

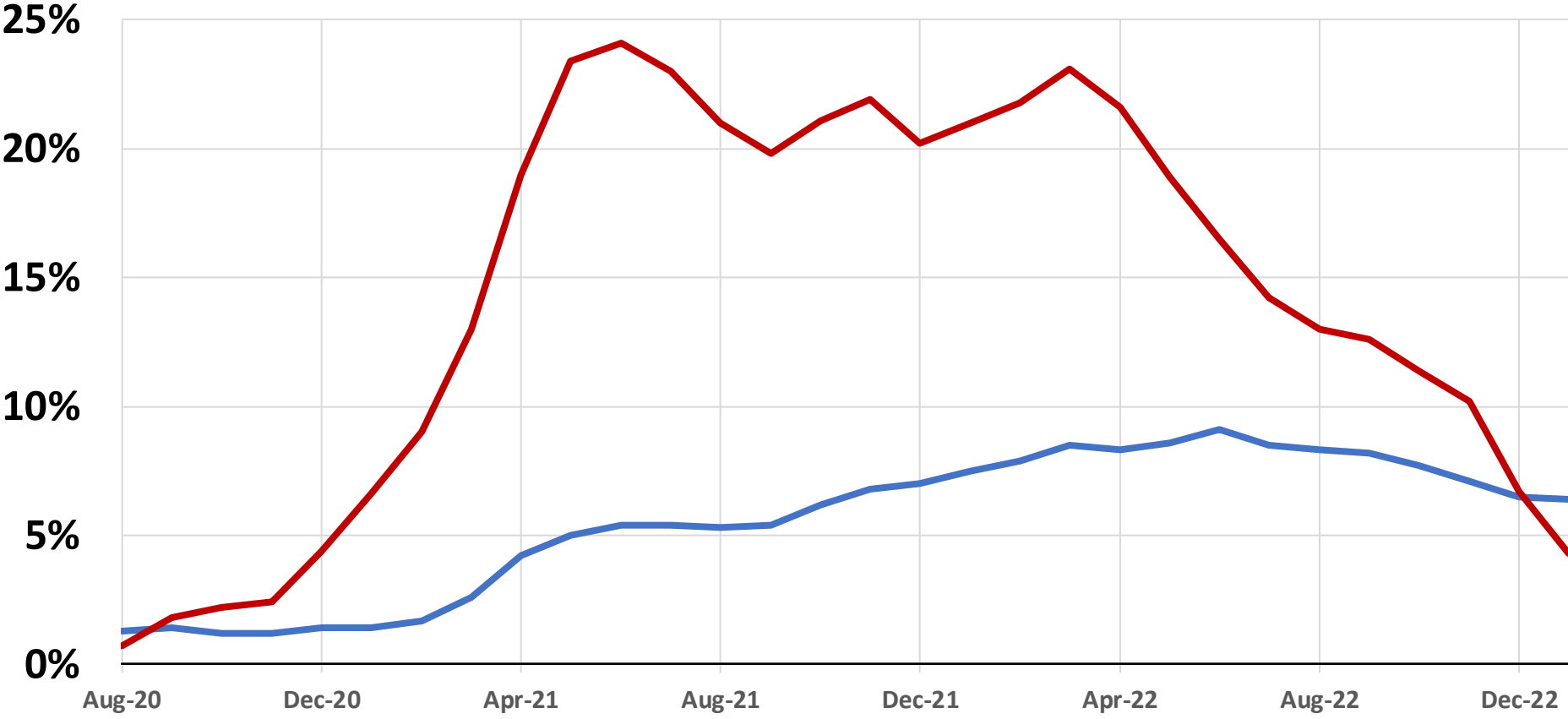
Costs for new nonresidential construction vs. consumer prices

Year-over-year change in PPI for construction inputs and CPI

August 2020 – January 2023, not seasonally adjusted



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	12 months to:	
	Aug-20	Jan-23
CPI	1.3%	6.4%
Inputs PPI	0.7%	4.3%

1 | Source: Bureau of Labor Statistics, consumer price index, www.bls.gov/cpi; producer price index, www.bls.gov/ppi



Wide variation in construction input cost trends

producer price indexes, 1 - & 12-mo. change (not seasonally adjusted)

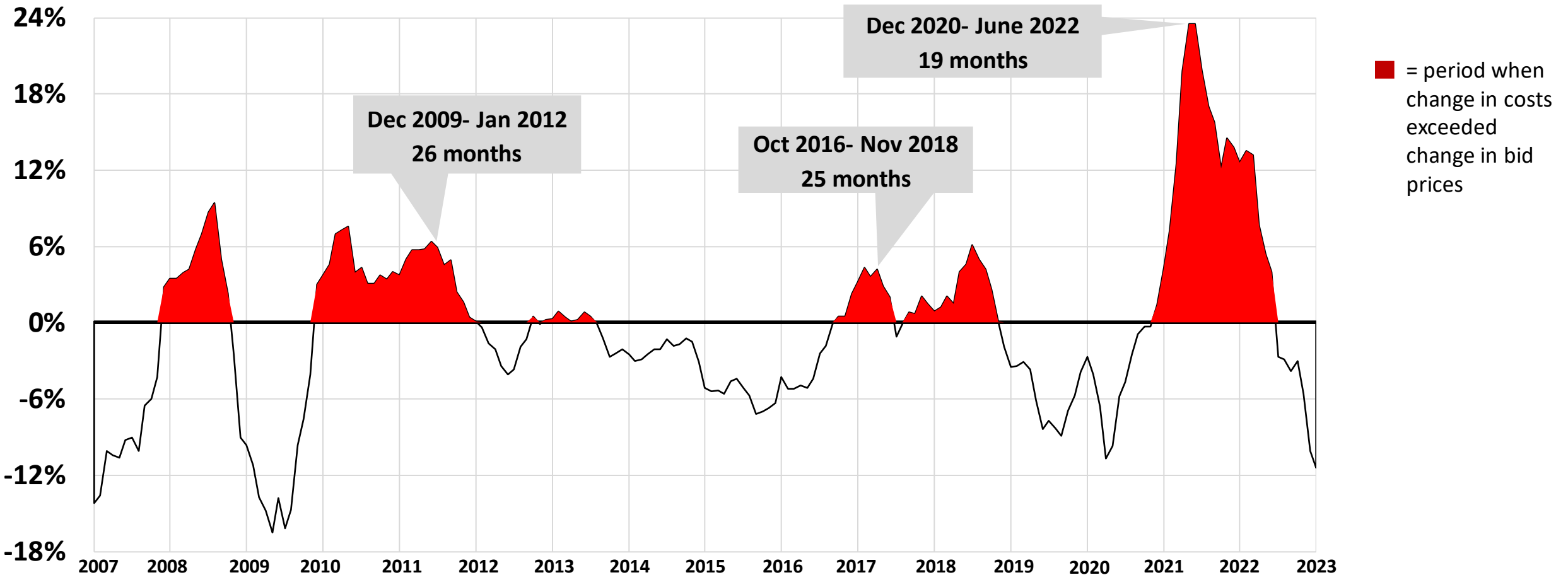
	<u>Jan 2023 change from:</u>	
	<u>Dec 2022</u> <u>(1 month)</u>	<u>Jan 2022</u> <u>(12 months)</u>
#2 diesel fuel	7.1%	22.8%
Architectural coatings (paint, etc.)	0%	15.8%
Asphalt paving mixtures and blocks	7.9%	14.7%
Concrete products	1.8%	14.8%
<u>Subcontractor price indexes, nonresidential building work</u>		
Roofing contractors	5.5%	22.9%
Plumbing contractors	0.8%	13.4%
Electrical contractors	7.2%	19.0%
Concrete contractors	-0.8%	8.4%

Cost squeeze on contractors can last two years or more

Difference between year-over-year change in materials costs vs. bid prices, Jan 2007-Jan 2023



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3 | Source: BLS, www.bls.gov/ppi, producer price indexes for goods inputs to nonresidential construction (material costs) and new school building construction (bid prices)