AACE ATLANTA SECTION Newsletter

09 October 2023

INSIDE THIS ISSUE

Announcements

Atlanta Section ACE Mentorship Program.

More information on the program and volunteering can be found at: https://www.acementor.org/affiliates/atlanta-ga/

AACE Mentoring Program

Headquarters is working to revitalize the AACE mentoring program, if you have an interest, more information is at: AACE Mentor Network.

Coming Events

Please join us for the October Virtual Technical Meeting on Tuesday, 17 October 2023, beginning at Noon ET as Leigh Shaw presents Value Engineering: Project Insights and Obstacles.

Leigh Shaw, LEED BD+C, CCP, VMA

- Graduated from Auburn University in Building Science Program 2005
- Masters of Construction Management from Southern Polytechnic State University
- 14 Years Construction Cost Estimator at Various General Contractors
- Senior Cost Estimator at RIB U.S. Cost – since April 2019

Microsoft Teams meeting

Join on your computer, mobile app or room device:

Click here to join the meeting

Or call in (audio only)

+1 571-267-5840,,979265964# United States, Herndon

Phone Conference ID: 979 265 964#

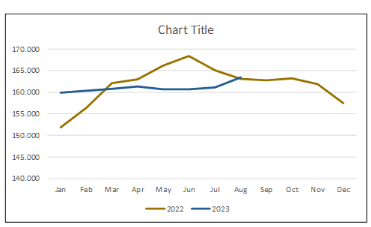
Economic News

Year-to-Year construction costs were registered a modest increase **in August** as seen in the Bureau of Labor Statistics (BLS) Chart below. Construction material prices (Inputs to Nonresidential Construction, Goods) increased month-to-month at a 1.50% rate from July 2023 to August 2023 (1.28% higher than the *revised* 0.22% rate *increase* from June 2023 to July 2023). The BLS PPI now reflects a **year-to-year *increase* in materials costs of 0.22%** (± 2,64% higher than the *revised* -2.42% decrease experienced in July). Labor costs increased in August year-to-year and according to BLS data, total compensation costs for **all employees in construction now stands at a 5.16% increase** (down from the 5.43% year-to-year increase last month). And Labor Costs for **Non-Supervisory and Production Employees increased to 5.68%** Year-to-Year (down slightly from the 5.81% last month). For a 52% Material to 48% Labor (all Employees) mix, the year-to-year **overall escalation rate is now 2.59%**, reflecting an increase from the 1.35% last month. If we use only the **nonsupervisory employee data, that Year-to-Year rate increases to 2.84%,** a bit better than a percentage point higher than the 1.53% increase last month. 'Normal' Construction Escalation over a twenty-year period is generally in the 3.5% to 4.0% range; the reported escalation rates for the past month are now approaching those values and our projections for **end-of-year *direct cost escalation*** remain in the ***3.5% to 4.0%*** range.

PPI Commodity Data
Original Data Value

s Id: WPUIP2312001
Not Seasonally Adjusted
s Title: PPI Commodity data for Inputs to nonresidential
p: Inputs to industries
Inputs to nonresidential construction, goods
Date: 201006
s: 2013 to 2023

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2022	151.852	156.358	162.112	162.970	166.150	168.361	165.064	163.120	162.723	163.240	161.884	157.458
2023	159.932	160.369	160.808	161.332	160.676	160.720	161.066	163.482				



Data Source: U.S. Bureau of Labor Statistics (BLS)

	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Feb-23
Materials Mo-to-Mo (JUL23-AUG23)	1.50%	0.22%	0.03%	-0.41%	0.33%	0.27%	
Materials Year-to-Year (AUG22-AUG23)	0.22%	-2.42%	-4.54%	-3.29%	-1.01%	-0.80%	2.57%
Labor (NonSupervisory AUG22-AUG23)	5.68%	5.81%	5.67%	5.97%	6.67%	6.62%	6.13%
Labor (NonSupervisory JAN22-DEC22)	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%
Labor (All Employees AUG22-AUG23)	5.16%	5.43%	4.73%	5.10%	5.42%	5.39%	5.27%
Labor (All Employees JAN22-DEC22)	5.05%	5.05%	5.05%	5.05%	5.05%		
Typ Project Year-to-Year Direct Cost Escalation Rate (All Employees)	2.59%	1.35%	-0.09%	0.73%	2.08%	2.17%	3.86%
Typ Project Year-to-Year Direct Cost Escalation Rate (NonSup Employees)	2.84%	1.53%	0.36%	1.15%	2.68%	2.76%	4.02%

To remove your name from our mailing list or for other questions or comments, contact Atlanta Section Communications Director, Wade Martin, CCP at wade.martin@rib-uscost.com