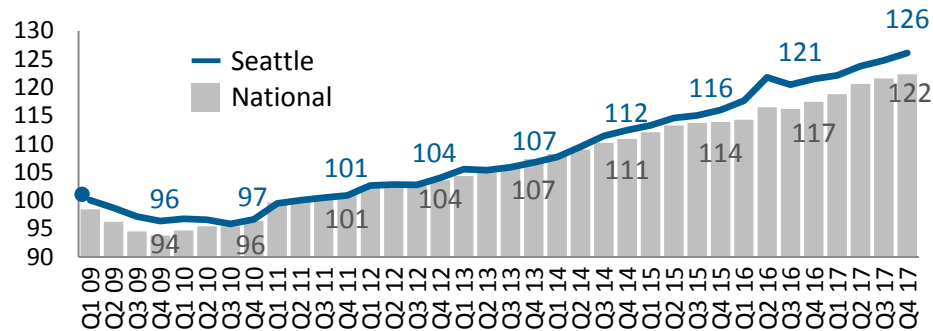
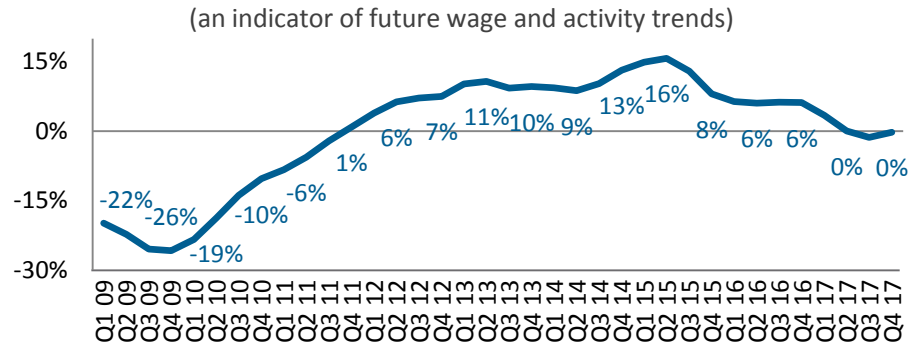


Overall Construction Cost Index (January 2009 = 100)



After rising more than national trends in much of 2015 and 2016, the Seattle cost index has increased in a very similar fashion the national index in 2017. Seattle’s cost index in the latest quarter was up 1.0% compared to the previous quarter and 3.8% more than the same quarter a year ago.

Seattle Construction Employment (Year-Over-Year Growth)



After showing strong double digit growth a few years back, construction employment growth in Seattle has been gradually moderating. This may help take pressure off of construction wage growth moving forward.

Seattle Building Component Trends (Q4 2017 vs. Q3 2017)

Highest Growth	<ul style="list-style-type: none"> Metal Wall Panels (9.1%) Steel Doors/Frames (6.2%) Steel Framing/Stairs (4.5%) 	<ul style="list-style-type: none"> Struct. Steel/Decking (3.6%) HVAC Systems (3.5%) Painting/Wall Covering (3.3%) 	
Some Growth	<ul style="list-style-type: none"> Cast-in-Place Concrete (1.4%) Reinforcing Steel (1.0%) 		
Flat	<ul style="list-style-type: none"> Deck Formwork Alum. Entrances & Storefronts Gypsum Board Traction Elevators 	<ul style="list-style-type: none"> Earthwork Finish Carpentry/Millwork Fire Protection Systems Flooring/Carpeting Roofing System 	
Decline	<ul style="list-style-type: none"> Wood Doors (-14.7%) Electrical Systems (-1.5%) 	<ul style="list-style-type: none"> Plumbing Systems (-1.0%) 	
	Note: All other components (14% of the index) rose .1%.		

Roughly half of the major product categories we track in Seattle experienced growth in the most recent quarter.

Advice for Building Owners

Our Seattle cost index is currently matching the steady growth we are seeing at a national level. Market construction employment has moderated, which should help to contain any further acceleration of overall construction costs. **We recommend owners plan on a 3.5% - 4.0% increase for 2018.**

About this report: The Mortenson Construction cost index is calculated quarterly by pricing a representative non-residential construction project in Seattle and other geographies throughout the country. Local employment figures are from the Bureau of Labor Statistics.

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



Mark Wagner
Chief Estimator
425-497-6611
Mark.Wagner@mortenson.com



Chuck Haigh
Director of Project Development
425-497-6625
Chuck.Haigh@mortenson.com