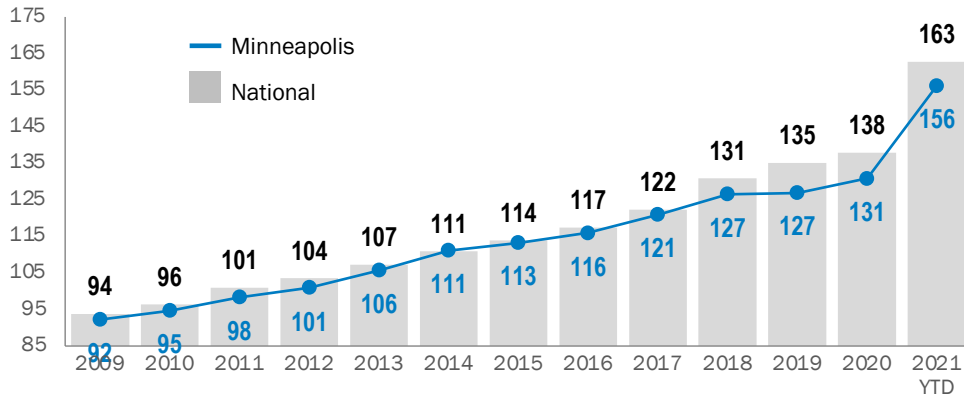
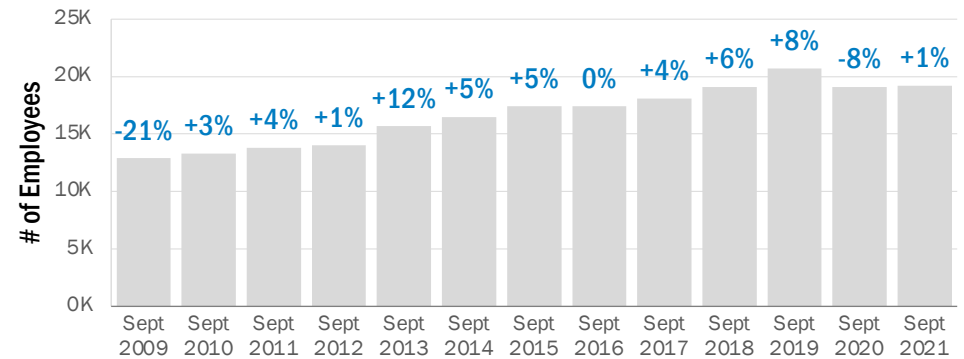


CONSTRUCTION COST INDEX (January 2009 = 100)



The *Mortenson Cost Index* is showing a single quarter increase of 2.9% nationally and 2.2% in Minneapolis. Over the last twelve months, costs increased 19.2% nationally and 20.3% in Minneapolis.

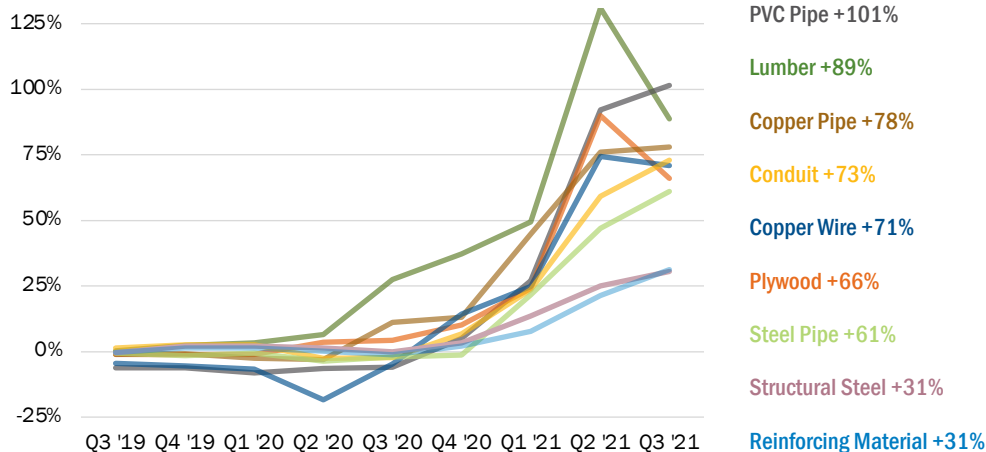
MINNEAPOLIS NON-RESIDENTIAL CONSTRUCTION EMPLOYMENT (Number of Employees and 12-Month Change)



Construction employment in the Minneapolis metro region has stabilized from the sharp declines seen earlier in the pandemic. Non-residential building construction employment in Minneapolis totaled 19,200 in September. This is 1% higher than September 2020 and approaching pre-pandemic levels. Residential construction employment has remained stable throughout the pandemic.

Source: Bureau of Labor Statistics

MATERIAL PRICING CHANGES (Cumulative Q3 2019 to Q3 2021)



Although we have seen some decreases, costs for building materials remain escalated due to manufacturing issues, supply chain delays, and raw material shortages.

ADVICE FOR BUILDING OWNERS

The data collected for the *Mortenson Cost Index* is showing an increase of 2.9% nationally and 2.2% in Minneapolis for the third quarter of 2021. The construction market, like many, is experiencing unprecedented inflationary headwinds in 2021, which are presenting unique challenges. Market volatility continues as trade partners work through supply chain and labor availability challenges. The rate of increase is trending lower but still substantially above historical levels and remains variable. This variability is driven by multiple factors including project type, time to market, geography, etc. Many of our projects have increased less than the reporting from our trade partners for this index, some as low as 3-5%. While less than experienced earlier this year, this persistent fluctuation continues to present unique challenges for projects in the near term and agility in our planning is required.

For a more specific update or questions regarding this report, please contact:



Frank Kosmach
Chief Estimator
763-287-5641
frank.kosmach@mortenson.com



Kelly McNamara
Vice President Operations
763.287.5915
kelly.mcnamara@mortenson.com