



Construction Market Forecast 2023

Construction Wages from Q4 2022 Outpaced Other Industries

The average weekly wage for all construction industry employees in the U.S. was \$1544 in the fourth quarter (Q4) of 2022, an increase of 1.2% from Q4 2021, the Bureau of Labor Statistics reported... in its Quarterly Census of Employment and Wages report. Construction industry average wages in Q4 2022 were 11.4% higher than the private sector average of \$1385 (which declined 2.6% from Q4 2021).

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The amount and direction of change for average weekly wages in construction industry average wages in Q4 2022 were 11.4% higher than the private sector average of \$1385 (which declined 2.6% from Q4 2021). The amount and direction of change for average weekly wages in construction varied widely. Among the 10 largest counties, the highest average in Q4 2022 was in New York County (Manhattan), \$2566, up 2.4% from Q4 2021; followed by Cook County, Ill. (Chicago and nearby suburbs), \$1916, up 3.5% year-over-year (y/y); and King County, Wash. (Seattle and nearby suburbs), \$1810, down 1.6%. The largest y/y increase was in Los Angeles County, 3.6% (Q4 2022 average: \$1658), followed by Cook County. The average wage declined 1.7% in King County and 1.6% in Dallas County (Dallas and nearby suburbs, Q4 2022 average: \$1701).

Source and Hyperlink: [Construction Citizen, AGC Data Digest: May 23-30, 2023](#), published 05.31.2023

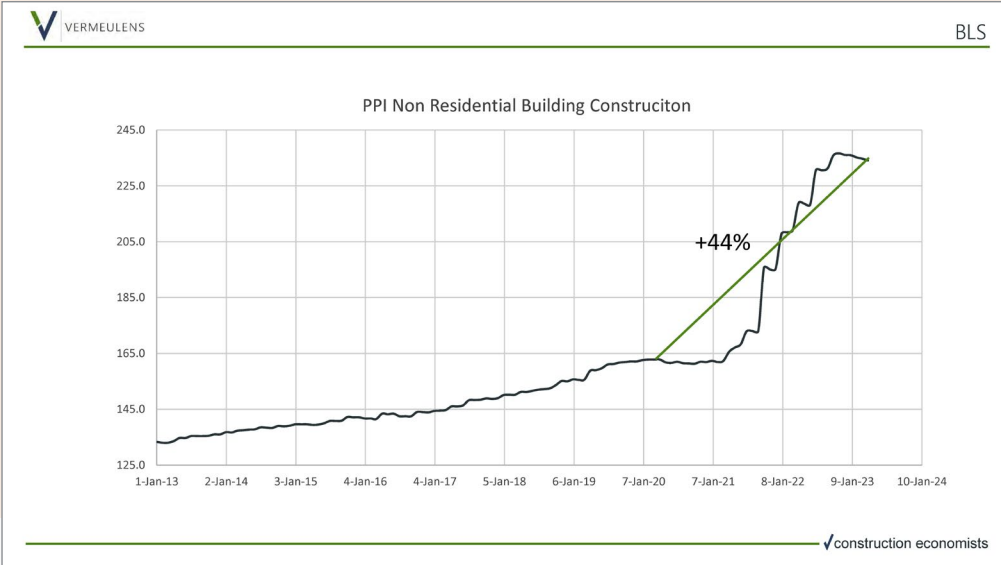


The Kinkaid School Morning Huddle, Houston, Texas

Market Outlook Construction Forum Summary as of May 24, 2023

MACRO TO MICRO MARKET UPDATE VERMEULENS

- Still in a growing economy, GDP is up 5.3% since 2019
- Construction jobs as well as overall jobs are growing, currently at an all-time high, however the rate of growth is declining.
- Year over year construction growth in the northeast is average, south central is growing at an above average rate, California and Colorado are experiencing a decline
- Strong dollar growth in the past year has caused commodities to come down in material cost
- Steel prices are forecasted to decline throughout the year; Roofing and AHU prices are coming down to normal price levels
- Earthwork, drywall, glass pricing is steady; Plumbing HVAC and electrical are extremely volatile
- AIA billings are declining
- PPI (producer price index) is beginning to decline
- Vermeulens index is showing a 18-28% escalation since the beginning of the pandemic
- Escalation is trending at 9% per annum, recommend 6% for 2024, 5% for 2025 and 4% for 2026
- Recommend a Bidding Contingency of 5%-10% for select projects and regions
- Design add/deduct alternates in the 10% construction cost range



Source and Hyperlink: [Vermeulens Design and Construction Market Forum Presented 05.24.2023](#)

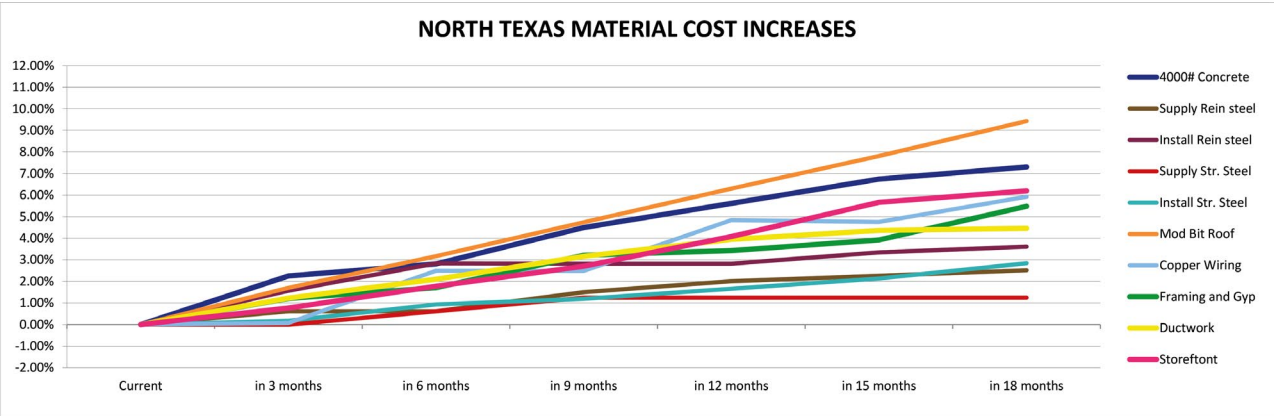
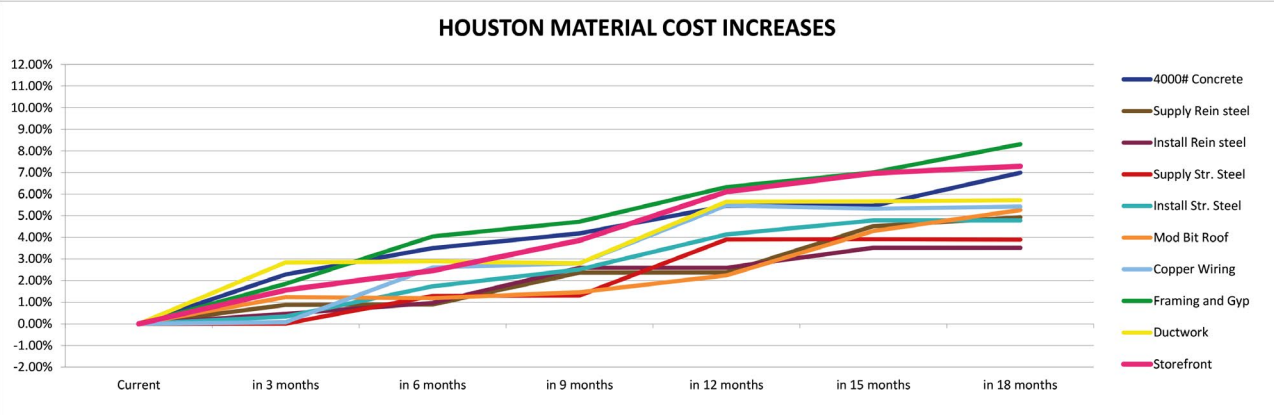
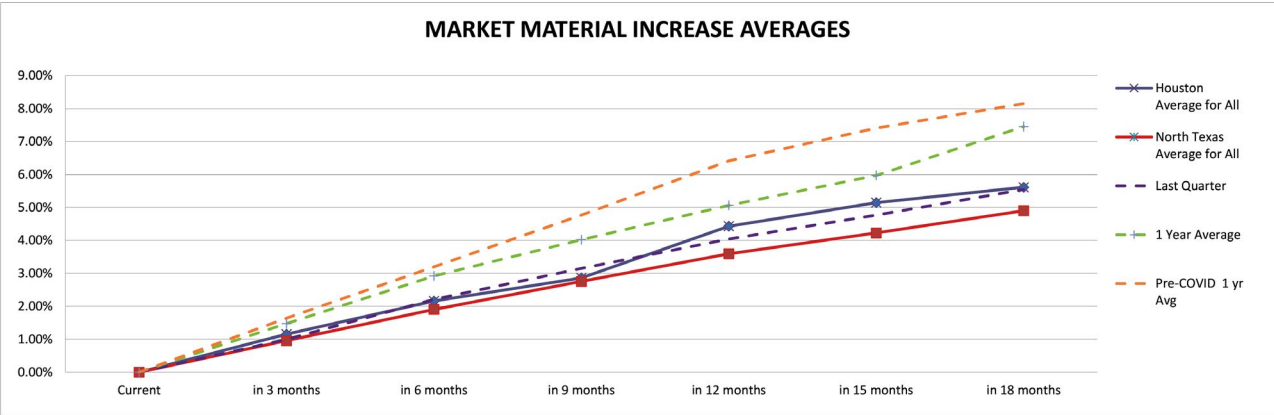
ABI Slips In April

The Architecture Billings Index (ABI) registered a score of 48.5, seasonally adjusted in April, down from 50.4 in March and the sixth reading in the past seven months below 50... Any score below 50 means more firms reported decreased billings than increased billings. The ABI is derived from the share of responding architecture firms that report a gain in billings over the previous month less the share reporting a decline in billings, presented on a 0-to-100 scale. AIA calls the index "a leading economic indicator that leads nonresidential construction activity by approximately 9-12 months.

Source and Hyperlink: [Construction Citizen](#),
[AGC Data DIGest: May 23-30, 2023](#)
[published 05.31.2023](#)



1155 Barton Springs
Premier Austin Skyline View, Austin, Texas



The information provided in Linbeck's Quarterly Construction Market Forecast and Subcontractor/Supply Chain Pulse is gathered from numerous local and national suppliers every quarter to provide our clients with up-to-date market news.

Construction Market Forecast Compiled Pricing Data as of June 2023

Supply Reinforcing Steel \$\$/TON

TIME FRAME	HOUSTON		NORTH TEXAS	
	\$ / LB	Delta	\$ / LB	Delta
Current	\$1,411	0.00%	\$1,416	0.00%
in 3 months	\$1,424	0.88%	\$1,425	0.62%
in 6 months	\$1,424	0.89%	\$1,425	0.62%
in 9 months	\$1,445	2.37%	\$1,438	1.50%
in 12 months	\$1,445	2.38%	\$1,445	2.01%
in 15 months	\$1,475	4.52%	\$1,448	2.26%
in 18 months	\$1,481	4.93%	\$1,452	2.52%

Install Reinforcing Steel \$\$/TON

TIME FRAME	HOUSTON		NORTH TEXAS	
	\$ / LB	Delta	\$ / LB	Delta
Current	\$540	0.00%	\$481	0.00%
in 3 months	\$542	0.88%	\$489	1.56%
in 6 months	\$545	0.89%	\$495	2.84%
in 9 months	\$554	2.37%	\$495	2.82%
in 12 months	\$554	2.38%	\$495	2.82%
in 15 months	\$559	4.52%	\$497	3.35%
in 18 months	\$559	4.93%	\$499	3.61%

Supply Structural Steel \$\$/TON

TIME FRAME	HOUSTON		NORTH TEXAS	
	\$ / LB	Delta	\$ / LB	Delta
Current	\$3,850	0.00%	\$4,000	0.00%
in 3 months	\$3,850	0.01%	\$4,000	0.00%
in 6 months	\$3,900	1.30%	\$4,025	0.61%
in 9 months	\$3,900	1.31%	\$4,050	1.25%
in 12 months	\$4,000	3.90%	\$4,050	1.25%
in 15 months	\$4,000	3.91%	\$4,050	1.25%
in 18 months	\$4,000	3.90%	\$4,050	1.25%

Install of Structural Steel \$\$/TON

TIME FRAME	HOUSTON		NORTH TEXAS	
	\$ / LB	Delta	\$ / LB	Delta
Current	\$1,558	0.00%	\$2,570	0.00%
in 3 months	\$1,563	0.34%	\$2,574	0.17%
in 6 months	\$1,585	1.74%	\$2,594	0.93%
in 9 months	\$1,597	2.52%	\$2,600	1.19%
in 12 months	\$1,622	4.14%	\$2,612	1.66%
in 15 months	\$1,632	4.78%	\$2,624	2.13%
in 18 months	\$1,632	4.78%	\$2,643	2.84%

Copper Wire \$\$/LB

TIME FRAME	HOUSTON		NORTH TEXAS	
	\$ / LB	Delta	\$ / LB	Delta
Current	\$3.80	0.00%	\$4.15	0.00%
in 3 months	\$3.80	0.08%	\$4.15	0.07%
in 6 months	\$3.90	2.61%	\$4.25	2.49%
in 9 months	\$3.90	2.80%	\$4.25	2.49%
in 12 months	\$4.00	5.48%	\$4.35	4.84%
in 15 months	\$4.00	5.33%	\$4.35	4.76%
in 18 months	\$4.00	5.43%	\$4.40	5.92%

Frame and Gyp \$\$/SF

TIME FRAME	HOUSTON		NORTH TEXAS	
	\$ / LB	Delta	\$ / LB	Delta
Current	\$8.62	0.00%	\$6.47	0.00%
in 3 months	\$8.78	1.85%	\$6.55	1.21%
in 6 months	\$8.97	4.05%	\$6.58	1.71%
in 9 months	\$9.03	4.73%	\$6.68	3.21%
in 12 months	\$9.16	6.33%	\$6.69	3.43%
in 15 months	\$9.22	7.01%	\$6.73	3.92%
in 18 months	\$9.34	8.31%	\$6.83	5.48%

Mod Bit Roofing* \$\$/SF

TIME FRAME	HOUSTON		NORTH TEXAS	
	\$ / LB	Delta	\$ / LB	Delta
Current	\$18.57	0.00%	\$26.74	0.00%
in 3 months	\$18.80	1.23%	\$27.19	1.70%
in 6 months	\$18.79	1.19%	\$27.58	3.17%
in 9 months	\$18.84	1.46%	\$28.00	4.74%
in 12 months	\$18.99	2.24%	\$28.42	6.30%
in 15 months	\$19.37	4.29%	\$28.82	7.81%
in 18 months	\$19.55	5.26%	\$29.26	9.43%

*20,000 SF Roof W/4-Inch ISO

Ductwork \$\$/LB

TIME FRAME	HOUSTON		NORTH TEXAS	
	\$ / LB	Delta	\$ / LB	Delta
Current	\$8.75	0.00%	\$7.88	0.00%
in 3 months	\$9.00	2.84%	\$7.97	1.23%
in 6 months	\$9.00	2.90%	\$8.04	2.10%
in 9 months	\$9.00	2.80%	\$8.13	3.16%
in 12 months	\$9.25	5.65%	\$8.19	3.94%
in 15 months	\$9.25	5.67%	\$8.22	4.36%
in 18 months	\$9.25	5.72%	\$8.23	4.46%

4000# Concrete \$\$/CY

TIME FRAME	HOUSTON		NORTH TEXAS	
	\$ / LB	Delta	\$ / LB	Delta
Current	\$144.43	0.00%	\$178.00	0.00%
in 3 months	\$147.74	2.29%	\$182.00	2.25%
in 6 months	\$149.49	3.50%	\$183.00	2.81%
in 9 months	\$150.48	4.18%	\$186.00	4.49%
in 12 months	\$152.32	5.46%	\$188.00	5.62%
in 15 months	\$152.32	5.46%	\$190.00	6.74%
in 18 months	\$154.53	6.99%	\$191.00	7.30%

Storefront \$\$/SF

TIME FRAME	HOUSTON		NORTH TEXAS	
	\$ / LB	Delta	\$ / LB	Delta
Current	\$87.00	0.00%	\$104.57	0.00%
in 3 months	\$88.36	1.56%	\$105.37	0.77%
in 6 months	\$89.14	2.46%	\$106.43	1.77%
in 9 months	\$90.36	3.86%	\$107.40	2.70%
in 12 months	\$92.32	6.11%	\$108.84	4.08%
in 15 months	\$93.06	6.97%	\$110.50	5.67%
in 18 months	\$93.35	7.29%	\$111.05	6.20%



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