

Salt Lake City Non-Residential Construction Outlook Reflects Measured Start to 2025 Amid Evolving Global Trade Shifts

The outlook for nonresidential construction in early 2025 remains steady, with modest cost increases across all regions and continued stability in labor and material availability.

That said, emerging shifts in global trade policy and evolving tariff measures are beginning to ripple through the supply chain. While most markets reported improved sourcing and fewer constraints, we anticipate cost volatility in select material categories as trade partners adjust to the new landscape. Elevated planning activity and firm demand in several regions continue to support a balanced start to the year.

The Salt Lake City regional office reported less of a cost increase among Mortenson markets this quarter at +1.00%, while other regions posted higher changes including Phoenix at +2.07%, Portland at +2.19%, Denver at +2.24%, Minneapolis at +2.52%, Chicago at +2.55%, Milwaukee at +2.58%, and Seattle at +2.60%. Nationally, nonresidential construction costs tracked by the Mortenson Quarterly Cost Index rose +2.24% over the past quarter and +3.91% over the previous twelve months.

Construction material costs increased 3.8% year-over-year, marking a reversal from recent softening. This change appears tied in part to new tariffs impacting aluminum glazing systems and adding indirect pressure to structural steel pricing. While full effects remain uncertain, trade partners across regions—including Salt Lake City—are awaiting updated vendor guidance. Overall, material sourcing and logistics remained stable.

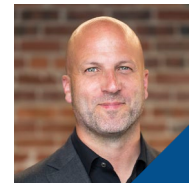
Labor markets remained relatively stable. While national labor costs have risen 4.6% year-over-year, most trades reported little to no concern with labor availability. Only limited trade shortages were mentioned as contractors work regional mega-projects. Minneapolis cited a lack of rod busters and pipefitters due to a large data center project, and Chicago likewise noted data center work straining local electrician availability.

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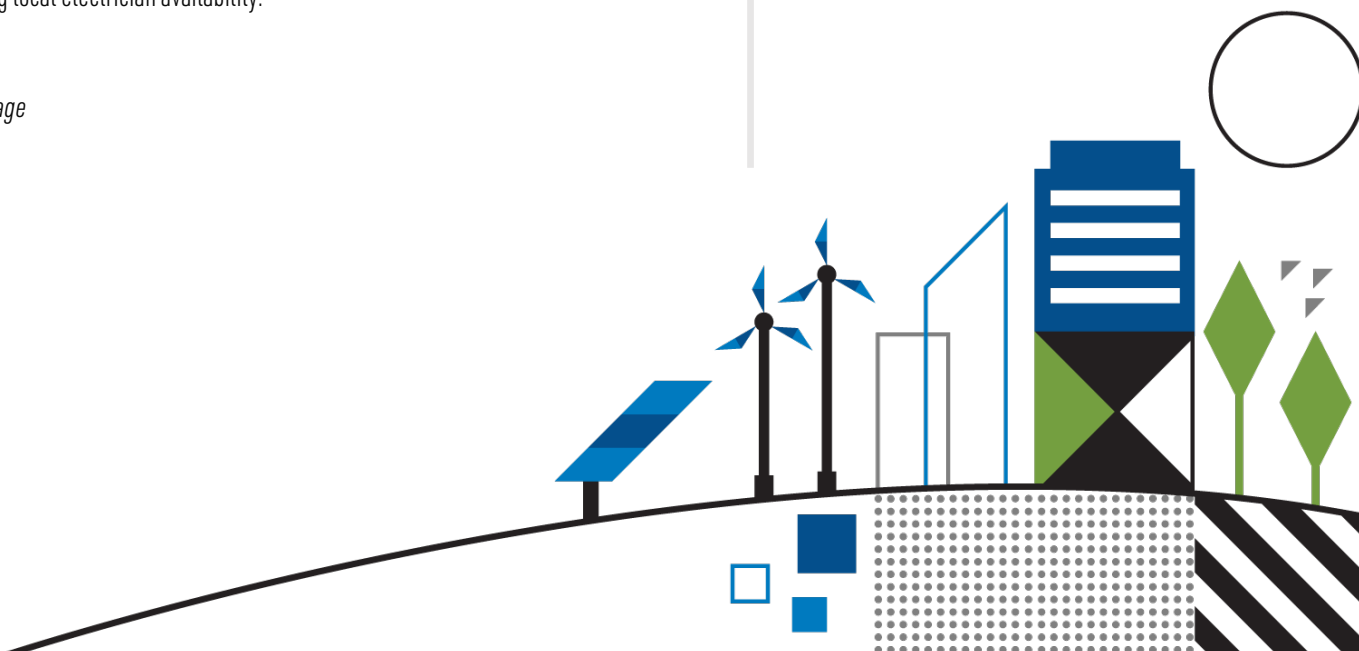
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SALT LAKE CITY Q1 2025



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Trade partner work increased 1.4% nationally, contributing to a +4.5% year-over-year rise. In Salt Lake City, trade partner pricing appeared steady, with no notable reports of cost compression or bidding volatility.

Top package increases in Salt Lake City included General Conditions impacted by supervisory wage increases (+10.1%), Roofing Systems (+7.4%), Fire Protection Systems (+9.5%), and Painting & Wall Covering (+4.7%). At the same time, Cast-In-Place Concrete (-1.9%) and Reinforcing Steel Material (-1.5%) registered slight decreases.

The Dodge Momentum Index, which tracks nonresidential projects entering planning, rose 5.6% in January and remained 26% above prior-year levels through Q1, fueled by strong data center activity. Though the index dipped in March, Dodge's Sarah Martin noted that "activity remains considerably higher than year-ago levels and still suggests steady construction activity through mid-2026."

The Mortenson Construction Cost Index reflects a moderate cost increase for the 1st Quarter of 2025. While pricing has stabilized across most categories, we are closely monitoring potential fluctuations as the global supply environment responds to policy changes and new tariffs. With planning activity elevated and labor conditions stable, we expect overall nonresidential construction activity to remain steady through the first half of the year. We continue to advise customers to approach project starts with a measured mindset, balancing opportunity with preparedness for ongoing change.

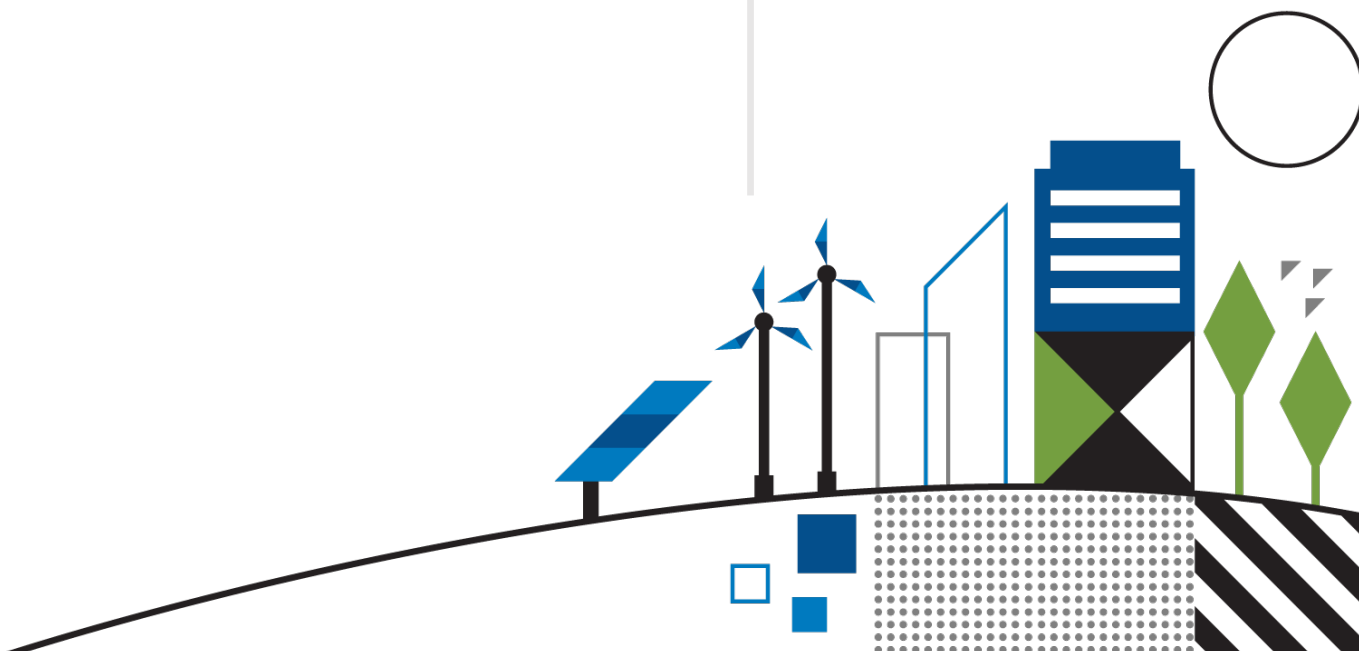
Mortenson tracks and reports on eight metropolitan areas in the U.S. including Chicago, Denver, Milwaukee, Minneapolis, Phoenix, Portland, Salt Lake City, and Seattle. The Mortenson Construction Cost Index is calculated quarterly by pricing representative non-residential construction projects in various metropolitan areas. It is part of a portfolio of industry insights and market studies provided by Mortenson.

**VIEW THE FULL
CONSTRUCTION COST INDEX**



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For nationwide construction cost index data visit:
Mortenson.com/Cost-Index.



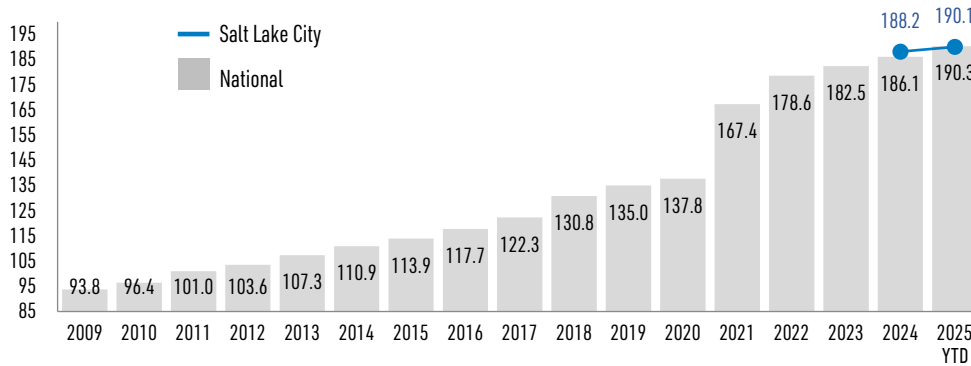
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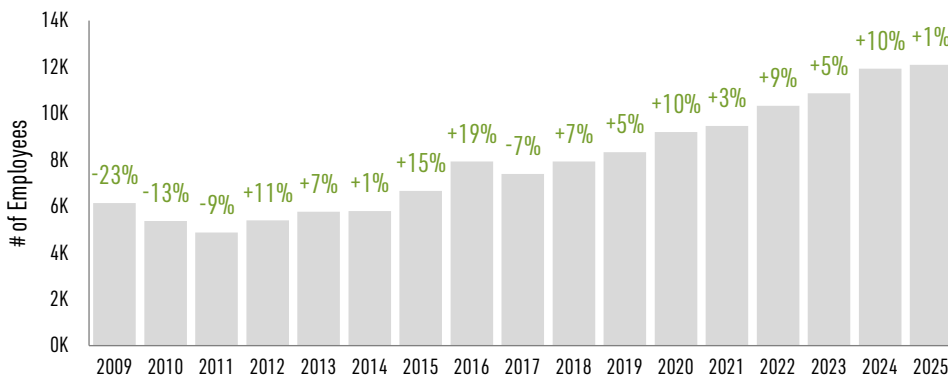
(January 2009 = 100)



Nationally, the Mortenson Cost Index went up 2.2% in the first quarter of 2025 and is up 3.9% compared to a year ago. In Salt Lake City – where we recently began tracking cost trends – the index increased 1.0% in the most recent quarter and 2.5% over the last nine months.

SALT LAKE CITY CONSTRUCTION EMPLOYMENT

(Jan-Mar Average Monthly Employment and YoY % Change)

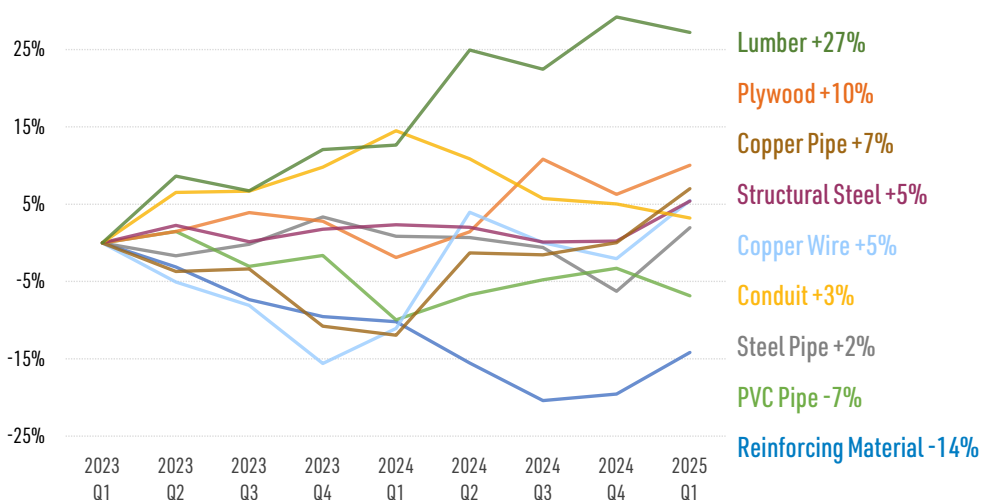


Building construction employment in the Salt Lake City metro averaged 12,100 workers in the first three months of 2025—a 1% increase compared to the same period in 2024. Market uncertainties will continue to impact industry employment.

Source: Bureau of Labor Statistics
Salt Lake City, UT | Construction of Buildings

MATERIAL PRICING CHANGES

(National Average - Cumulative Q1 2023 to Q1 2025)



After a period of softening prices, construction material costs bounced back this quarter. Despite the bump in material prices, overall supply chains remain steady.