

The background is a solid blue color with a pattern of white line-art icons related to construction and architecture, such as a hard hat, a hammer, a pencil, a ruler, a window, a door, and a lightbulb. A horizontal dotted orange line runs across the upper portion of the image.

3 Reasons to Stay Current on Construction Cost Data

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When it comes to the planning a construction project, accurate data is essential.

Inaccurate data leads to cost overruns, and cost overruns can lead to more than just a frustrated client. They can shut down a project altogether.

While reflecting on past experiences is often a solid foundation for planning, old construction cost data is outdated and often inaccurate. It's impossible for the data of yesterday to give an all-encompassing and accurate vantage point for tomorrow's project. Getting by, so to speak, on outdated data is unsustainable. This is why comprehensive, current construction cost data should always serve as a check to your historical records.





1 Time Compounds

The cost of raw materials, supply and demand, shipping costs, market maturity, time of year, energy costs and industry trends all influence construction prices. The direct interaction of each of these factors coupled with timing ultimately impacts change. In a year over year comparison, 71 percent of RSMeans data from Gordian's unit cost lines experienced a price change. Now that's just from 2017 to 2018.

Taking it a step further, from 2015 through 2017, there was more than a 97 percent change in costs. While it may not seem like a long time, market influences can significantly impact construction costs. **If you were to use data from 2015 and data from 2018 to plan and estimate the same project, you would more than likely receive notably divergent outcomes.**

Be it the contractor or the client, someone will pay extra at the expense of an inaccurate estimate. Underestimate and the contractor risks making an unprofitable investment. Overestimate and trust is breached.

Regardless of which way the mistake is made, inevitably both parties will feel the negative effect. No one walks away unscathed.



2 Relationships Matter

Relationships are built on trust. They require clear, continuous communication. Surprises do not fit into this equation. Whenever reputations and financial investments are on the line, people want to feel they have a grip on everything happening on the construction site.

However, when cost overruns arise the situation goes into flux. There will be delays with a likely chance of price disputes. These disagreements plant the seeds that ruin trust between parties.

On the other hand, accurate project plans, designs, estimates and bids lay the foundation for trusting, long-term relationships. This is why accurate data is so essential. Not all tension and disagreements are avoidable on a construction site. But beginning the project with reliable, up-to-date cost information can at the least mitigate unnecessary conflicts and barriers.





3 Not All Data Is Alike

Gordian invests more than 22,000+ hours annually in exhaustive cost research to develop RSMeans data. The outcome of this effort is comprehensive data pooled from 970+ local markets which in turn is validated through sophisticated algorithms. This detailed exactitude and ranging breadth allow for an approach unmatched in the industry.

Multiple price sources for each of the 55,000+ distinct materials researched annually are obtained continuously nationwide. Site-specific factors are further applied to ensure greater accuracy.

Couple this validated, researched construction cost data with your historical information, and you can feel confident your project estimates are grounded and correct.

22,000+
Research Hours
.....

55,000+
Distinct Materials
.....

970+
Local Markets
.....



In Closing

Due to constant market fluctuations, out-of-date data increasingly diverges from the present costs. You don't want stagnant cost data backing your next project. Keeping up is not only better for you, it's better for everyone involved.

Explore current construction cost trends at rsmeans.com/costtrends



About Gordian

Gordian is the world's leading provider of facility and construction cost data, software and services for all phases of the building lifecycle. A pioneer of Job Order Contracting (JOC), Gordian's solutions also include our proprietary RSMeans data and Sightlines facility benchmarking and analysis. From planning to design, procurement, construction and operations, Gordian's solutions help clients maximize efficiency, optimize cost savings and increase building quality. For more information, visit gordian.com