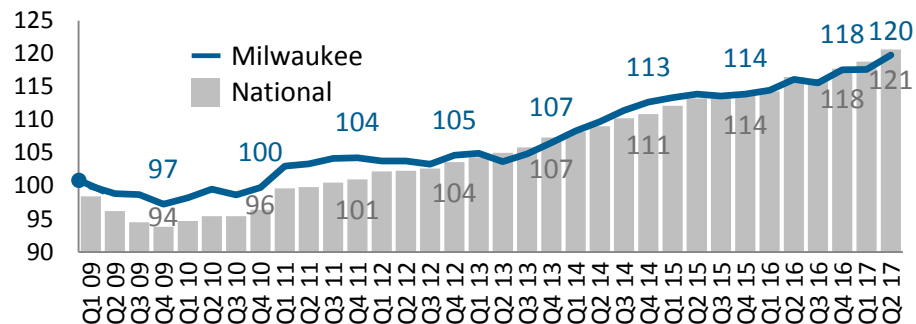
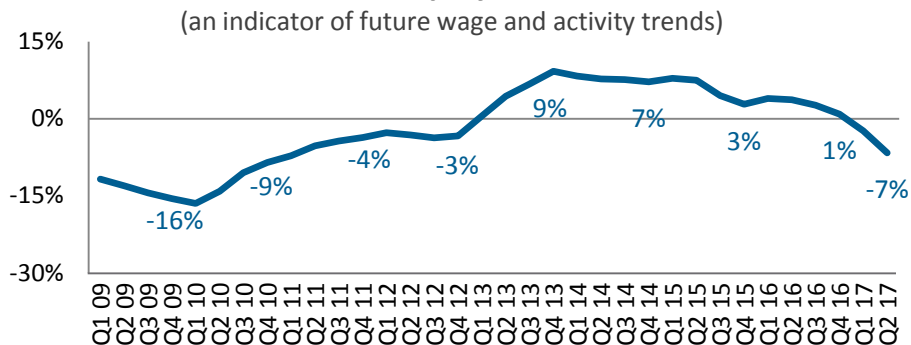


### Overall Construction Cost Index (January 2009 = 100)



In Q2-2017, the Milwaukee cost index increased at one of its fastest clips of the last several years—expanding 1.9%. Still, the index is up a somewhat modest 3.2% compared to a year ago due to subdued growth last quarter and in the third quarter of 2016.

### Milwaukee Construction Employment (Year-Over-Year Growth)



Milwaukee’s construction labor market growth has begun to decline.

Source: Bureau of Labor Statistics.

### Milwaukee Building Component Trends (Q2 vs. Q1 2017)

<b>Highest Growth</b>	<ul style="list-style-type: none"> <li>Fire Protection (11.3%)</li> <li>Reinforcing Steel (8.0%)</li> <li>Traction Elevators (6.5%)</li> <li>Roofing (4.4%)</li> </ul>	<ul style="list-style-type: none"> <li>Electrical Systems (4.4%)</li> <li>Steel Framing &amp; Stair (3.9%)</li> <li>Entrances/Storefronts (2.7%)</li> <li>Struct. Steel/Decking (2.5%)</li> </ul>
<b>Slight Growth</b>	<ul style="list-style-type: none"> <li>Carpentry/Millwork (1.1%)</li> <li>HVAC Systems (1.1%)</li> </ul>	
<b>Flat</b>	<ul style="list-style-type: none"> <li>Unit Masonry</li> <li>Cast-in-Place Concrete</li> <li>Plumbing Systems</li> <li>Earthwork</li> <li>Deck Formwork</li> </ul>	<ul style="list-style-type: none"> <li>Flooring/Carpeting</li> <li>Site Utilities</li> <li>Gypsum Board</li> <li>Reinforcing Steel</li> </ul>
Note: All other components (14% of the index) rose 1.0%.		

Eight building component categories experienced growth of 2.5% or more in the most recent quarter. The majority of other components were more or less flat.

### Advice for Building Owners

Despite the strong growth in the most recent quarter, the overall Milwaukee construction cost index is essentially in line with national trends in the 3%-4% range. Wage growth should be tempered.

**We recommend building owners plan on a 3.5% 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  
Estimating Director  
262-879-2557  
doug.heinrich@mortenson.com



Sarah Kendall  
Director of Strategy & Market Development  
262.879.2612  
sarah.kendall@mortenson.com