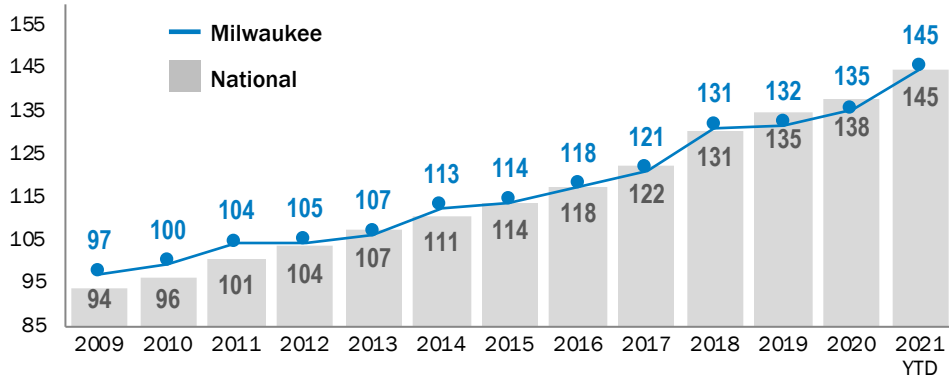
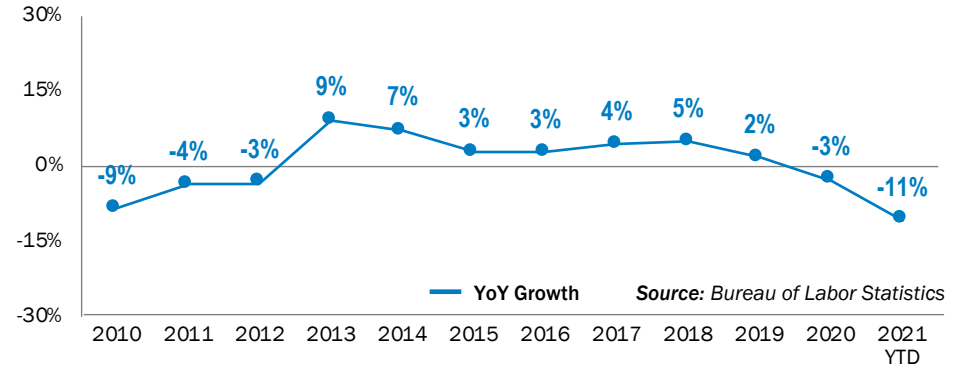


CONSTRUCTION COST INDEX (January 2009 = 100)



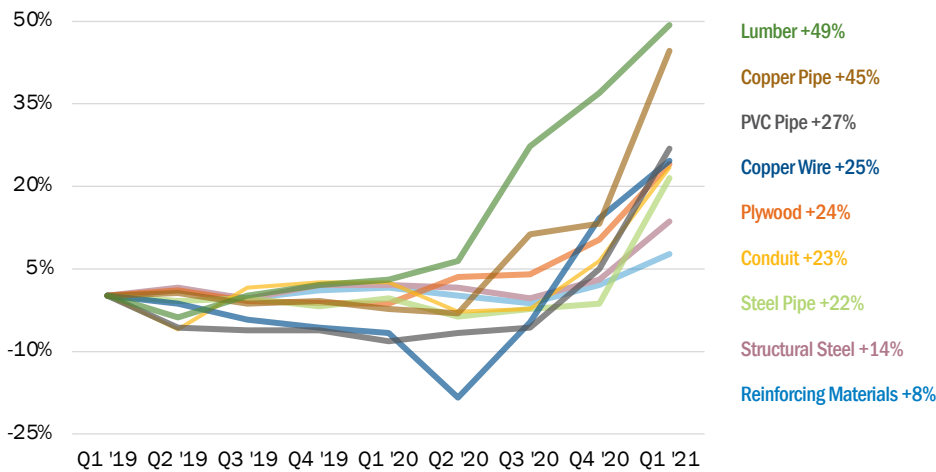
The *Mortenson Cost Index* is showing a single quarter increase of nearly 5% nationally and 7.1% in Milwaukee. Over the last twelve months, costs increased 6.7% nationally and 10.2% in Milwaukee.

MILWAUKEE CONSTRUCTION EMPLOYMENT (an indicator of future wage and activity trends)



Construction employment in the Milwaukee metropolitan area has contracted sharply in response to the pandemic. The latest figures released by the Bureau of Labor Statistics show an 11% drop in year-over-year construction employment growth.

MATERIAL PRICING CHANGES (Cumulative 2019 to Q1 2021)



Raw material shortages and manufacturing issues have contributed to sharp increases in building materials over the past year.

ADVICE FOR BUILDING OWNERS

The data collected for the *Mortenson Cost Index* is showing an increase of nearly 5% nationally and 7.1% in Milwaukee for the first quarter of 2021. This is the largest single quarter increase since its inception, driven by significant disruptions to the supply chain and increases in commodity costs. This will potentially moderate throughout the year as capacity returns to pre-pandemic levels. The current upward pressure is somewhat offset by a competitive market with subcontractors working to fill their capacity.

As markets rebound with increased private and government spending, the industry may see additional upward pressure on pricing. We continue to monitor this somewhat unpredictable market and know that a resilient, agile approach to projects will be necessary in the months to come.

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



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