019 Construction Cost Trends



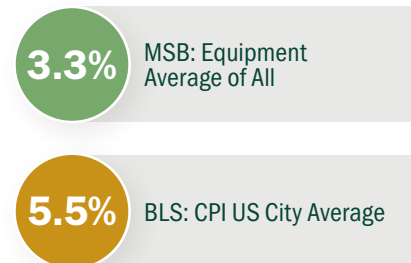
EQUIPMENT COST TRENDS

Equipment cost trends experienced an average increase of 4.4% over the past 12 months.

Equipment Cost Trends July Yearly



2019 Equipment Cost Trends



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Sources
 Marshall & Swift/CoreLogic- Quartely Cost Indexes
 FM Global - Cost Trends - Industrial Buildings
 US Bureau of Labor Statistics - Consumer Price Index