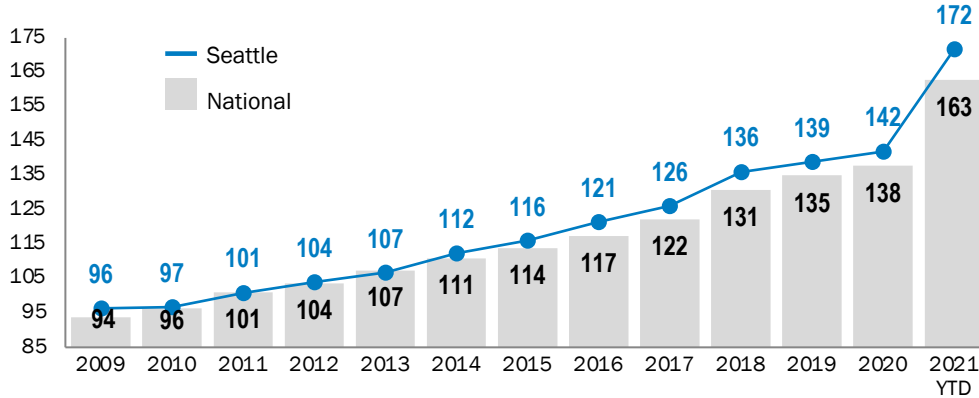


CONSTRUCTION COST INDEX

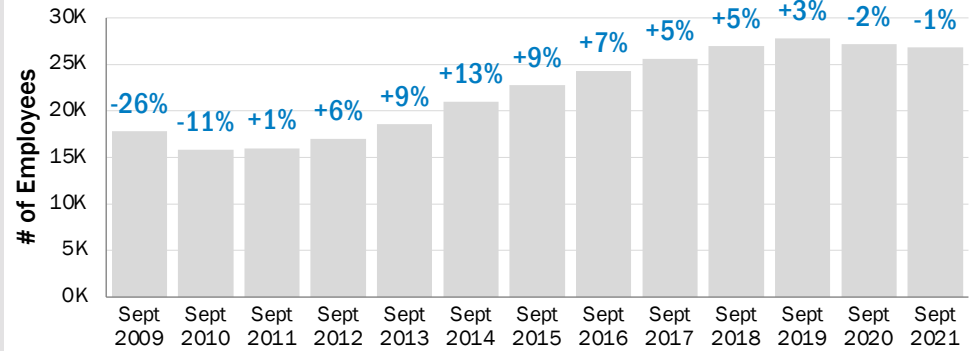
(January 2009 = 100)



The *Mortenson Cost Index* is showing a single quarter increase of 2.9% nationally and 3.1% in Seattle. Over the last twelve months, costs increased 19.2% nationally and 21.3% in Seattle.

SEATTLE CONSTRUCTION EMPLOYMENT

(Number of Employees and 12-Month Change)

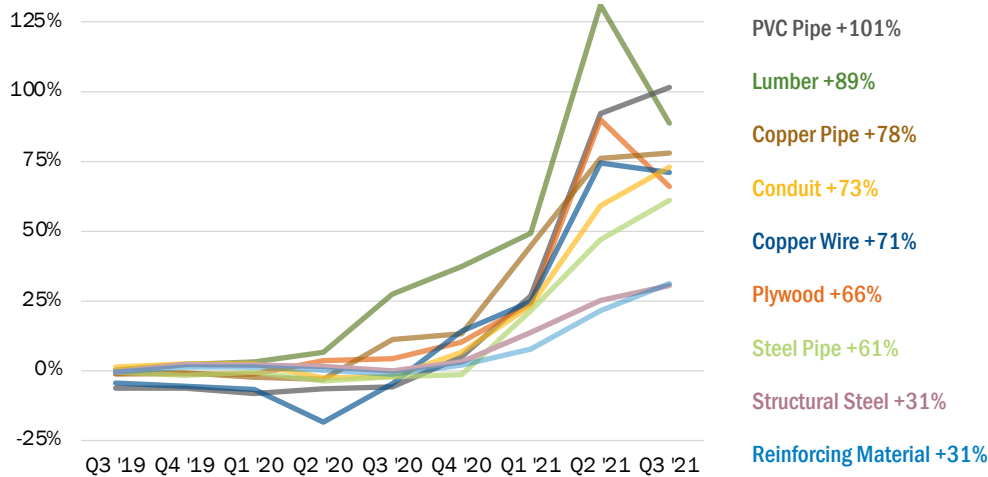


Construction employment in the Seattle metro region totaled 26,800 in September. This is 1% lower than September 2020 and remains slightly below the pre-pandemic peak.

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.

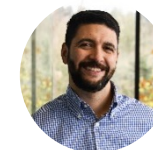
ADVICE FOR BUILDING OWNERS

The data collected for the *Mortenson Cost Index* is showing an increase of 2.9% nationally and 3.1% in Seattle 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:



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