BUILDING COST INDEX HISTORY 2024

Building Cost Index History (1915-2024)

HOW ENR BUILDS THE INDEX: 66.38 hours of skilled labor at the 20-city average of bricklayers, carpenters and structural ironworker's rates, plus 25 cwt of standard structural steel shapes at the mill price prior to 1996 and the fabricated 20-city price from 1996, plus 1.128 tons of portland cement at the 20-city price, plus 1,088 board-ft of 2x4 lumber at the 20-city price.

			ANNUA	L AV	/ERAGE			
Year	Avg	Year	Avg		Year	Avg	Year	Avg
1915	96	1942	222		1969	790	1996	3203
1916	131	1943	229		1970	836	1997	3364
1917	167	1944	235		1971	948	1998	3391
1918	159	1945	239		1972	1048	1999	3456
1919	159	1946	263		1973	1138	2000	3539
1920	207	1947	313		1974	1205	2001	3574
1921	166	1948	341		1975	1306	2002	3623
1922	155	1949	352		1976	1425	2003	3693
1923	186	1950	375		1977	1545	2004	3984
1924	186	1951	401		1978	1654	2005	4205
1925	183	1952	416		1979	1919	2006	4369
1926	185	1953	431		1980	1941	2007	4485
1927	186	1954	446		1981	2097	2008	4691
1928	188	1955	469		1982	2234	2009	4769
1929	191	1956	491		1983	2384	2010	4883
1930	185	1957	509		1984	2417	2011	5058
1931	168	1958	525		1985	2428	2012	5174
1932	131	1959	548		1986	2483	2013	5278
1933	148	1960	559		1987	2541	2014	5387
1934	167	1961	568		1988	2598	2015	5518
1935	166	1962	580		1989	2634	2016	5645
1936	172	1963	594		1990	2702	2017	5831
1937	196	1964	612		1991	2751	2018	6019
1938	197	1965	627		1992	2834	2019	6136
1939	197	1966	650		1993	2996	2020	6281
1940	203	1967	676		1994	3111	2021	6912
1941	211	1968	721		1995	3112	2022	7792
							2023	8043
							Jan - July	
							2024 July	8331

Formula for calculation of Building Replacement Cost: @SUM(3984/375)*original cost

Locate Current Index Average for current year (use current year avg)

Locate the Index Average for the year built.

Divide the current year average by the year built average.

Then multiply original cost of building by the result (10.624).

Example: original cost 2.031,394 X 10.624 = 21,581,529.

Major Remodels that added square footage to the building will require a second calculation similar to the original cost then the two results are added together for a grand total.

Locate Current Index Average for current year (use current year avg)

Locate the Index Average for the year remodeled.

Divide the current year average by the year remodeled average.

Then multiply remodel cost of building by the result (2.0526)

Example: $1,500,000 \times 2.0526 = 3,078,900$

Final step: 21,581,529 + 3,078,900 = 24,660,429 Grand Total

Building Replacement Cost Calculation Guidelines

The Building Cost Index table should be used for ordinary office buildings and most buildings where the actual original building cost and year of original construction is known.

Acquired Buildings where original cost and year of construction is not known: The acquisition cost cannot be used as a starting number if the building is acquired, even after pulling out the cost of the land. It skews the result because the base number is "market" price and using the index for the acquired year just doesn't work.

One possible solution is to determine a cost per square foot as a baseline, then use the 2009 index to determine current replacement cost. Each agency would need to determine what that base cost would be, depending on the type of structure.

Example: \$300 per sf X 10,000 sf = \$3,000,000 3984/3693=1.079 X \$3,000,000 = \$3,236,393.

Historic Buildings: Just because a building is over 50 years old doesn't make it an historical treasure. If the Historic Preservation Office has determined a value, that's the cost to use. Parks decided to separate their older buildings into an additional category called Legacy instead of calling them all Historic and maybe a different calculation will be used for each category.

For those buildings constructed prior to 1915, determine a cost per square foot as a baseline, then use the 2009 index to determine current replacement cost. Each agency would need to determine what that base cost would be depending on the type of structure. See above example for acquired buildings.

A huge difference may exist between "Replace" and "Restore" in terms of cost. As a consequence, for some, building specific judgment calls may be necessary, relying on either staff or outside expertise. Things to think about may be: 1) Would the building actually be replaced? If not, perhaps the cost that should be entered is the price of demolition and clean up to stabilize the site. 2) Is it an historical treasure? Then maybe an appraisal should be done or have the Historic Preservation Office determine a value. 3) Would an attempt be made to "replace" or "restore"? Simple replacement may mean the index can be used. Restoration will require a more specific evaluation.

Yurts or other limited life structures: Use the current cost of a new one, there is no need to do an index calculation.