Market Conditions Report

9 Things to Consider Before Building Your Data Center

The following Market Conditions Report summarizes current cost trends in nine key areas to consider when developing your next project. Some of the cost elements presented will directly affect construction (e.g., copper, aluminum, steel and concrete pricing, labor rates); some will indirectly affect construction (e.g., oil pricing, nonresidential and domestic construction spending). Other factors, such as the cost of power, will directly affect the cost of your facility operations.

1. Cost of Power

Cost of Power Increase
Since Q3 2016, the average cost of industrial power has slightly increased across the U.S., except for Colorado, Nebraska, Virginia, and Utah.

2. Mechanical, Electrical, Plumbing Labor Rates

MEP union journeyman base labor and fringe total rates per hour. Does not include subcontractor burdens and mark-ups.

MEP Labor Rates
MEP unions are reporting a promising outlook for workers in 2017. Labor premiums may apply in the Pacific Northwest and Texas due to the volume of work and shortage of skilled workers.

3. Nonresidential Construction Spending

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4. Domestic Construction Spending

Domestic construction spending in the commercial and industrial sectors has steadily risen over the past two years, rising an estimated 5.0% in 2016 and forecasting to rise another 4.2% in 2017.

5. Copper Pricing

Copper pricing rose post-election in November 2016 and has leveled off in early 2017 between $2.60-2.80 per pound. Pricing is anticipated to remain constant for the near future.

6. Aluminum Pricing

The one-year range on aluminum pricing is a steady $0.19 per pound increase, month over month. This trend is expected to steadily continue.

7. Steel Pricing

Steel since mid-2016, steel pricing has declined due to the vast amount of Chinese steel reserves stocked in the U.S. As of Q4 2016, pricing has leveled off around $670 per ton. Pricing is expected to increase in 2017 if the production of Chinese steel decreases.

8. Concrete Pricing

The one-year range on concrete pricing is a $7 increase per cubic yard of ready mix concrete. This is 50% more than the reported annual inflation rate.

9. Oil Pricing

Oil pricing continues to increase. The one-year range is an increase of $23 per barrel, from $30 per barrel to $53 per barrel (or 80%).

Meet the Mission Critical Leadership Team

DPR Construction’s team of mission critical operatives can help steer the process — taking a project from site selection and analysis to single point of failure identification during start-up and commissioning. Specializing in highly complex and sustainable projects, DPR ranks among the top data center contractors in the nation with seasoned teams of estimators, MEP specialists, and program, design and construction managers and engineers working around the world.

Mark Thompson
Advanced Technology Core Market Leader
mark@dpr.com
(650) 867-4781

David Ibarra
Project Executive West Coast and Int’l.
davidi@dpr.com
(650) 814-1181

Tom Maples, P.E.
Project Executive Southwest
thomasm@dpr.com
(602) 920-1221

Jeffrey Mason
Project Executive Southeast
jeffm@dpr.com
(404) 395-9592

Brett Korn
Project Executive Northeast
brettk@dpr.com
(917) 734-8342

www.dpr.com

4. AIA Consensus Forecast PM (Sept-Gigantes) (919) 785-9258

Additional Resources:
- [Website Link 1](http://example.com)
- [Website Link 2](http://example.com)
- [Website Link 3](http://example.com)
- [Website Link 4](http://example.com)
- [Website Link 5](http://example.com)