Newsletter

ATLANTA SECTION

04 March 2024

Coming Events

Please join us for the March Virtual Technical Meeting on Tuesday, 19 March 2024, beginning at Noon ET as John G McConville, CCP presents Validating / Review of a Capital Cost Estimate. This session will provide attendees with information on:

- **Context -** Owners need for accurate capital cost estimates of future construction projects. Costs for budgeting purposes early in the procurement process when minimal detailed design information.
- **Review CAPEX estimating practices, procedures, & tools.** - Estimating checklists applicable to Conceptual / FEED / Funding & Detailed Lump Sum estimates.
- **Independent Assessment** - of project risks, challenges, future escalation & contingency funds necessary to safeguard the projects viability.

John G McConville, CCP has over 40 years' experience related to **Cost Estimating, Estimating Reviews / Validation Services,** Turnaround of Problem Projects, Independent Estimates for Owners & Value Engineering on a wide variety of major EPC projects, including: Chemical & Process, Petro-Chemicals, Manufacturing, Pharmaceuticals, Infrastructure Facilities, Hi-Rise Buildings / Hotels & Commercial Facilities located in more than 30 countries. John is the Operations Director of **Compass International**, a Cost Estimating/ Procurement Consulting & Publishing firm, which is known around the world as "the experts" on US & International Construction Costs, Global EPC Procurement & Construction Productivity.

INSIDE THIS ISSUE

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,,89334809# United States, Herndon

Phone Conference ID: 548 221 933#

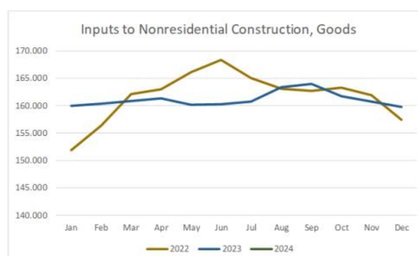
Economic News

Year-to-Year construction costs registered another increase in January as seen in the Bureau of Labor Statistics (BLS) data and our chart below. Construction material prices (Inputs to Nonresidential Construction, Goods) increased month-to-month at a 0.83% rate from December 2023 to January 2024 (1.45% higher than the revised -0.62% rate decrease from November 2023 to December 2023). **The BLS PPI Inputs to Nonresidential Construction, Goods, now reflects a year-to-year increase in materials costs of 0.73%,** a bit lower than the revised 1.44% increase experienced in December). Labor costs increased in January year-to-year and according to BLS data, **total compensation costs for all employees in construction now stands at a 5.18% increase** (up from the 4.61% year-to-year increase last month). And Labor Costs for Non-Supervisory and Production Employees increased to 5.29% Year-to-Year (up slightly from the 5.12% last month).

PPI Commodity Data
Original Data Value

Series Id: WPUIP2312001
Not Seasonally Adjusted
Series Title: PPI Commodity data for Inputs to nonresidential
Group: Inputs to industries
Item: Inputs to nonresidential construction, goods
Base Date: 201006
Years: 2013 to 2024

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Avg
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	161.774
2023	159.932	160.369	160.808	161.332	160.157	160.238	160.701	163.384	163.997	161.686	160.735	159.732	161.089
2024	161.095												



	Jan-24	Dec-23	Nov-
Materials Mo-to-Mo (DEC23-JAN24)	0.85%	-0.62%	-0.5
Materials Year-to-Year (JAN23-JAN24)	0.73%	1.44%	-0.7
Labor (NonSupervisory (JAN23-JAN24)	5.29%	5.12%	5.9
Labor (NonSupervisory JAN22-DEC22)	5.60%	5.60%	5.6
Labor (All Employees JAN23-JAN24)	5.18%	4.61%	4.9
Labor (All Employees JAN22-DEC22)	5.05%	5.05%	5.0
Typ Project Year-to-Year Direct Cost Escalation Rate (All Employees)	2.87%	2.96%	2.0
Typ Project Year-to-Year Direct Cost Escalation Rate (NonSup Employees)	2.92%	3.21%	2.4

In other news, Associated Builders and Contractors (ABC) indicated that its "**Construction Backlog Indicator stood at 8.4 Months for January 2024**, according to an ABC member survey conducted January 22 to February 4." According to the BLS, **the Unemployment Rate in Construction in December increased to 6.9%** (up from 4.4% last month).

Economic News provided by Wade Martin, CCP.

To remove your name from our mailing list or for other questions or comments, contact Atlanta Section Communications Director, Leigh Shaw, CCP at leigh.shaw@rib-uscost.com