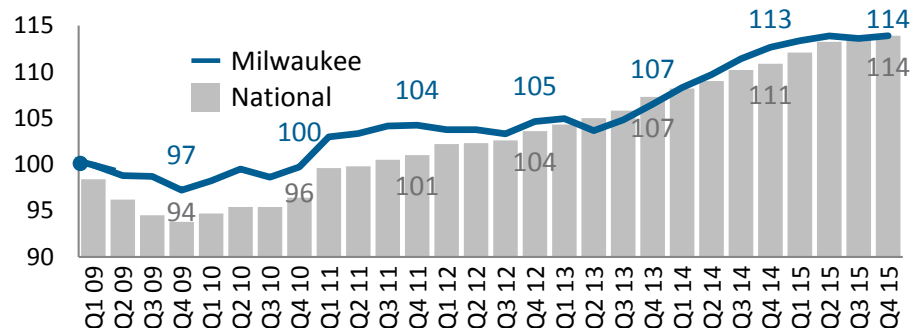


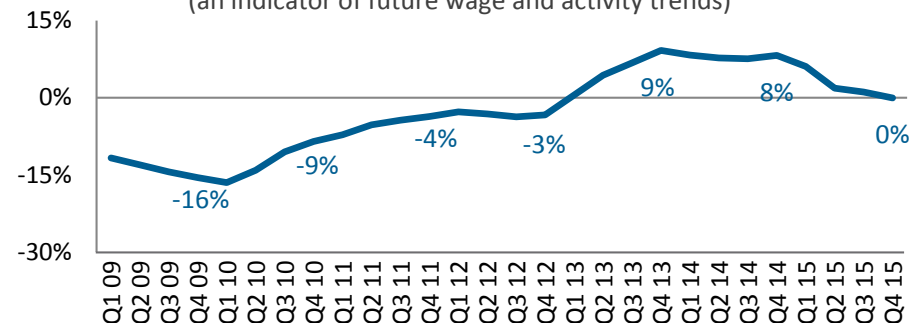
Overall Construction Cost Index (January 2009 = 100)



Milwaukee construction index values were flat over the last two quarters, falling in line with the national average. The Milwaukee cost index values increased by about 1% in the past year.

Milwaukee Construction Employment (Year-Over-Year Growth)

(an indicator of future wage and activity trends)



After steady growth in 2014, Milwaukee's construction labor market trend declined in 2015, falling 8 points year-over-year.

Milwaukee Building Component Trends (Q4 vs. Q3 2015)

Highest Growth	<ul style="list-style-type: none"> Floor & Wall Tile (5.1%) Acoustical Ceilings (4.0%) Electrical Systems (3.8%) 	<ul style="list-style-type: none"> Asphalt Paving (3.6%) HVAC Systems (2.8%) Hardwood Flooring (2.1%)
Slight Growth	<ul style="list-style-type: none"> Flooring & Carpeting (1.3%) Finish Carpentry (1.2%) 	<ul style="list-style-type: none"> Plumbing Systems (1.0%)
Flat	<ul style="list-style-type: none"> Gypsum Board (0.5%) Unit Masonry (0.2%) Earthwork (0%) 	<ul style="list-style-type: none"> Traction Elevators (0%) Deck Formwork (0%) Entrances/Storefronts (0%)
Declining	<ul style="list-style-type: none"> Wood Doors (-1.1%) Roofing Systems (-1.9%) Cast-In-Place Concrete (-2.2%) 	<ul style="list-style-type: none"> Steel/Metal Decking (-2.4%) Steel Framing/Stair (-6.8%)
Note: All other components (16% of the index) rose 0.2%.		

Several building components increased in late 2015, with floor/wall tile and acoustical ceilings seeing the most significant growth. Cast-in-place concrete, steel/metal decking, and steel framing/stairs saw the most significant decreases.

Advice for Building Owners

Despite increases in many building components, the Milwaukee construction cost index plateaued in the last half of 2015 and construction employment growth has been flat. **We recommend building owners plan on 3% - 4% increase in project costs in the coming year.**

About this report: The Mortenson Construction cost index is calculated quarterly by pricing a representative non-residential construction project in Milwaukee and other geographies throughout the country. Local employment figures are from the Bureau of Labor Statistics.

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