



WT

WT INSIGHTS

ESSAYS & THOUGHT LEADERSHIP
FROM CONSTRUCTION EXPERTS

PREPARED BY SENIOR VICE-PRESIDENT STEVE KELLY

WT IS AN AWARD-WINNING INTERNATIONAL CONSULTANCY FIRM WHO SUPPORTS CLIENTS ACROSS THE INFRASTRUCTURE INVESTMENT, BUILDING, CONSTRUCTION AND ASSET MANAGEMENT SECTORS.

WT is one of the fastest growing advisory firms in North America. Founded in Australia back in 1949, WT has been a force in North America since 2010. A trusted advisor to Owners, Developers, Government and Private sector clients, WT currently manages billions of dollars of active mega projects across North America. When you work with WT you are working with the collective thinking of over 1,700 of the profession's leading people.

WT draws on the collective experience, knowledge and capability of our professional staff in locations across North America and globally to provide our clients with the right advice on all aspects of cost, value and risk to assist in achieving optimum commercial outcomes.

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OUR FOOTPRINT

WT IS ONE OF THE FASTEST GROWING ADVISORY FIRMS IN NORTH AMERICA

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NORTH AMERICAN OFFICES

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 New York, NY
 Phoenix, AZ
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Toronto, ON
 Calgary, AB

MEXICO

Mexico City



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GLOBAL OFFICE LOCATIONS

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AUSTRALIA

Adelaide
 Brisbane
 Cairns
 Canberra
 Geelong
 Gold Coast
 Hobart
 Melbourne
 Perth
 Sydney

NEW ZEALAND

Auckland
 Wellington
 Christchurch

ASIA

CHINA

Adelaide
 Brisbane
 Cairns
 Canberra
 Geelong
 Gold Coast
 Hobart
 Melbourne
 Perth
 Sydney

HONG KONG

Auckland
 Wellington
 Christchurch

MACAU

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SINGAPORE

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VIETNAM

Ho Chi Minh City
 Hanoi

UK & EUROPE

UK & CHANNEL ISLANDS

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 Birmingham
 Cambridge
 Exeter
 Guemsey
 Leeds
 London
 Manchester
 Nottingham
 Sheffield
 Southampton
 Swansea

GERMANY

Stuttgart

ITALY

Milan

SPAIN

Madrid

SWEDEN

Stockholm

INDIA

Bangalore
 Chennai
 Delhi
 Hyderabad
 Mumbai
 Pune

MIDDLE EAST

Abu Dhabi



EXECUTIVE FOREWORD



PHILIP NIXON
EXECUTIVE VICE-PRESIDENT


The US Marketplace in 2022 presents some very unique challenges and signs of opportunity and recovery in the AEC industry. The following presentation contains a selection of market trend analysis, insights and editorials from WT's roster of experts across our P3 Advisory, Project Management, Project Controls, Real Estate Advisory and Cost Consulting practices, based on observations in the field on active, relevant projects.

On behalf of the entire North American leadership team, it is our hope that you, the reader, find this material timely and enlightening and also see it as a formal invitation for further discourse with our experts across the company.

On the following page is a contact sheet with details on engaging several of WT's construction industry professionals across North America.

Thank you for your time and attention and here is to a safe and prosperous 2022.

A handwritten signature in white ink that reads "Philip Nixon".



PANDEMIC IMPACT

TRENDS IN MATERIAL & LABOR COSTS

CONTRIBUTED BY STEVE KELLY
SENIOR VICE PRESIDENT - COST CONSULTING



PANDEMIC IMPACT TRENDS IN MATERIAL & LABOR COSTS

STEVE KELLY, SENIOR VICE-PRESIDENT -
COST CONSULTING



With over 35 years of construction cost advisory expertise, Steve has developed a customized approach to service delivery and garnered a nuanced understanding of market impacts on capital development, in both the public and private sectors.

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STEVE KELLY
WT
SENIOR VICE PRESIDENT

CONTEXT

Construction demand has slowed recently, and this decline is forecasted to continue as interest rates rise and price instability and supply chain backups continue. The effects of “one off” events (flooding in Canada, electrical grid challenges in Texas) are also waning and allowing production & stockpiling activities to recover. Although the US economy is forecasted to grow by only 1% in 2023, inflation should come back under control next year. Unemployment rate is at its lowest level in fifty years.

MATERIAL

Price stabilization has occurred in the masonry, steel (rebar and structural) and copper but glazing systems suffered a sharp increase in mid-2022. Lumber prices have declined as inventory levels have climbed. High quality project team cooperation and communication will continue to be a necessary tool for cost risk avoidance and mitigation.

Owners and bidders may still want to consider price adjustment clauses that would protect both parties from unanticipated swings in materials prices. Such contract terms can enable the contractor to build in a smaller contingency to its bid, while providing the owner an opportunity to share in any savings from downward price movements (which are likely at some point, particularly for long-duration projects). WT can

provide advice on the indexes to be used to modify pricing or trigger application of these clauses.

LABOR

To attract, retain, and bring back workers, construction firms are raising pay. Average hourly earnings in construction rose 5.8% from February 2021 to January 2022 for “production and nonsupervisory employees” - mainly hourly craft workers. But the average for such workers in the overall private sector climbed 6.9%. The implication is that construction companies will have to raise pay even more in the coming months to remain competitive.

SUPPORTING STATISTICAL CHARTS AND GRAPHS ON THE FOLLOWING PAGES.

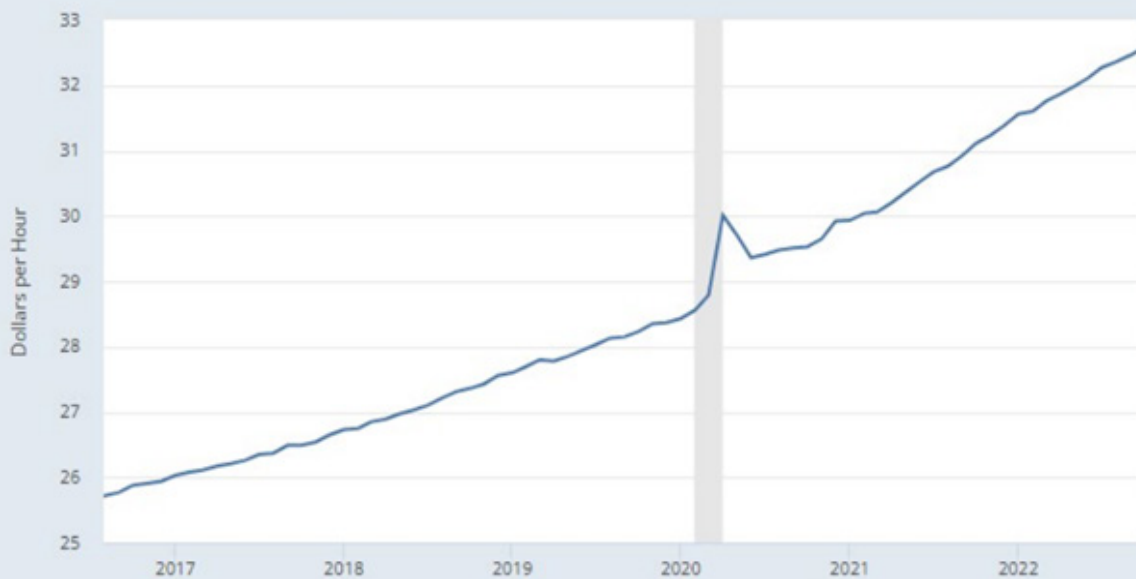
Commodity Summary



Commodity	Current Price as of 09/21/2022	Recent vs. Last 4 Weeks	4 week Average
Aluminum (LME)	2,202.50	↓ -4.22%	2,299.55
Cobalt futures	51,650.00	↑ 0.14%	51,575.78
Copper (CME)	3.47	↓ -1.42%	3.52
Iron ore fines 62% futures	98.65	↓ -1.88%	100.54
Lumber futures	496.00	↓ -2.03%	506.26
Natural Gas futures	7.78	↓ -8.12%	8.47
Nickel futures	2,027.50	↑ 8.29%	1,872.24
PVC (sourced from China)	6,294.00	↓ -5.25%	6,643.00
Rebar Futures (China)	3,856.00	↓ -1.63%	3,920.05
Steel Wire Rod (sourced from China)	4,453.00	↓ -4.84%	4,679.50
US Midwest Domestic Hot-Rolled Coil Steel	798.00	↑ 0.45%	794.43
WTI	82.94	↓ -5.13%	87.43
Zinc futures	278.60	↓ -4.44%	291.55

COMMODITY SUMMARY 2022

U.S. Economy: Wages



FOR MORE INFORMATION ON WT's INFRASTRUCTURE COST SERVICES AND EXPERTISE, REACH OUT:

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SOURCES

“2022 - 2023 Market Outlook US Construction.” Dharan Consulting, 2022

“Construction Market Trends Q4 2021” AECOM, 2021

“Commodity And Trade Newsletter” PCL Construction, 2022

“AGC Construction Report” AGC, 2022

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