



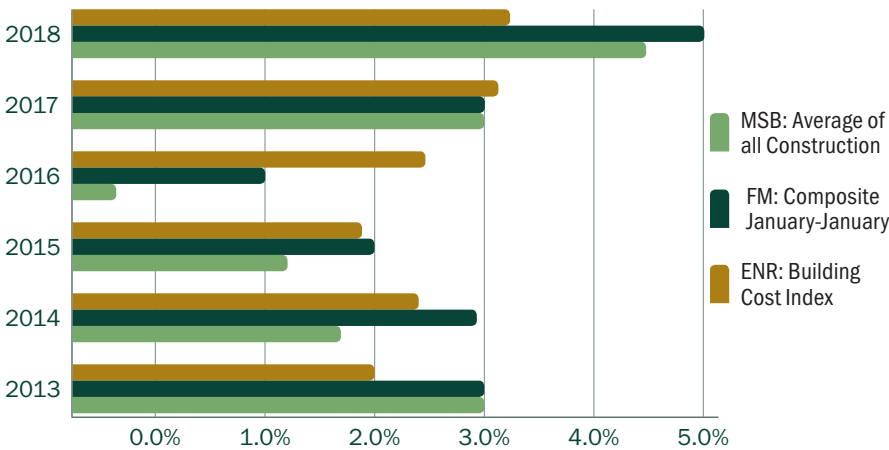
Cost Trend Update

December 2018

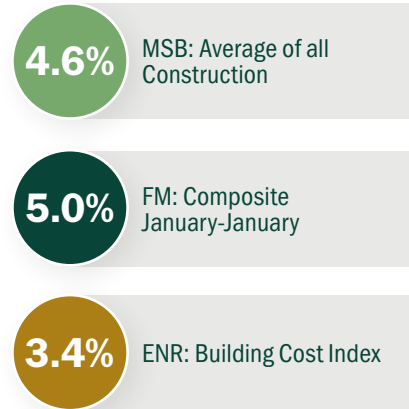
CONSTRUCTION COST TRENDS

Construction costs increased throughout 2018. With the potential for more tariffs, the outlook for 2019 suggests that construction materials costs will continue to climb. Hourly earnings are also incrementally rising, which could bring construction costs to a 10-year high in the new year.

Construction Cost Trends December Yearly



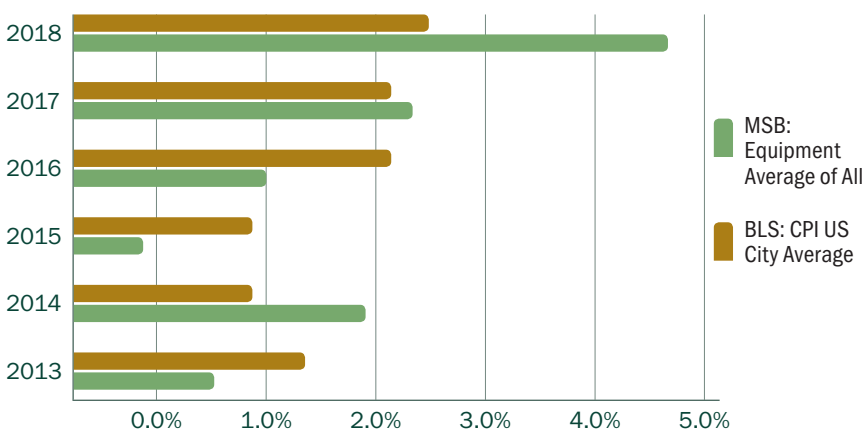
2018 Construction Cost Trends



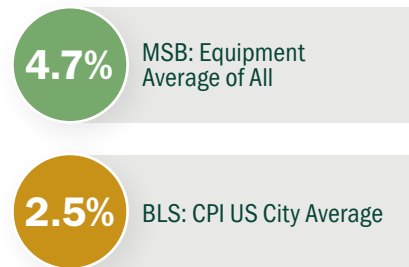
EQUIPMENT COST TRENDS

Equipment cost trends showed growth or decline over the past 5 years but the last 12 months average is over 4% increase.

Equipment Cost Trends December Yearly



2018 Equipment Cost Trends



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Sources
 Marshall & Swift/CoreLogic - Quarterly Cost Indexes
 FM Global - Cost Trends - Industrial Buildings
 US Bureau of Labor Statistics - Consumer Price Index