TAYLOR&MATHIS | Built on Better Decisions

Q4 2026 Construction Costs: What Owners Can Do Now to Protect Against Market Volatility



Sitework Costs

Generalized based on historical data

UP↑ 5% **10 AC SITE** – **$165k - $202K / ACRE**

UP↑ 5% **25 AC SITE** – **$140K - $147K / ACRE**

UP↑ 5% **50+ AC SITE** – **$115K - $135K / ACRE**

General Outline Specifications

- Generally flat topo and geometric site boundary
- No rock or difficult excavation
- No unsuitable or contaminated soils
- No state waters or wetlands
- Earthwork balanced on site with no import or export
- No site retaining walls
- Standard utilities - no pumps, lift stations, or unusual pipe materials

Notes

Sitework pricing has continued to rise over the last quarter with elevated fuel prices adding roughly 5% to overall site grading and development costs. We're hearing indications that piping and other site materials are slated for an across-the-board increase of about 10% in Q1 2027. For building shells, steel is creating pressure on two fronts: longer lead times and higher prices. Together, these are pushing out project delivery schedules and raising overall costs. Based on our current tracking, shell construction costs are up roughly 8% from last quarter, due mainly to fuel and steel. Steel lead times currently are running around 8 months from purchase order to delivery, which is having an impact on construction sequencing; and we expect lead times and availability to get worse. This may cause a return to mill allocations and further complicate project scheduling. Given these current conditions, it's important to plan well ahead and engage your development partner and general contractor early in the planning and budgeting process in order to pre-release steel so it can be bought out at current market pricing and delivered in the proper sequence.

Shell Construction

UP 8%

Dark, Freeze Protection

Front Load	150,000 SF | 32' Clear | $55.00-$57.00/SF
	250,000 SF | 36' Clear | $52.00-$55.00/SF
	400,000 SF | 36' Clear | $45.00-$47.00/SF
Rear Load	150,000 SF | 32' Clear | $56.00-$58.00/SF
	250,000 SF | 36' Clear | $54.00-$55.00/SF
	400,000 SF | 36' Clear | $46.00-$48.00/SF
Cross Dock	500,000 SF | 36' Clear | $43.00-$45.00/SF
	750,000 SF | 40' Clear | $40.00-$42.00/SF
	1,000,000 SF | 40' Clear | $36.00-$38.00/SF

General Outline Specifications

- Does not include earthwork, site utilities, or unsuitable soils
- Clear height measured from the first joist (not girder) in from the dock wall
- 7" thick, non-reinforced SOG on 15 mil vapor barrier over 8" - 10" of 50 LB soil-cemented subgrade
- ESFR fire sprinkler system with jockey pump
- 45 mil mechanically fastened TPO roof with R-22 polyiso insulation
- Includes asphalt and concrete paving, curb/gutter, and sidewalks
- Landscaping and irrigation not included
- No warehouse finishes or equipment other than freeze protection

General Cost Options

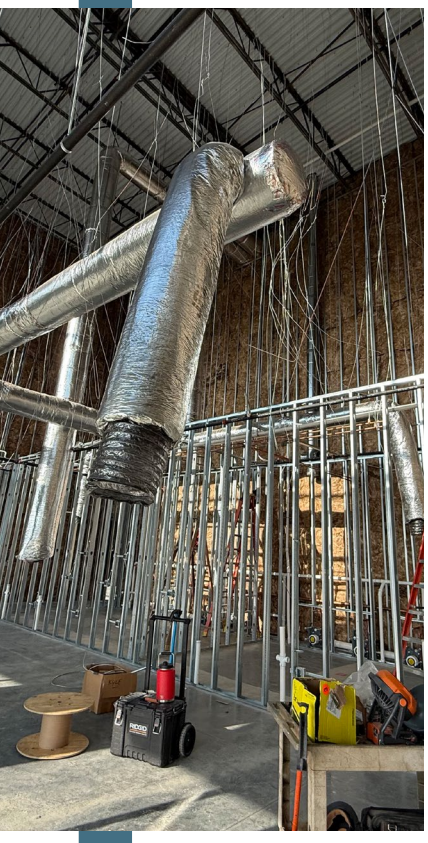
Shell	$1.50/B SF*	Add to raise clear height to 36’ from 32’
	$2.50/B SF	Add to raise clear height to 40’ from 36’
	$12.50/LF	Install 5’ H vinyl-coated chain link fence
	$3,600 EA	Install 30’ L double swing gate
	$0.35/B SF	Paint interior tilt panels
	$0.24/B SF	Install dowel baskets and caulk joints in speed bay
	$1,350 EA	Install “C”-channel and dock bumper at dock door opening
	$0.35/B SF	Provide 60 mil TPO roof with R-22 polyiso insulation (in lieu of 45 mil)
	$0.15 - $0.20/B SF*	Install R-25 polyiso insulation in lieu of R-22
	$0.36/B SF*	Install 6” compacted stone base under SOG in lieu of soil cement
	$0.80/B SF*	Cost to add each additional inch of SOG
Site	$0.80 - $0.95/B SF*	Landscaping and irrigation to institutional-level. (1) building <500k SF
	$38,000 EA	Custom-fabricated signage package (monument and directional)
	$95 - $1.00/B SF*	Purchase LED site lights and poles in lieu of lease

**Per Building Square Foot*

Notes

Interior costs remain elevated through this quarter. Several major sub-trades posted price increases around the middle of this year, all of which are still in effect, and we anticipate additional increases later this year and into Q1 2027. Expected cost increases include metal studs, mechanical equipment, and commodities such as copper, steel, and aluminum. Broader supply and demand dynamics are also contributing to higher prices, as data centers and similar large-scale industrial and manufacturing projects absorb construction equipment, materials, and labor. We have not seen any easing in costs or market conditions and do not expect relief in the near term. As such, it’s important to work with your development partner to budget costs early in order to understand how increases in TI costs affect the overall project budget and project feasibility.

Tenant Improvements



Office Finish

2,000 SF	$237.00/SF
4,000 SF	$193.00/SF
5,000 SF	$182.00/SF
8,000 SF	$171.00/SF
10,000 SF	$165.00/SF

Demising Wall

30’ Clear	$413.00/LF
32’ Clear	$440.00/LF
34’ Clear	$462.00/LF
36’ Clear	$517.00/LF
40’ Clear	$550.00/LF

Dock Equipment

Dock seal for 9’ x 10’ door	$2,200.00 EA
Dock shelter for 9’ x 10’ door	$3,000.00 EA
Swing arm dock light with 120-volt outlet	$300.00 EA
Dock locks	$7,860.00 EA
Drive-in ramp 50’ L x 11’ W	$45,000.00 EA

Warehouse Finish

30 FC’s LED	$1.00/SF
High Velocity Fan	$9,700 EA
2 Air-Changes/HR through roof	$0.50/SF

Dock Levelers

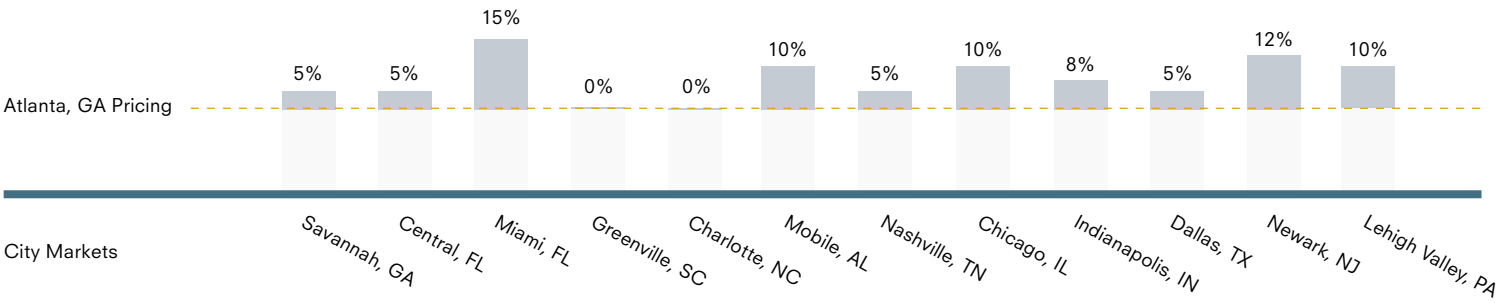
30,000# edge-of-dock	$3,360.00 EA
Pit construction	$6,000.00 EA
35,000# manual pit leveler	$8,000.00 EA
35,000# hydraulic pit leveler	$9,450.00 EA
40,000# manual pit leveler	$8,200.00 EA
40,000# hydraulic pit leveler	$9,975.00 EA

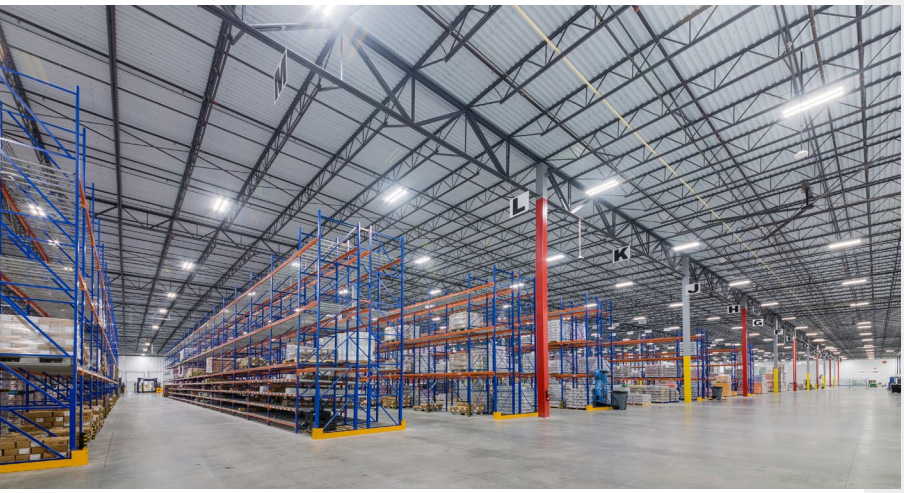
Other Finishes

Paint demising wall	$0.70/SF
Caulk warehouse floor joints with MM80	$0.50/B SF
Carpet Tile	$3.05/SF
LVT	$6.50/SF
Paint & Carpet Refresh	$7.00/SF

Regional Cost Adjustments

Percentage increase/decrease vs. Atlanta pricing





Key Considerations

- Site work costs vary greatly by region and are dependent on many factors including soils, presence of rock, streams, and wetlands.
- Weather is a factor during construction as it can affect schedule, which in turn will affect cost by impacting general conditions, cold weather adjustments for concrete, and wet soils mitigation.
- Energy code can impact TI costs if additional insulation is required during build-out to accommodate conditioned warehouse.
- State waters permitting through the US Corps of Engineers can impact cost and schedule dramatically depending on available mitigation credits through mitigation banks. Generally, the application to approval process can take from between 6 months to a year, or longer.

Regional Cost Adjustments

Current Lead Times for Equipment

Steel Production	*32+ Weeks* ↑
Roofing	*6 - 8 Weeks*
Roof Top Units/RTU's *(4 to 7.5 Ton units)*	*8 Weeks* ↑
Electrical Switch Gear	*25 - 30 Weeks*
Electrical Panels *(800 Amps or less)*	*4 - 6 Weeks*
Electrical Panels *(800 Amps or more)*	*8 - 10 Weeks*
Dock Pit Levelers	*4 - 6 Weeks*
Generators	*1 Year+* ↑

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