



Construction Materials Price History and Outlook

April 20, 2009

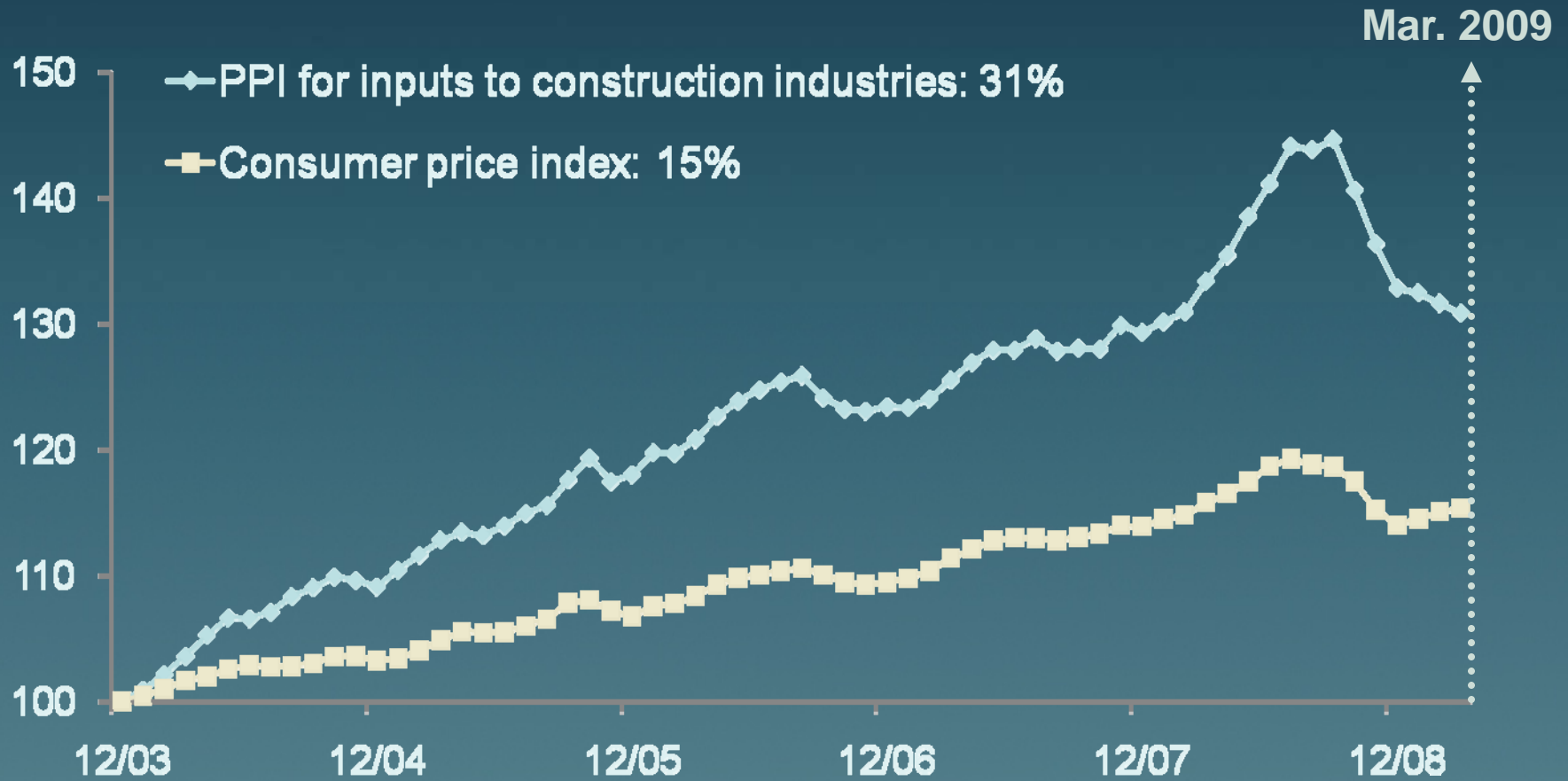
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Change in Producer Prices for Construction vs. Consumer Prices, 2003 - 2009 (December 2003 = 100)

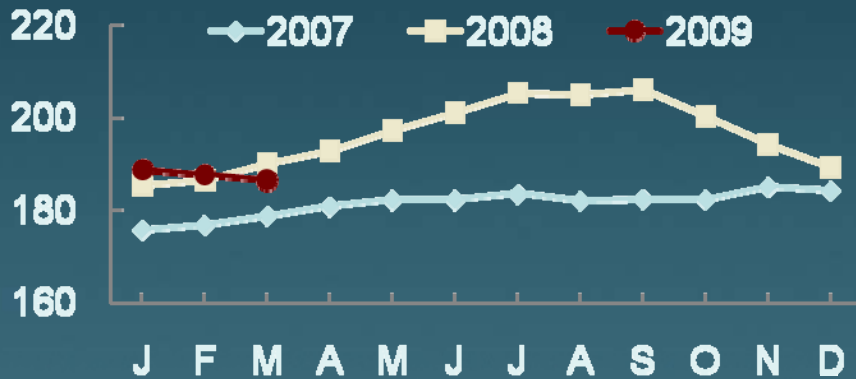




Producer Price Indexes, 2007 - 2009

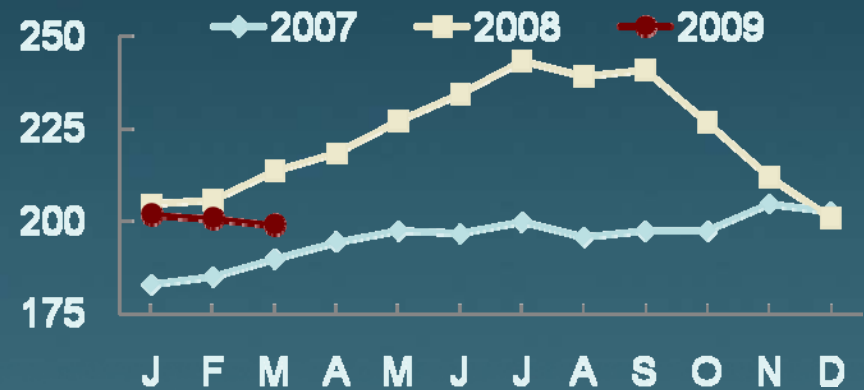
Inputs to construction industries

1-month: -0.6%
 12-month: -1.9%



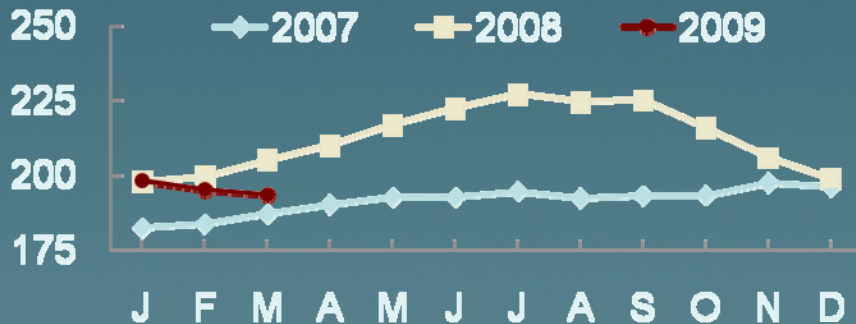
Highway & street construction

1-month: -0.9%
 12-month: -7.0%



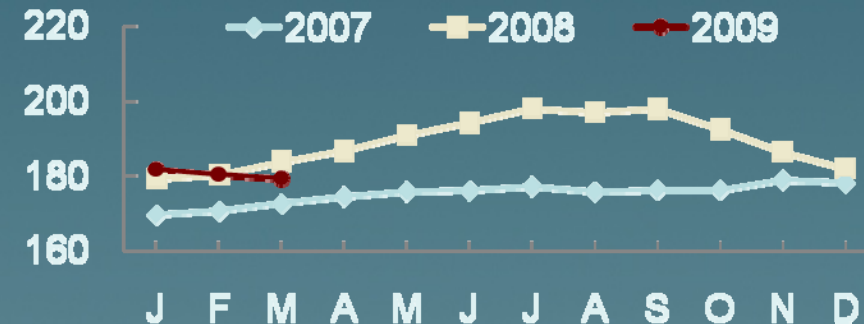
Other heavy construction

1-month: -0.8%
 12-month: -5.8%



Nonresidential buildings

1-month: -0.6%
 12-month: -2.6%





Outlook for materials in '09 compared to '08

- Lower average prices: diesel, asphalt, steel
- Possible increases: concrete, gypsum, copper, wood products
- Year-over-year PPI change: -4% to 0%



Outlook for materials (beyond 2009)

- **Industry depends on specific materials that:**
 - are in demand worldwide
 - have erratic supply growth
 - are heavy, bulky or hard to transport
- **Construction requires physical delivery**
- **Thus, industry is subject to price spurts, transport bottlenecks, fuel price swings**
- **Expect 6 to 8% PPI increases, higher spikes**



AGC economic resources (sign up by email to simonsonk@agc.org)

- **The Data DIgest: weekly one-page email**
- **PPI tables: emailed monthly**
- **State-specific stimulus estimates and fact sheets: www.agc.org/stimulus**
- **Webinars/audioconferences**
- **Member emails on stimulus jobs, credit market**



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