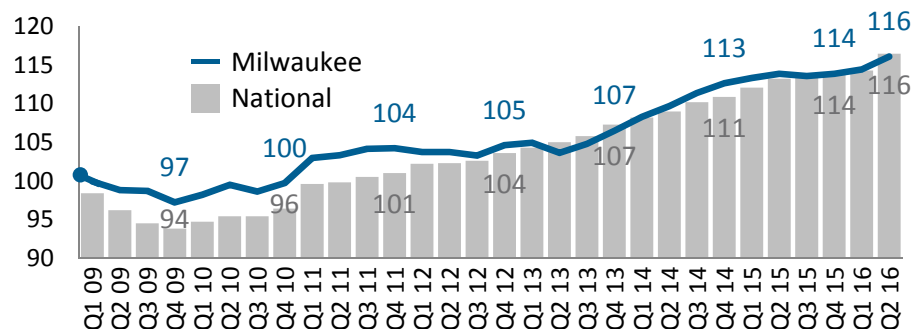
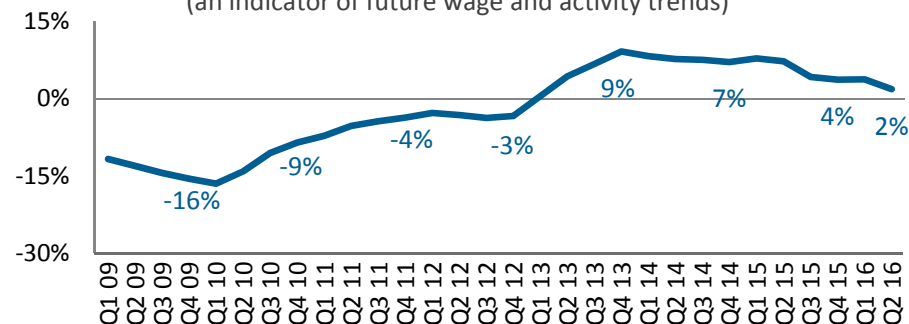


Overall Construction Cost Index (January 2009 = 100)



The Milwaukee construction index grew 2% over the last two quarters, after remaining mostly flat in 2015. The Milwaukee index has held even with the national average.

Milwaukee Construction Employment (Year-Over-Year Growth)
(an indicator of future wage and activity trends)

Milwaukee's construction labor market growth has slowed over the past four quarters and is five points lower than at this time last year.

Milwaukee Building Component Trends (Q2 vs. Q1 2016)

Highest Growth	<ul style="list-style-type: none"> Struc. Steel / Decking (6.6%) Fire Systems (4.7%) Metal Stair Fabr. (4.5%) 	<ul style="list-style-type: none"> Install Reinf. Steel (3.9%) Flooring / Carpet (3.1%)
Slight Growth	<ul style="list-style-type: none"> Electrical Systems (1.9%) Plumbing Systems (1.9%) Gypsum Board (1.5%) Paint / Wall Covering (0.9%) 	<ul style="list-style-type: none"> Cast-in-Place Concr. (0.4%) Carpentry/Millwork (0.3%) Unit Masonry (0.2%)
Flat	<ul style="list-style-type: none"> Earthwork Traction Elevators Entrances/Storefronts Steel Framing / Stairs 	<ul style="list-style-type: none"> Roofing Site Utilities Reinforcing Steel
Declining	<ul style="list-style-type: none"> HVAC Systems (-1.2%) Deck Formwork (-3.3%) 	
Note: All other components (12% of the index) rose 1.9%.		

Several building components increased last quarter, with structural steel / decking, fire protection systems, and metal stair fabrication seeing the most significant growth. HVAC and deck formwork saw decreases.

Advice for Building Owners

Despite the slower growth in the construction employment market, the overall Milwaukee construction cost index picked up in 2016. Many building components have continued to grow, at least slightly. **We recommend building owners plan on a 4% annual 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.

For a more specific update or questions regarding this report, please contact:



Doug Heinrich
Chief Estimator
262-879-2557
doug.heinrich@mortenson.com



Ben Goetter
Director of Business Development
262.792.2920
ben.goetter@mortenson.com