

MORTENSON COST INDEX

2026 Spring ICCCF0 Conference

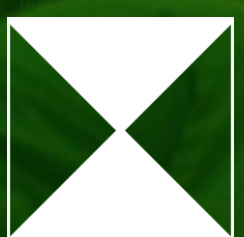
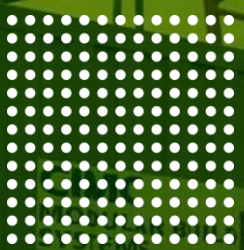
Presenters: Jack Blouin and Jack Bilanzic

04.16.2026



AGENDA

- ▶ Understanding the Basics: A Historical Overview
- ▶ Trends Over Time: The Cost Index Journey
- ▶ Reflections on the Past Year: Key Insights
- ▶ Discussion and Q&A



FAMILY OWNED FIRM
72
YEARS STRONG

4 DECADES IN ILLINOIS

80%

OF WORK DELIVERED AS
CM AT RISK
IN THE LAST 10 YEARS

\$1 BILLION

IN HIGHER ED CONSTRUCTION
IN THE LAST 5 YEARS

300+
PROJECTS

30M+
SQUARE FEET
BY OUR ILLINOIS
OFFICE

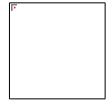
90%

OF WORK COMPLETED ON
ACTIVE CAMPUSES
..... IN THE LAST 10 YEARS

79 **HIGHER
EDUCATION**
CUSTOMERS
ACROSS THE NATION



**MORE
LOCAL
COMMUNITY
COLLEGE
EXPERIENCE
THAN ANY OTHER
CONSTRUCTION MANAGER**



□ WHAT IS THE MORTENSON COST INDEX?

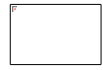
PROJECT DESCRIPTION

- ▶ conventional suburban four-story 96,000 SF building structure comprised of some of the more common building components.
- ▶ Structure assumes a typical column bays are 30 ft. by 30 ft. with 15 ft. floor to floor height.

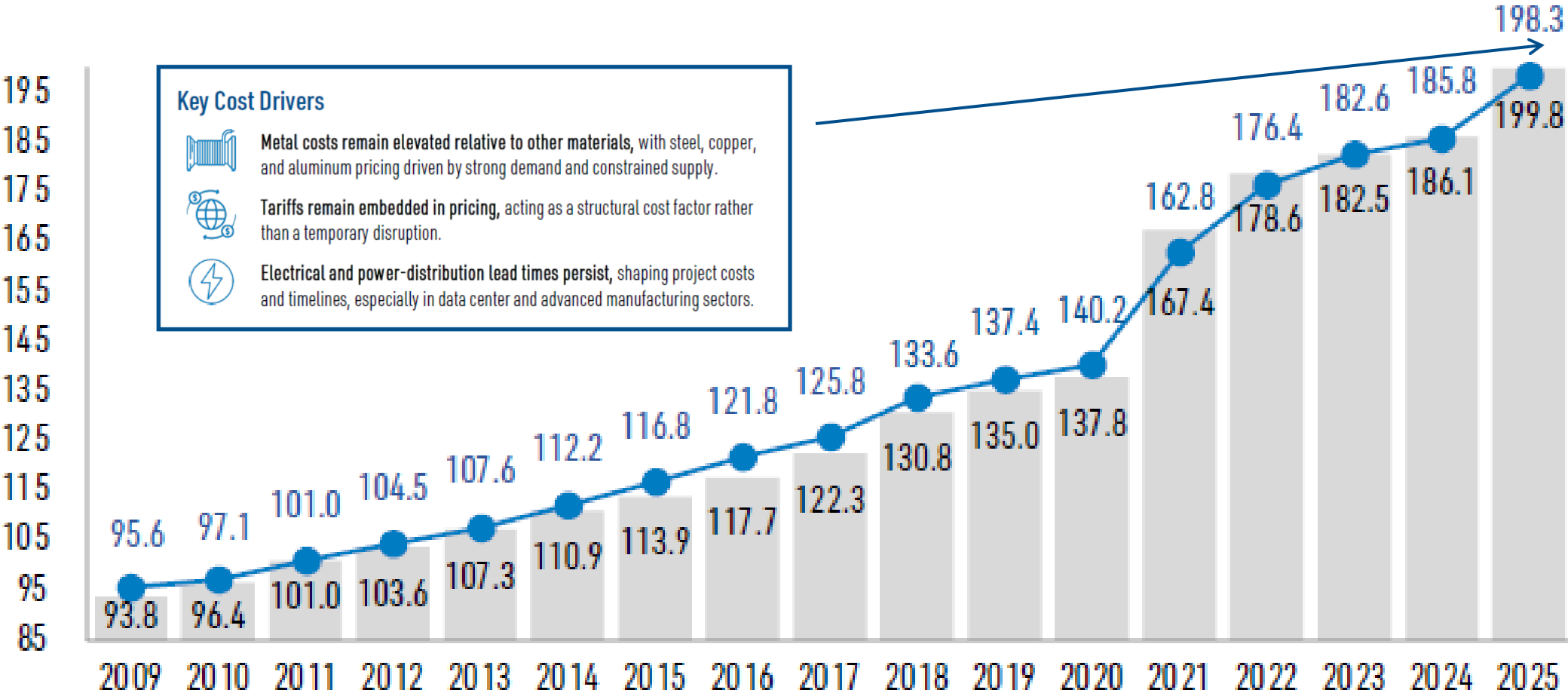
CHICAGO PRICING PACKAGES
1.01 General Conditions
2.01 Earthwork
2.02 Site Utilities
2.03 Asphalt Paving
2.04 Site Concrete
3.01 Deck Formwork
3.02 Reinforcing Steel Material
3.03 Install Reinforcing Steel
3.04 Cast-In-Place Concrete
4.01 Unit Masonry
5.01 Struc. Steel & Metal Decking Material
5.02 Steel Framing & Stair Erection
5.03 Metal Stair Fabrication
6.01 Finish Carpentry & Arch. Millwork
7.01 Preformed Metal Wall Panels
7.02 Roofing System

8.01 Steel Doors & Frames
8.02 Wood Doors
8.03 Alum. Entrances & Storefronts
9.01 Gypsum Board Systems
9.02 Floor & Wall Tile
9.03 Suspended Acoustical Ceilings
9.04 Hardwood Flooring
9.05 Resilient Flooring & Carpeting
9.06 Painting & Wall Covering
14.02 Electric Traction Elevators
15.01 Plumbing Systems
15.02 HVAC Systems
15.03 Fire Protection Systems
16.01 Electrical Systems



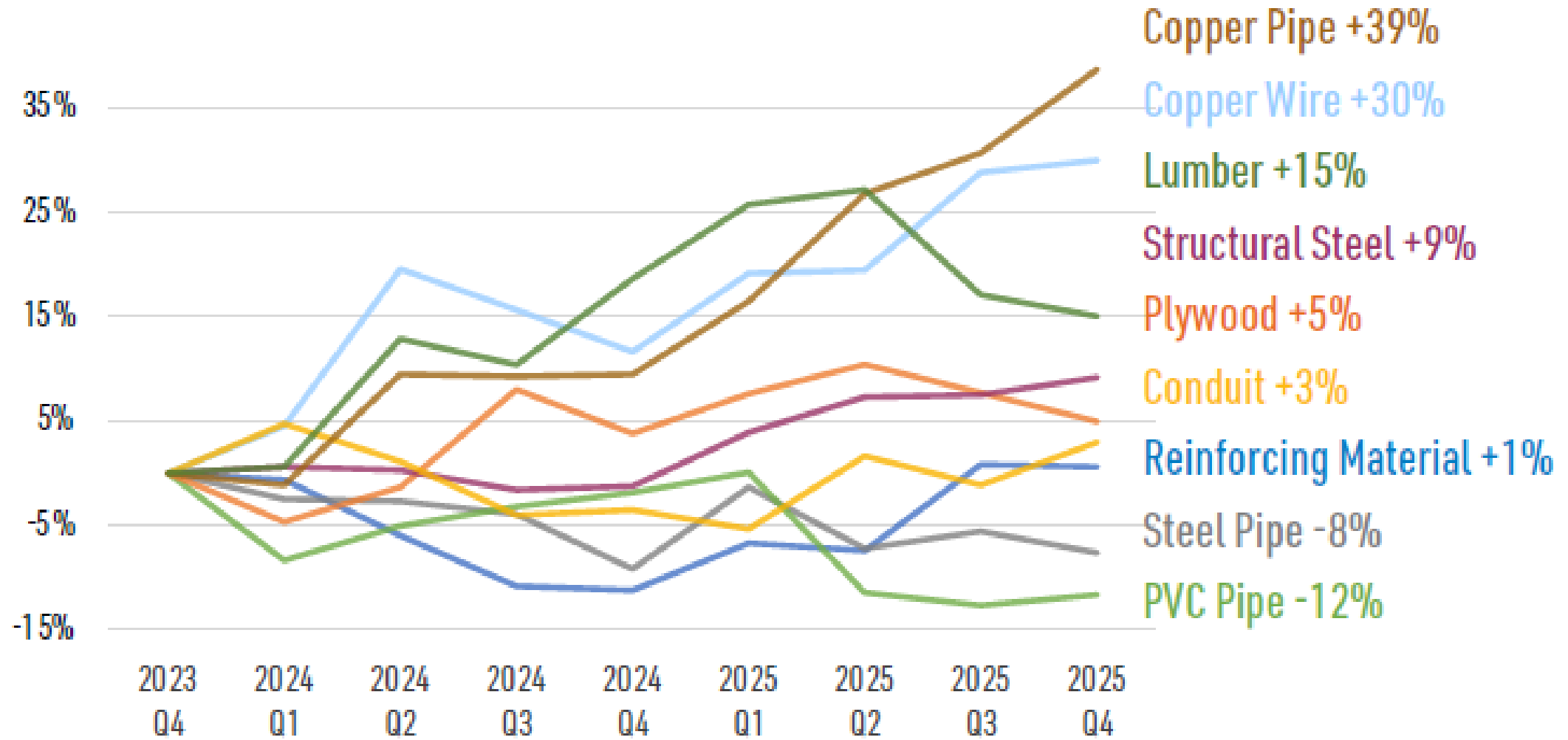


CHICAGO CONSTRUCTION COST INDEX



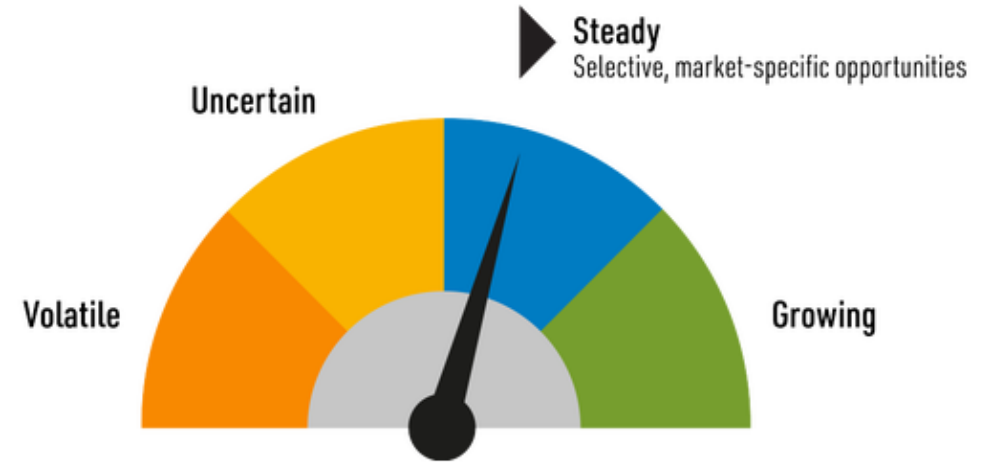
MATERIAL PRICING CHANGES

Entering 2026, global supply chains are experiencing some resilience and stabilization as transportation costs and lead times decrease, but headwinds remain, including elevated metal prices, tariffs, and long-lead electrical equipment, which continue to shape construction costs.



Summary: Nonresidential Construction Outlook Entering 2026

- ▶ **Market activity is mixed across sectors** Data centers and advanced manufacturing continue to drive strong demand. Other sectors show more competitive bidding, helping moderate escalation.
 - ▶ **Planning activity is strengthening** The Dodge Momentum Index increased **7% in December**, signaling a stronger project pipeline heading into 2026.
 - ▶ **Construction cost escalation is rising** Chicago costs increased **0.78% in Q4 2025**, while national costs rose **1.05%**. Annual escalation remains elevated at **7.35%** nationally.
 - ▶ **Supply chain conditions are improving but not fully stable** Freight and logistics costs have normalized. Lead times are better, but electrical equipment delays persist.
 - ▶ **Metals and electrical equipment continue to drive cost pressure** Steel, copper, aluminum, and long-lead electrical gear remain the most volatile categories. Tariffs are now a structural cost factor.
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- ▶ **Overall outlook** Cost escalation is becoming more predictable. Supply chains are more resilient but still require careful planning. Large-scale projects continue to create localized cost pressure.



NATIONAL SNAPSHOT		
Nonresidential Construction Costs		
Market	Q4 % Change	YoY % Change
Chicago	+0.78%	+6.74%
National	+1.05%	+7.35%
Denver	+1.52%	+10.15%
Milwaukee	+1.96%	+10.74%
Minneapolis	+1.16%	+7.74%
Portland	+0.32%	+3.90%
Phoenix	+1.58%	+7.15%
Salt Lake City	+1.16%	+7.22%
Seattle	+0.30%	+6.26%



QUESTIONS?



SCAN ME