



# Board of Trustees Construction Market Conditions Report

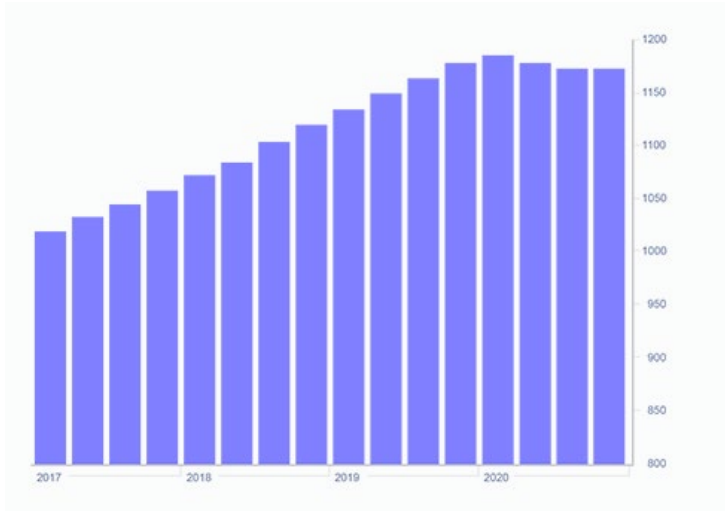
University Planning, Design and Construction

April 28, 2021

**UConn**

# 2020 Q4 Market Conditions Recap

- Escalation in 2020 was generally flat
- In 2020, profit margins offset increases in materials, labor and construction inefficiency
- Many suppliers were still being affected by pandemic related shut-downs or reduced production with many open questions about what to expect in Q1 of 2021
- Significant amount of owner uncertainty with many institutional projects on hold

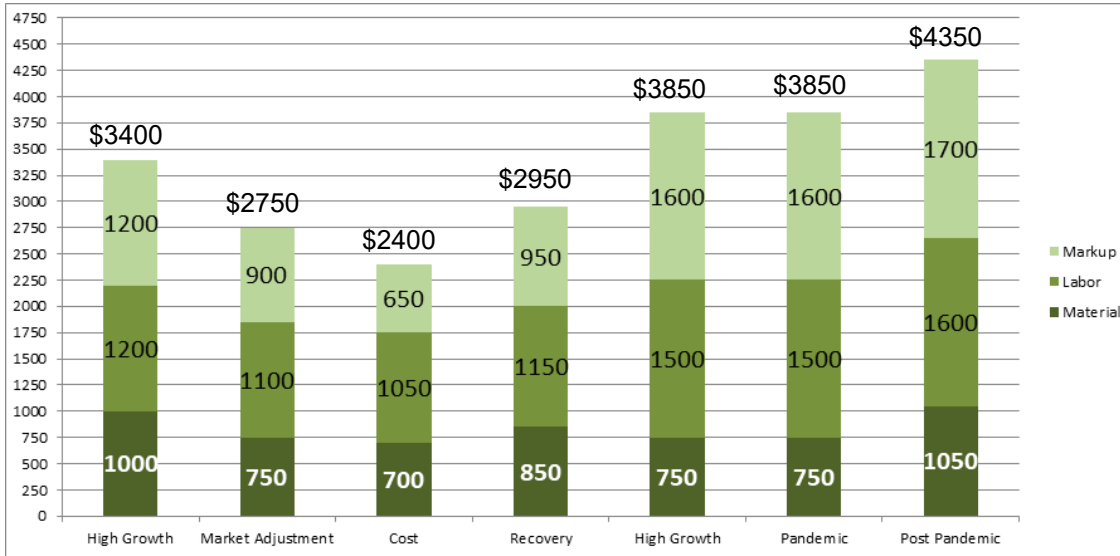


Turner

Quarter	Index	% Change
4th Quarter 2020	1171	0.00
3rd Quarter 2020	1171	- 0.51
2nd Quarter 2020	1177	-1.01
1st Quarter 2020	1189	1.02

# 2021 Q1 Current Conditions

- Owner increase in releasing projects that were on hold as of Q3 and Q4 of 2020
- Robust construction labor force (currently only 300,000 construction jobs (4%) below pre-pandemic levels Nationally)
- Rapid increase in demand and shortages of supply from lingering decreases in production, long lead times
- Construction jobs expected to return to pre-pandemic levels Nationally by this summer/fall



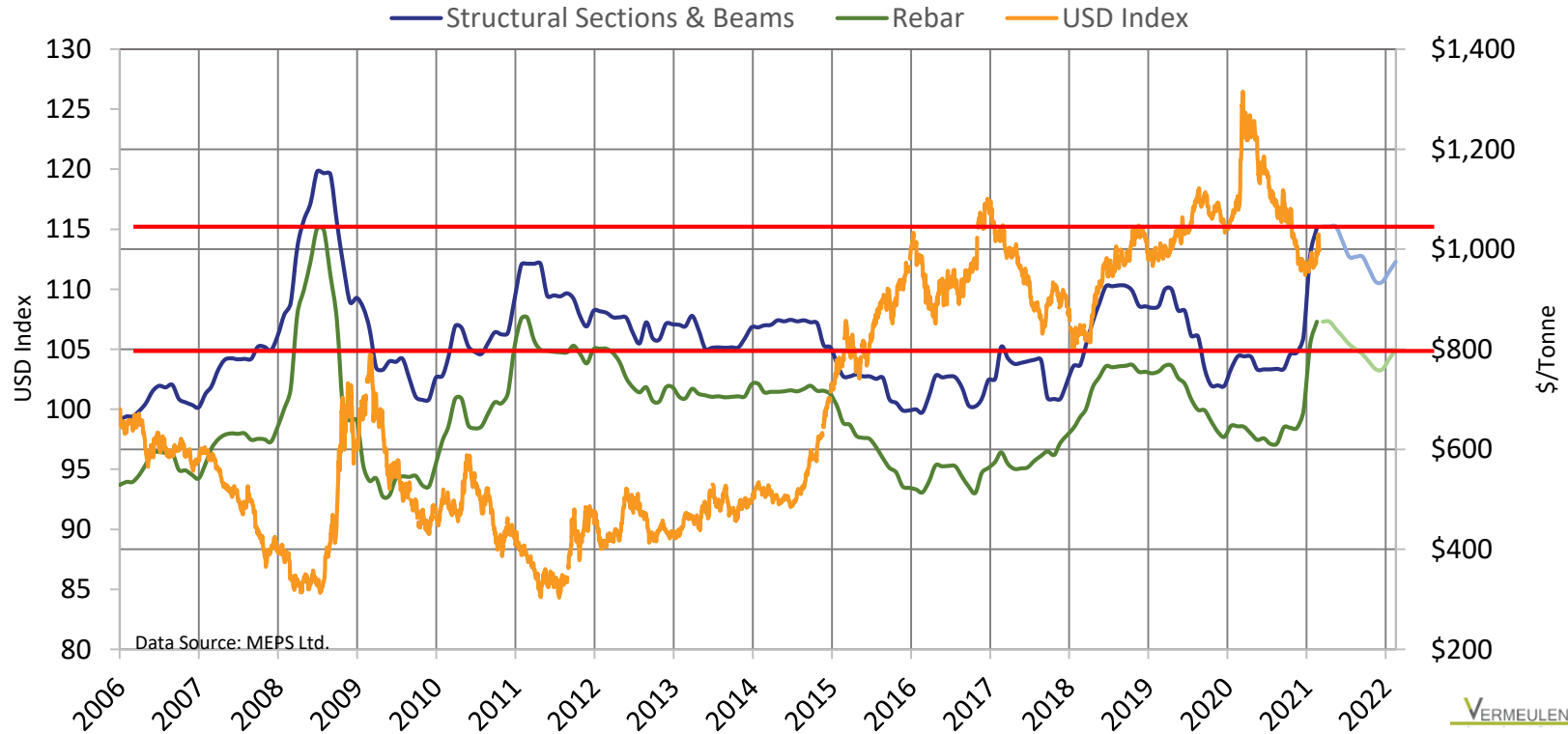
Markets returning to escalation, regionally dependent.

Connecticut:

- For long range capital planning use 3.5%-4.0% per year to mid-point of construction
- For projects in design use 0.5% per month (6% per year) from current pricing to the anticipated procurement date

Structural Steel Pricing, \$/Ton

## North American Steel Prices



# Vermeulens - Construction Employment & Construction Unemployment Rate

