

Construction Costs Continue To Increase



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According to the October 10th publication of the *Engineering News - Record* (ENR) construction costs for the month of September showed another increase. ENR, a standard in the industry for reporting construction costs, reported increases in both labor and materials. The most significant increases were in the cost of cement (+1.4%) and Steel (+2.7%). Major increases were also seen in PVC (plastic) pipe, ranging from +8.9% to +19.5%, depending on the size and type.

About the only building material that saw a decrease was lumber, which eked down by -0.6%. The price of lumber, however, is certain to increase with the huge demands put on the industry for residential building materials in the aftermath of Hurricane Katrina. Needless to say, if Hurricane Wilma makes landfall as a category 4 or 5, even greater demands will be seen for lumber, thereby driving prices even higher.

In addition to price increases brought on by high demand, we are also seeing surcharges being placed on some materials being delivered to jobsites to counter the recent increases in gasoline and diesel fuel prices.

What does all of this mean to churches? If you are getting ready to build a new facility, you can expect to pay higher prices. If you are in the middle of a building project you will probably be receiving some change orders from your contractors to compensate for some, if not all, of the increases.