

3Q 2025 Cost Report: Prices Rise as Delayed Impacts of Tariffs Hit Jobsites

Contractors and developers absorb the hit, pushed by higher steel and aluminum costs.

Absorbing the Impact

"Construction materials prices rose modestly in August, although the increase would have been larger if not for declining oil and natural gas prices," said ABC Chief Economist Anirban Basu. "Prices rose at an especially rapid pace in some categories most affected by tariffs." He said iron and steel prices, are up 9.2% year-over-year, while copper wire and cable prices rose 13.8%. Nonresidential input prices were up at a 5.3% annualized rate in 2025, but contractors are broadly optimistic about their profit margins over the next six months, says ABC's Construction Confidence Index.

Crude petroleum and natural gas prices fell 2.8%, while unprocessed energy materials prices decreased 2.5% in August, according to an ABC analysis of the PPI data. Contractors are generally optimistic about the rest of the year and 2026, but the impact of tariffs and higher prices looms over future purchasing.

ABC's Construction Confidence Index for sales and profit margins declined in July, while the reading for staffing levels rose to the highest level since April. The readings for all three remain above 50, indicating expectations for growth over the next six months.

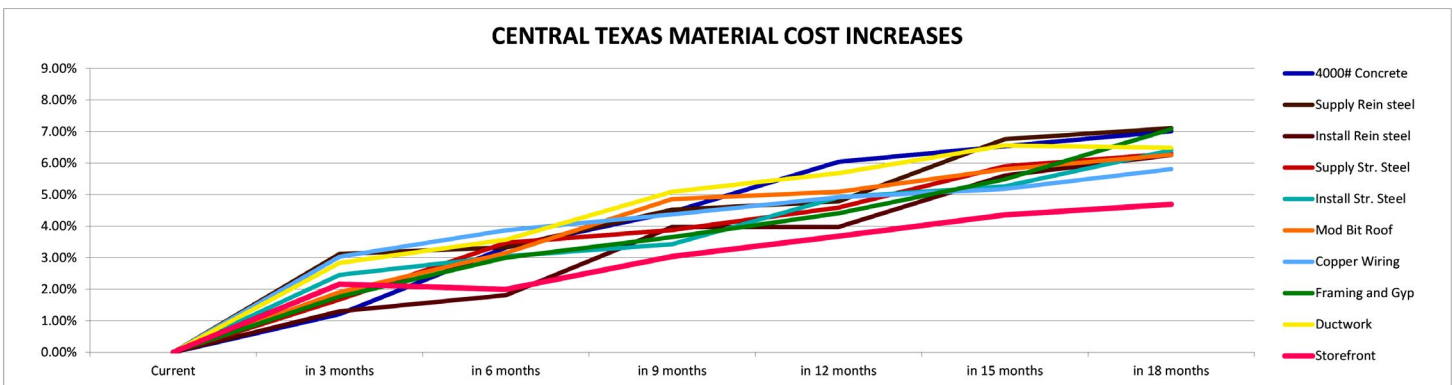
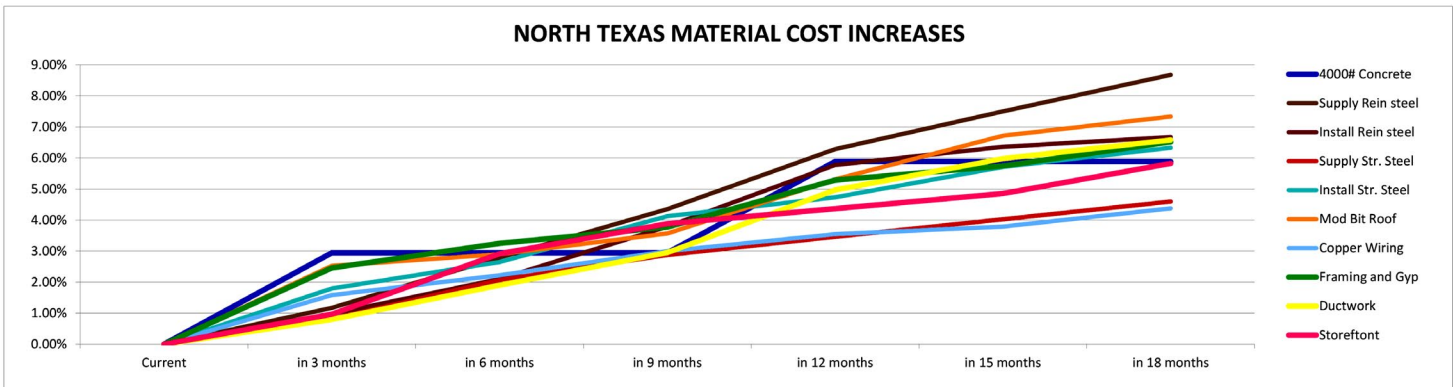
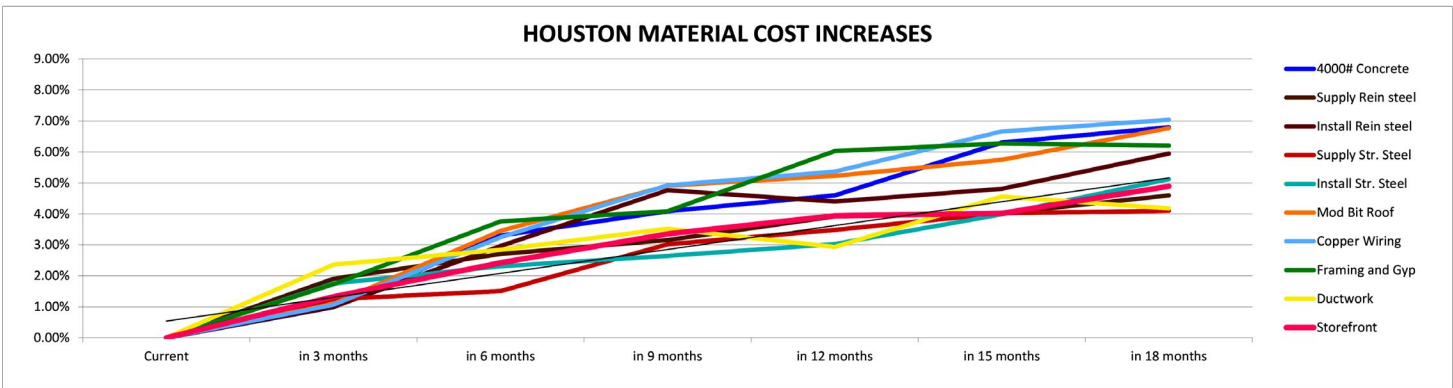
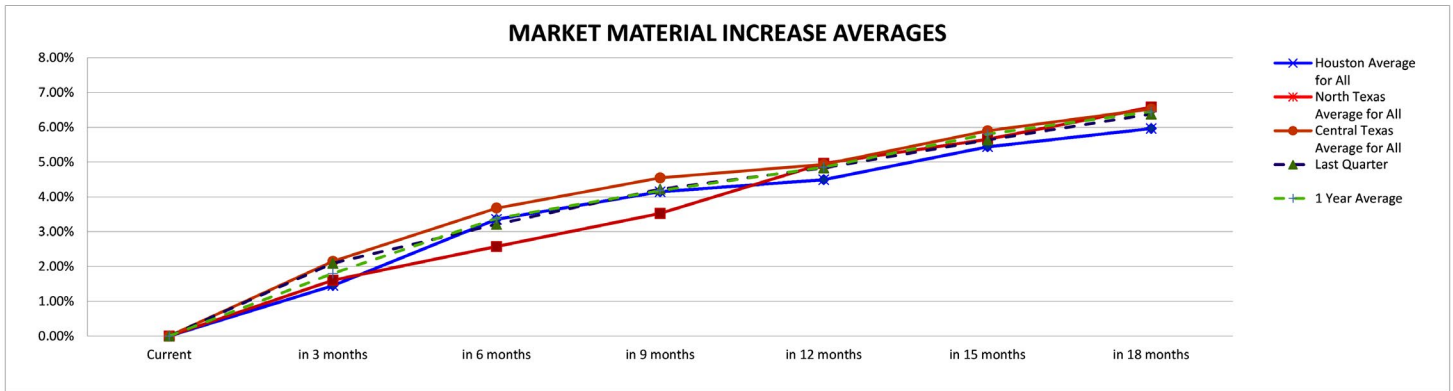
On the design side, the American Institute of Architects/ Deltek Architecture Billings Index, which has at least a one-year lag between billings and construction, remains negative at 46.2 in July.

Producer Price Index, August 2025	1 -Month % Change	12-Month % Change	Change Since Feb 2020
Commodities			
Adhesives and sealants	0.0%	3.0%	39.4%
Brick and structural clay tile	0.1%	1.4%	32.8%
Concrete Products	0.0%	1.7%	41.7%
Construction machinery and equipment	0.5%	4.0%	35.3%
Construction sand, gravel and crushed stone	0.1%	6.1%	47.5%
Copper wire and cable	-3.8%	13.8%	60.2%
Crude petroleum	-2.8%	-13.5%	36.1%
Fabricated structural metal products	0.8%	5.9%	60.8%
Gypsum products	0.0%	0.9%	48.7%
Hot rolled steel bars, plates, and structural shapes	4.8%	6.5%	51.0%
Insulation materials	-0.1%	0.1%	46.1%
Iron and steel	1.1%	9.2%	54.3%
Lumber and wood products	0.2%	1.8%	26.4%
Natural gas	-2.8%	42.3%	43.3%
Plumbing fixtures and fittings	0.3%	8.2%	29.5%
Prepared asphalt, tar roofing and siding products	2.2%	6.1%	49.6%
Softwood lumber	0.6%	5.2%	14.4%
Steel mill products	1.5%	13.1%	66.1%
Switchgear, switchboard, industrial controls equipment	0.1%	10.5%	63.2%
Unprocessed energy materials	-2.5%	-4.8%	52.2%

Source: U.S. Bureau of Labor Statistics

Source and Hyperlink: ENR, <https://www.enr.com/articles/61418-3q-2025-cost-report-prices-rise-as-delayed-impacts-of-tariffs-hit-jobsites>

Forecast Data



Input Prices Climb in August as Tariffs Hit Metals, Lumber; Pricing Outlook is Mixed; DMI Soars in July

Input prices for new nonresidential construction rose 0.2% in July, not seasonally adjusted, and 2.5% year-over-year (y/y), according to producer price index (PPI) data the Bureau of Labor Statistics (BLS) posted on Wednesday. The y/y change was the largest since February 2023. In contrast, the PPI for new nonresidential building construction, a measure of what contractors say they would charge to construct a new building, dipped 0.1% for the month and rose only 0.9% y/y. The gap between input prices and bid prices suggests contractors are not fully passing along higher costs. AGC posted tables and a chart of PPI changes relevant to construction.

There were notable y/y increases in the PPIs for aluminum mill shapes (23%), steel mill products (13%), copper and brass mill shapes (4.9%), and lumber and plywood (4.8%). Although PPIs exclude foreign producers' prices, some domestic producers were quick to raise prices once tariffs took effect. Tariffs on aluminum and steel from most countries increased from 25% to 50% on June 4. A 50% tariff on

copper products and components took effect on August 1 and longstanding duties on Canadian softwood lumber jumped from 14.5% to 35% in early August. The PPI for construction machinery and equipment rose 4.0% y/y, while the index for parts for construction machinery and equipment, sold separately, jumped 36% y/y.

Regarding steel prices, "Trader sources note a sharp drop in import appetite and competitiveness, which we expect to fuel less supply and higher U.S. sheet prices in" the fourth quarter, Wells Fargo analyst Timna Tanners posted on Wednesday.

Price changes for construction inputs as of August 2025

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



August 2025 change from:
July 2025 Aug. 2024 Feb. 2020
(1 month) (12 months) (66 months)

Overall input costs are rising again and have outpaced the CPI since 2020

PPI for inputs to new nonresidential construction	0.2%	2.5%	42%
Consumer price index (CPI)	0.3%	2.9%	25%

...and some input prices remain volatile

Steel mill products	1.5%	13%	66%
Aluminum mill shapes	5.5%	23%	55%
Copper and brass mill shapes	-3.7%	4.9%	72%
Construction machinery and equipment	0.5%	4.0%	35%

Source: Bureau of Labor Statistics, www.bls.gov/ppi

Source and Hyperlink: AGC Data Digest, Vol. 25, No. 31, September 8-12, 2025

Business Conditions for Architecture Firms Continue to be Weak, AIA/Deltek Architecture Billings Index Reports

The AIA/Deltek Architecture Billings Index (ABI) continues to weaken posting a score of 46.2 for July, down from 46.8 in June, indicating that a majority of firms are still experiencing declining firm billings.



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Key ABI highlights for July include:

- Regional averages: Northeast (47.8); South (47.5); West (46.4); Midwest (45.1)
- Sector index breakdown: institutional (47.9); commercial/industrial (49.9); mixed practice (firms that do not have at least half of their billings in any one other category) (42.8); multifamily residential (43.7)
- Project inquiries index: 53.4
- Design contracts index: 47.9

Source and Hyperlink: <https://www.aia.org/about-aia/press/business-conditions-architecture-firms-continue-be-weak-aiadeltek-architecture>

Inquiries into new work grew slowly but steadily this month, following a brief three-month pause earlier this year. However, design contract values fell again in July as firms struggle to convert inquiries into projects—a challenge persisting alongside declining billings for over two and a half years. Billings have been negative for 31 of the last 34 months.

Supply Reinforcing Steel \$\$/TON						
	HTX		NTX		CTX	
TIMEFRAME	\$/Ton	Delta	\$/Ton	Delta	\$/Ton	Delta
Current	\$1,210	0.00%	\$1,265	0.00%	\$1,192	0.00%
in 3 months	\$1,233	1.91%	\$1,280	1.17%	\$1,229	3.12%
in 6 months	\$1,243	2.71%	\$1,300	2.79%	\$1,232	3.33%
in 9 months	\$1,248	3.15%	\$1,320	4.35%	\$1,246	4.52%
in 12 months	\$1,257	3.92%	\$1,345	6.28%	\$1,249	4.78%
in 15 months	\$1,259	4.02%	\$1,360	7.50%	\$1,273	6.76%
in 18 months	\$1,266	4.59%	\$1,375	8.68%	\$1,277	7.11%

Install Reinforcing Steel \$\$/TON						
	HTX		NTX		CTX	
TIMEFRAME	\$/Ton	Delta	\$/Ton	Delta	\$/Ton	Delta
Current	\$490	0.00%	\$500	0.00%	\$511	0.00%
in 3 months	\$495	1.91%	\$504	0.97%	\$518	1.30%
in 6 months	\$505	2.71%	\$510	2.10%	\$521	1.81%
in 9 months	\$513	3.15%	\$518	3.78%	\$532	3.98%
in 12 months	\$512	3.92%	\$528	5.77%	\$532	3.98%
in 15 months	\$514	4.02%	\$531	6.36%	\$540	5.61%
in 18 months	\$519	4.59%	\$533	6.67%	\$543	6.26%

Supply Structural Steel \$\$/TON						
	HTX		NTX		CTX	
TIMEFRAME	\$/Ton	Delta	\$/Ton	Delta	\$/Ton	Delta
Current	\$4,028	0.00%	\$4,350	0.00%	\$4,288	0.00%
in 3 months	\$4,079	1.25%	\$4,385	0.81%	\$4,360	1.68%
in 6 months	\$4,089	1.51%	\$4,440	2.07%	\$4,437	3.47%
in 9 months	\$4,150	3.02%	\$4,475	2.87%	\$4,455	3.88%
in 12 months	\$4,169	3.49%	\$4,500	3.46%	\$4,485	4.59%
in 15 months	\$4,190	4.02%	\$4,525	4.03%	\$4,541	5.90%
in 18 months	\$4,194	4.10%	\$4,550	4.60%	\$4,559	6.30%

Erection of Structural Steel \$\$/TON						
	HTX		NTX		CTX	
TIMEFRAME	\$/Ton	Delta	\$/Ton	Delta	\$/Ton	Delta
Current	\$1,801	0.00%	\$2,100	0.00%	\$1,728	0.00%
in 3 months	\$1,833	1.75%	\$2,137	1.79%	\$1,770	2.45%
in 6 months	\$1,843	2.31%	\$2,155	2.65%	\$1,780	3.05%
in 9 months	\$1,849	2.64%	\$2,186	4.12%	\$1,787	3.43%
in 12 months	\$1,856	3.02%	\$2,199	4.73%	\$1,813	4.92%
in 15 months	\$1,873	3.99%	\$2,220	5.72%	\$1,819	5.26%
in 18 months	\$1,893	5.12%	\$2,233	6.33%	\$1,839	6.41%

Copper Wire \$\$/LB						
	HTX		NTX		CTX	
TIMEFRAME	\$/LB	Delta	\$/LB	Delta	\$/LB	Delta
Current	\$4.68	0.00%	\$6.08	0.00%	\$4.84	0.00%
in 3 months	\$4.73	1.06%	\$6.18	1.58%	\$4.98	3.03%
in 6 months	\$4.83	3.24%	\$6.22	2.22%	\$5.02	3.87%
in 9 months	\$4.91	4.92%	\$6.26	3.00%	\$5.05	4.37%
in 12 months	\$4.93	5.36%	\$6.30	3.54%	\$5.07	4.92%
in 15 months	\$4.99	6.66%	\$6.31	3.79%	\$5.09	5.18%
in 18 months	\$5.01	7.04%	\$6.35	4.38%	\$5.12	5.81%

Frame and Gyp \$\$/SF						
	HTX*		NTX		CTX	
TIMEFRAME	\$/SF	Delta	\$/SF	Delta	\$/SF	Delta
Current	\$9.60	0.00%	\$7.02	0.00%	\$7.21	0.00%
in 3 months	\$9.76	1.73%	\$7.19	2.45%	\$7.33	1.76%
in 6 months	\$9.96	3.76%	\$7.25	3.25%	\$7.42	3.00%
in 9 months	\$9.99	4.08%	\$7.29	3.77%	\$7.47	3.65%
in 12 months	\$10.18	6.03%	\$7.39	5.28%	\$7.52	4.41%
in 15 months	\$10.20	6.28%	\$7.43	5.74%	\$7.60	5.49%
in 18 months	\$10.19	6.20%	\$7.48	6.52%	\$7.72	7.08%

* HTX Price Includes Tape and Float

Mod Bit Roofing* \$\$/SF						
	HTX		NTX		CTX	
TIMEFRAME	\$/SF	Delta	\$/SF	Delta	\$/SF	Delta
Current	\$23.04	0.00%	\$24.94	0.00%	\$24.91	0.00%
in 3 months	\$23.29	1.10%	\$25.57	2.53%	\$25.39	1.91%
in 6 months	\$23.83	3.46%	\$25.66	2.90%	\$25.70	3.15%
in 9 months	\$24.17	4.91%	\$25.83	3.57%	\$26.12	4.86%
in 12 months	\$24.24	5.22%	\$26.26	5.31%	\$26.18	5.09%
in 15 months	\$24.36	5.75%	\$26.61	6.72%	\$26.36	5.81%
in 18 months	\$24.59	6.77%	\$26.77	7.33%	\$26.47	6.26%

* 20,000 SF Roof with 4-inch ISO

Ductwork \$\$/LB						
	HTX		NTX		CTX	
TIMEFRAME	\$/LB	Delta	\$/LB	Delta	\$/LB	Delta
Current	\$10.14	0.00%	\$9.67	0.00%	\$9.86	0.00%
in 3 months	\$10.38	2.36%	\$9.75	0.80%	\$10.14	2.83%
in 6 months	\$10.43	2.84%	\$9.85	1.90%	\$10.21	3.57%
in 9 months	\$10.49	3.52%	\$9.95	2.95%	\$10.36	5.09%
in 12 months	\$10.43	2.93%	\$10.15	4.97%	\$10.42	5.69%
in 15 months	\$10.60	4.56%	\$10.25	5.98%	\$10.51	6.56%
in 18 months	\$10.56	4.18%	\$10.30	6.58%	\$10.50	6.48%

4000# Concrete \$\$/CY						
	HTX		NTX		CTX	
TIMEFRAME	\$/CY	Delta	\$/CY	Delta	\$/CY	Delta
Current	\$146.04	0.00%	\$170.00	0.00%	\$165.50	0.00%
in 3 months	\$147.49	0.99%	\$175.00	2.94%	\$167.50	1.21%
in 6 months	\$150.86	3.30%	\$175.00	2.94%	\$171.00	3.32%
in 9 months	\$152.01	4.08%	\$175.00	2.94%	\$172.86	4.45%
in 12 months	\$152.76	4.60%	\$180.00	5.88%	\$175.50	6.04%
in 15 months	\$155.25	6.30%	\$180.00	5.88%	\$176.31	6.53%
in 18 months	\$155.97	6.79%	\$180.00	5.88%	\$177.11	7.02%

Curtainwall \$\$/SF						
	HTX		NTX		CTX	
TIMEFRAME	\$/SF	Delta	\$/SF	Delta	\$/SF	Delta
Current	\$99.00	0.00%	\$103.00	0.00%	\$101.00	0.00%
in 3 months	\$100.31	1.33%	\$104.00	0.97%	\$103.18	2.16%
in 6 months	\$101.40	2.42%	\$106.00	2.91%	\$103.02	2.00%
in 9 months	\$102.32	3.35%	\$107.00	3.88%	\$106.15	3.04%
in 12 months	\$102.90	3.94%	\$107.50	4.37%	\$104.72	3.68%
in 15 months	\$102.98	4.02%	\$108.00	4.86%	\$105.40	4.36%
in 18 months	\$103.84	4.89%	\$109.00	5.83%	\$105.74	4.69%

Steel Tariffs to Raise Construction Equipment Costs by 27%

US steel and aluminum tariffs are expected to increase construction equipment prices by 27%, according to Off-Highway Research, with imported equipment potentially 45% more expensive, and US-made machinery costs rising by 20% to 25%. The tariffs, which now apply to products derived from steel and aluminum, have prompted companies such as Caterpillar and JCB to warn of significant cost increases.

Source and Hyperlink: Neil Gerrard, Senior Editor, Construction Briefing
<https://www.constructionbriefing.com/news/new-analysis-us-steel-tariffs-push-construction-equipment-prices-up-across-the-board/8086001.article>

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.