

Construction Cost Survey 2008

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TABLE OF CONTENTS

Construction Cost Survey	3
Introduction	3
Comparing 2008 to 2007.....	3
Construction Costs Around the State	4
Alaska Suppliers Comparison Index.....	6
Construction Costs in Alaska vs. Seattle	7
Transportation Index for Market Basket from Seattle	7
Alaska Construction Cost Survey Methodology.....	8
 Appendix A - Tables and Charts	11
 Tables	12
Table 1 - Average Price for Construction Materials	12
Table 2 - Average Price for Doors and Windows	12
Table 3 - Average Price for Construction materials.....	12
Table 4 - Transportation Cost of Market Basket	13
 Figures	14
Figure 1 - Artist Rendering of Model Home	14
Figure 1 - Floor Plan of Model Home	14
 Graphs	15
Graph 1 - Average Cost of Market Basket 2007	15
Graph 2 - Alaska Suppliers Comparison Index.....	15
Graph 3 - Average Cost of Market Basket 2006 - 2008	16
Graph 4 - Average Cost of Market Basket 2006 - 2008	16

Introduction

In January 2008, the sixteenth annual survey of building supply, concrete, and shipping companies was conducted to determine the cost of a market basket of construction materials in communities throughout Alaska. The survey simulates contractor pricing for a market basket of materials used in the construction of a model home. The market basket represents approximately 30 percent of the materials used in the construction of the model home; however, it does not represent 30 percent of the total cost to build the model home. Figure 6-1 shows the floor plan of the model house used in this survey.

The market basket provides a benchmark for comparing costs between the urban communities of Anchorage, Fairbanks, Juneau, Kenai, Ketchikan, Kodiak, Sitka, and Wasilla, as well as the rural communities of Barrow, Bethel, and Nome. In addition to the materials included in the market basket, suppliers also report the cost of doors and windows for the model home, while shipping companies provide the cost of transporting the market basket materials from Seattle to each community. A complete list of the market basket items and their specifications is included in Table 6-1.

Construction techniques, building requirements, and styles vary greatly from region to region. For this reason, not all of the materials surveyed are necessarily used in all areas. Beginning in 2003, Barrow, Bethel, and Nome included metal roofing, which is more common in rural areas, in their respective market baskets instead of the asphalt shingles used in urban areas. Costs for the three rural areas surveyed, Barrow, Bethel, and Nome, exclude concrete and rebar since pilings support houses above permafrost in these locations instead of slab foundations. Unless otherwise specified, the market basket prices quoted exclude concrete, rebar, doors, and windows.

Comparing 2008 to 2007

Alaska Market Baskets

- Four of the 11 communities experienced decreases in the overall cost of market basket materials. Decreases ranged from five percent in Wasilla to 14 percent in Anchorage and Juneau. One community experienced a less than one percent increase in overall cost – Ketchikan. The remaining six communities experienced increases in the overall cost of the market basket materials. The percentage increases range from two percent (Kodiak and Sitka) to eight percent (Barrow and Bethel).

Seattle Market Basket

- The Seattle market basket decreased \$2,667, or 14 percent, from \$19,722 in 2007 to \$17,055 in 2008. The most dramatic price decreases were seen in truss and electric wire, which dropped by 27 and 36 percent, respectively. Underlay, plywood, and single breakers were the three items with price increases this year at two, two, and 43 percent, respectively. The price of copper pipe decreased by four percent in 2008, following a 45 percent increase in 2007 and a 39 percent increase in 2006.

Concrete

- Only Wasilla experienced a price decrease in concrete this year (six percent). In the remaining seven urban locations, percentage increases ranged from four percent (Anchorage) to 11 percent (Kodiak). Wasilla surpassed Fairbanks for least expensive concrete, coming in at \$3,058. Kodiak remained the most expensive locale for concrete, at \$6,300 – more than twice the cost of concrete in Wasilla.

Rebar

- The price of rebar increased in five of the urban locations and decreased in three locations. Percentage increases ranged from two percent (Wasilla) to 51 percent (Ketchikan). Percentage decreases varied from three percent (Kodiak) to eight percent (Anchorage). In Seattle, the price of rebar increased 23 percent, to \$637.

Doors and Windows

- Seven Alaska locations experienced increases in the total cost of doors and windows. The percentage increases ranged from one percent (Anchorage) to 24 percent (Bethel). The remaining four Alaska locations experienced price decreases. The percentage decreases ranged from one percent (Barrow and Kodiak) to 15 percent (Kenai). Seattle experienced a six percent increase in the price of doors and windows.

Shipping Costs from Seattle

- The cost of transporting the building materials from Seattle increased in all areas. The percentage increases ranged from eight percent (Wasilla) to 17 percent (Ketchikan). While Bethel was the only community to experience a drop in shipping costs in 2007, a 12 percent increase in 2008 raised its total cost to \$12,047.

Construction Costs Around the State

- Statewide, the weighted-average costs of the market basket ranged from a low of \$18,086 in Anchorage to a high of \$46,428 in Barrow.
- The disparity between the most expensive urban location and the least expensive rural location in 2008 increased to \$9,449. Kodiak maintains its position as the most expensive urban location, with a total market basket cost of \$23,708. For the sixth consecutive year, Bethel is the least expensive rural location with a cost of \$33,157. The urban/rural gap increased this year; while both locations experienced overall market basket increases, the increase in Kodiak was lower than Bethel (\$531 compared to \$2,524), creating a greater disparity.
- Building materials cost more in rural areas than urban areas, and more in northern Alaska than in Southcentral and Southeast Alaska. The main reason for this cost differential is the added expense of transportation – the further a community is from Seattle, the more expensive the price of building materials. The lack of infrastructure in rural areas requires materials to be barged or flown to the different areas and contributes to higher prices.
- The cost of the Anchorage market basket dropped 14 percent in 2008 to \$18,086. A full 13 of the 15 market basket items decreased in price, ranging from five percent (electric wire) to 37 percent (2x6 studs). The two items with price increases were truss and single breakers (16 and 10 percent, respectively).
- The Sitka market basket increased two percent in 2008, rising from \$21,088 to \$21,433. This marked the fifth consecutive year in which Sitka's overall cost grew. The market basket now stands 69 percent higher in 2008 compared to the 2003 value of \$12,676.
- Fairbanks reported a market basket cost of \$20,275, 12 percent lower than 2007. This was the first decrease in Fairbanks' market basket cost since 2003. Like Anchorage, prices decreased for 13 of the 15 market basket items. Percentage decreases ranged from one percent (ABS pipe) to 28 percent (electric wire). The two items with price increases in 2008 were T1-11 siding (two percent) and single breakers (19 percent).

- Juneau's market basket decreased by \$3,180, or 14 percent, in 2008 to \$19,526. Fourteen of the 15 market basket items experienced a decrease, ranging from two percent (plywood) to 72 percent (electric wire). The single item in Juneau's market basket to experience an increase in 2008 was T1-11 siding at two percent.
- Ketchikan experienced virtually zero change in the overall cost of market basket items. While nine of the 15 items experienced price decreases, the \$784, or 52%, increase in truss weighed heavily on the overall total.
- The majority of Barrow's market basket items increased in price in 2008, causing an eight percent increase in the market basket total. The increases ranged from six percent (underlay and T1-11 siding) to 100 percent (single breaker).
- Two of Barrow's items experienced cost decreases: plywood and copper pipe (nine percent and 17 percent, respectively). An additional three items experienced no change: 2x4 studs, 2x6 studs, and electric wire.
- The 2007 Construction Cost Survey saw price increases in electric wire in all 11 of the surveyed communities in Alaska. This year's survey though saw three price increases in electric wire: Bethel, Wasilla, and Sitka (three, 11, and 19 percent, respectively). Decreases in the cost of electric wire were experienced in seven areas; the percentage decreases ranged from five percent (Anchorage) to 72 percent (Juneau).
- Last year's survey also saw price increases in copper pipe in all 11 of the surveyed communities in Alaska. In 2008, however, there were only two increases in copper pipe: Kodiak (three percent) and Bethel (22 percent). As was the case with electric wire in 2008, decreases in copper pipe were seen in seven areas; those decreases ranged from eight percent (Juneau) to 31 percent (Anchorage).
- The price of plywood decreased in six of the 11 surveyed areas in 2008. The percentage decreases ranged from two percent (Juneau) to 20 percent (Anchorage). This is the second consecutive year that Anchorage has seen a 20 percent price decrease in plywood. The price of underlay also decreased in six communities ranging from four percent in Sitka to 18 percent in Anchorage.
- The price of 2x4 studs fell in five of eight urban communities and the price of 2x6 studs was down in seven of eight urban communities, ranging from six percent (Ketchikan) and 37 percent (Anchorage). In regard to rural areas, the prices of 2x4 and 2x6 studs in Barrow were unchanged from a year ago, Bethel saw an increase of three percent for both, and Nome experienced decreases of 10 percent (2x4 studs) and eight percent (2x6 studs).
- The cost of concrete increased in all areas except Wasilla, where it fell by six percent. Wasilla is now in the position of least expensive locale for concrete at \$3,058. Kodiak remained the most expensive area for concrete with a cost of \$6,300, experiencing a price increase of 11 percent. The price difference between Kodiak and the second most-expensive area for concrete (Ketchikan, at \$4,950) increased from \$992 in 2007 to \$1,350 in 2008. Sitka is right behind Ketchikan, with a cost of \$4,920.

- In 2008, Ketchikan experienced a 51 percent spike in the price of rebar, making it the state's most expensive area (\$734). The average price of rebar in Ketchikan was the lowest in the state one year ago. Overall, the cost of rebar decreased in three places and increased in five places. (As noted in the introduction, rebar is not used and, therefore, not reported in the three rural areas.) Fairbanks was the second most expensive location for rebar at \$667, while Anchorage ranked as the least expensive at \$533.
- Kodiak lost its three-year run as the most expensive location, urban or rural, for doors and windows. Bethel, with a total cost of \$5,264, is now the most expensive location. While Bethel experienced a 24 percent increase over last year, the price in Kodiak decreased by one percent, down to \$4,451. In 2008, Nome and Fairbanks experienced double-digit increases in the cost of doors and windows (16 percent and 20 percent). Those prices are up to \$4,753 and \$4,459, respectively.
- With prices falling for a second consecutive year (by 13 percent), Juneau remains the least expensive location for doors and windows at \$2,679. Kenai and Anchorage were the next least expensive locations for doors and windows at \$3,071 and \$3,283, respectively.

Alaska Suppliers Comparison Index

Fluctuations in cost can best be examined in terms of the yearly change each area experiences in relation to a point of reference. One way to do this is to establish an index comparing each community's market basket cost to a benchmark. The Alaska Suppliers Comparison Index uses the largest city in Alaska, Anchorage, as its benchmark. To create this index, Anchorage's market basket cost is given an index value of 100. Dividing the average cost for a survey area by the Anchorage value (\$18,086) produces the index value for that community.

- The Anchorage market basket cost decreased 14 percent, or \$2,870, in 2008. Areas with cost decreases greater than 14 percent experienced decreases in their indices. Areas with cost decreases of less than 14 percent or with cost increases experienced increases in their indices.
- Of all the communities, none experienced a decrease in index value. One community, Juneau, saw no change to its index value. Like Anchorage, they experienced a 14 percent decrease in their total market basket cost.
- The remaining 10 communities experienced increases in their index values. Increases ranged from two points in Fairbanks to 51 points in Barrow. Nome and Bethel experienced increases of 34 and 37 points, respectively.
- The gap between the two locations with the highest index values, Barrow and Nome, increased in 2008 from 26 to 43 points. The disparity between the urban area with the highest index value, Kodiak, and the rural area with the lowest, Bethel, increased from 35 points in 2007 to 52 points in 2008. Of the eight urban locations, Kodiak had the highest overall market basket prices as well as the highest index value at 131; this was a 20-point increase from last year.
- Looking at the index values since 2000, all three rural communities reached their highest values this year. Nome's current index value was most noteworthy due its spike in 2008 compared to the previous eight years; with a value of 214, this is the first time its value exceeded 200. Nome's index had seen little fluctuation in recent years, never changing by more than seven points in either direction. Nome's highest value had been 184 in 2004.

Construction Costs in Alaska vs. Seattle

Suppliers from Seattle, Washington, and the surrounding metropolitan area are included in the Alaska Construction Cost Survey as some contractors acquire their materials from outside Alaska. For Alaska suppliers, the market basket price already includes the cost of shipping the goods to the worksite in their community. Transportation costs are added to Seattle's market basket total to estimate what local contractors would pay if they bought directly from Seattle suppliers and shipped their materials north to Alaska. Seattle prices cannot accurately be compared to prices in the three rural areas because the Seattle market basket and the total calculated shipping costs include asphalt shingles rather than metal roofing. For this reason, the following points pertain to the eight urban communities only.

- The Seattle market basket decreased 14 percent in 2008 to \$17,055. For the fourth consecutive year, contractors in all eight urban Alaska locations would realize cost savings by purchasing the market basket items locally instead of buying in Seattle and having them shipped north.
- The greatest disparity between local and Seattle prices occurred in Anchorage, where local prices beat Seattle prices by \$5,751. Fairbanks followed at a difference of \$5,573, while contractors in Wasilla would save \$4,194 by purchasing locally instead of buying and shipping from Seattle.
- The difference between local and Seattle pricing in 2008 was the smallest in Ketchikan, where contractors would see a savings of \$1,408 by purchasing locally.
- Three of Alaska's urban locations experienced an increase in their local/Seattle pricing spread: Fairbanks (\$1,062), Juneau (\$854), and Anchorage (\$737). The remaining five urban communities saw a decrease in savings from 2007, ranging from \$1,018 in Wasilla to \$2,343 in Ketchikan.

Transportation Index for Market Basket from Seattle

One of the primary factors determining differences in building costs in Alaska is transportation. The cost of transporting materials from Seattle is directly related to the distance from Seattle to the surveyed communities. The Transportation Index uses basic market basket items rather than substituted items to compare the different communities. Metal roofing is lighter than asphalt shingles and, unlike shingles, can be shipped inside or outside a container. In the rural areas where metal roofing is substituted, the cost of shipping the roofing materials could be as much as two-thirds less than asphalt shingles.

Like the Alaska Suppliers Comparison Index, the Transportation Index assigns Anchorage an index value of 100. Dividing the average value for a survey area by the Anchorage shipping cost (\$6,782) produces the index value for that community.

- Shipping costs to Anchorage increased \$534, or nine percent, in 2008. Areas with cost increases of greater than nine percent experienced increases in their indices. Areas with cost decreases or increases of less than nine percent experienced decreases in their indices.
- Wasilla's increase was one percentage point lower than Anchorage's. As a result, Wasilla's index value dropped one point from 111 to 110.
- Barrow experienced the largest change in index value, a 17-point increase over 2007. Following Barrow, are Kodiak and Kenai, with increases of nine points and eight points, respectively.

- Juneau experienced a comparably small shipping cost increase of \$341, resulting in no change to their index value (58). Ketchikan had the highest percentage change with an increase of 17 percent, which corresponded to a three point index increase from 35 to 38.
- Ketchikan is the closest city in proximity to Seattle of the 11 communities surveyed. Therefore, shipping costs to Alaska's "First City" remain the lowest. Ketchikan's shipping costs of \$2,549, and corresponding index value of 38, were only about one-third of Anchorage's. On the opposite end of the scale, shipping costs to Barrow, the furthest city from Seattle, were \$20,289. This figure is almost three times the cost of shipping to Anchorage and nearly eight times the cost of shipping to Ketchikan.

Alaska Construction Cost Survey Methodology

The Alaska Department of Labor and Workforce Development's Research and Analysis Section conducts the Alaska Construction Cost Survey annually on behalf of the Alaska Housing Finance Corporation. This survey simulates contractor pricing for a model single-family home by tracking a basket of items representing approximately 30 percent of the home's total cost.

- Building supply companies in or near 11 communities throughout Alaska were surveyed. These include the urban cities of Anchorage, Fairbanks, Juneau, Kenai, Ketchikan, Kodiak, Sitka, and Wasilla, and the three rural communities of Barrow, Bethel, and Nome. In addition, the largest Seattle suppliers are surveyed.
- Twenty-eight local suppliers in Alaska and 11 in Washington participated in this year's survey. Alaska participants represent ten unique firms, as some companies have stores in multiple locations. Similarly, Washington participants represent six unique firms. In addition, 16 concrete suppliers and five shipping companies participated in this year's survey.
- All companies are given an itemized list of building materials with specific quantities to price. The complete list of materials in the market basket and the quantities used to calculate the items' extended prices are detailed in Table 6-1. The market basket includes selected construction materials comprising approximately 30 percent of the materials used for the model house. It does not represent the total construction cost, as there are other significant expenses that would need to be factored in, such as labor costs. Prices of concrete, rebar, doors, and windows are also collected but are not included in the market basket total.
- Figure 6-1 shows the floor plan of the model house used in this survey.
- When surveyed, building suppliers are asked what discounts, if any, they provide to contractors when purchasing a "package" of building materials sufficient to build a single family home. If a discount is given, it is then factored into the market basket prices that the supplier reported. The same is true for concrete suppliers.
- Transportation costs are added to Seattle's market basket total to simulate what local contractors would pay if they bought directly from Seattle suppliers and shipped their materials to Alaska. To determine the cost of transportation, carriers are given the weight (approximately 49,000 pounds) and the volume (about 2,000 cubic feet) of the materials. These measurements generally require a 20-foot platform and a 20-foot container for all of the materials. Another assumption is that all of the fees for required services are included in the reported cost of the shipment. These services include loading/unloading, protection and fastening of goods, and delivery to the building site. The shippers' market basket includes asphalt shingles rather than metal roofing.

- It is expected that larger building supply firms get volume discounts that are then passed on to the contractor. To reflect the vendors' respective market shares, respondents' values are weighted by the size of the respective firms. For Alaska businesses, size is based on the reported number of employees from the Alaska Department of Labor and Workforce Development's employment security tax wage database for the second quarter of 2007. America's Labor Market Information System provides 2007 employee counts for Seattle suppliers.
- Two comparison indices are used – one for the building material market basket and the other for the transportation costs from Seattle. These indices allow communities to measure changes to the cost of construction materials in relation to a fixed value. The benchmark values are the costs for Anchorage, the largest community in Alaska. Dividing the average cost of a survey area by the Anchorage value produces both indices. This creates an Anchorage benchmark of 100. In this way, communities can be gauged in relation to Anchorage for a particular year.
- Changes in the makeup of the market basket make year-to-year comparisons difficult. In 2001, cedar bevel siding was replaced with T1-11 siding. This lowered not only the cost of the market basket, but also the transportation costs. In 2002, Barrow did not report prices for asphalt shingles because most new construction on the North Slope incorporates metal roofing materials instead. This affected both the transportation costs and the market basket total. As noted previously, in 2003, metal roofing was substituted for asphalt shingles in the three rural areas.

Appendix A

Construction Cost Survey Tables and Charts

Average Price for Construction Materials

Alaska Suppliers

2008

Table 1

Market Basket Items	Quantity	Units	Size	Length	Urban								Rural *		
					Anchorage	Fairbanks	Juneau	Kenai	Ketchikan	Kodiak	Sitka	Wasilla	Barrow	Bethel	Nome
BCI 60 Series	768	ft	14"		\$2,748	\$2,197	\$2,451	\$3,917	\$2,289	\$2,642	\$2,500	\$2,577	\$2,760	\$1,744	\$4,513
2-4-1 T&G FF Underlay 4' x 8'	62	pcs	1 1/8"		2,119	2,493	2,408	2,700	2,244	2,812	2,554	2,350	5,890	3,702	4,324
T-111 8" Center Groove 4' x 10' Siding	60	pcs	5/8"		2,582	3,288	2,804	3,445	3,218	3,407	3,600	3,145	5,100	3,897	4,496
CDX 4' x 8' #53	106	pcs	5/8"		1,684	2,027	2,068	2,385	1,716	2,677	2,473	1,898	5,300	3,248	4,207
Studs #2 & btr Kiln-dried	164	pcs	2" x 4"	92 5/8"	296	406	341	405	279	506	380	400	1,312	777	797
Studs #2 & btr #14 Kiln-dried	263	pcs	2" x 6"	92 5/8"	761	1,033	913	995	696	1,220	775	1,003	3,156	1,904	2,033
4' x 12' Plain Sheetrock #84	95	pcs	1/2"		1,406	1,632	1,659	1,724	1,168	1,781	1,581	1,524	5,225	3,423	2,870
4' x 12' Type X Sheetrock #109	68	pcs	5/8"		1,166	1,327	1,386	1,429	947	1,496	1,262	1,301	4,420	2,806	2,611
Fiberglass Bat Insulation (2,560 sq ft)	40	bags	R-38" x 24"	64 sq ft	1,953	2,169	2,073	2,264	1,875	2,237	2,230	2,188	3,800	4,210	4,032
Fiberglass Bat Insulation (2,034 sq ft)	30	bags	R-21" x 15"	68 sq ft	1,059	1,242	1,163	1,334	1,212	1,470	1,366	1,159	2,400	2,666	2,325
NMB Electric Wire	3	boxes	250'		216	241	138	182	210	240	264	250	300	361	283
Single Breaker	15	pcs	15 Amp		86	80	77	67	120	74	69	70	150	198	122
Copper Pipe Type 'M'	150	ft	3/4"		234	257	332	276	449	325	300	266	375	537	608
ABS Pipe	100	ft	3"		123	131	135	139	179	170	230	132	300	366	221
3 Tab Shingles Brown	102	bundles			1,653	1,752	1,578	2,116	1,594	2,651	1,849	2,039	N/A	N/A	N/A
Metal Roofing	3,215	sq ft	3' x 20'		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5,940	3,318	5,326
Total (Without Concrete & Rebar)					\$18,086	\$20,275	\$19,526	\$23,378	\$18,196	\$23,708	\$21,433	\$20,302	\$46,428	\$33,157	\$38,768
Concrete	30	yds			3,280	3,360	4,770	3,568	4,950	6,300	4,920	3,058			
#4 Rebar	93	pcs	1/2"	20'	533	667	598	666	734	557	648	544			
Total (With Concrete & Rebar)					\$21,899	\$24,302	\$24,894	\$27,612	\$23,880	\$30,565	\$27,001	\$23,904			

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, Construction Cost Survey 2008
 Weighted average using 2007 OZ QCW or 2008 ALMS Employer Database (1st Edition) number of employees where applicable
 Totals may not sum due to rounding
 N/A = Not Applicable

Average Price for Doors & Windows

Alaska Suppliers

2008

Table 2

Market Basket Items	Quantity	Units	Size	Urban								
				Anchorage	Fairbanks	Juneau	Kenai	Ketchikan	Kodiak	Sitka	Wasilla	Barrow
R7 Metal Insulated Doors with 6" Jamb	2	pcs	3'	\$323	\$342	\$330	\$477	\$398	\$498	\$585	\$393	\$700
Low E Argon Windows with R > 2.8 Vinyl Casements	3	pcs	2.6' x 3'	596	778	465	564	669	800	631	657	900
Low E Argon Windows with R > 2.8 Vinyl Casements, 5.7 E-Gress	6	pcs	2.6' x 4'	1,330	1,622	1,067	1,298	1,464	1,697	1,428	1,496	1,800
Low E Argon Windows with R > 2.8 Vinyl Casements, 5.7 E-Gress	2	pcs	8.0' x 4'	1,034	1,717	817	732	1,424	1,456	1,205	1,127	1,000
Total Cost of Doors & Windows				\$3,283	\$4,459	\$2,679	\$3,071	\$3,955	\$4,451	\$3,849	\$3,673	\$4,400

Average Price for Construction Materials

Seattle Suppliers (without Concrete, Doors and Windows)

2008

Table 3

Market Basket Items	Quantity	Units	Size	Length	Seattle Area
BCI 60 Series	768	ft	14"		\$2,039
2-4-1 T&G FF Underlay 4' x 8'	62	pcs	1 1/8"		2,335
T-111 8" Center Groove 4' x 10' Siding	60	pcs	5/8"		2,783
CDX 4' x 8' #53	106	pcs	5/8"		1,922
Studs #2 & btr Kiln-dried	164	pcs	2" x 4"	92 5/8"	291
Studs #2 & btr #14 Kiln-dried	263	pcs	2" x 6"	92 5/8"	743
4' x 12' Plain Sheetrock #84	95	pcs	1/2"		893
4' x 12' Type X Sheetrock #109	68	pcs	5/8"		923
3 Tab Shingles Brown	102	bundles			1,339
Fiberglass Bat Insulation (2,560 sq ft)	40	bags	R-38" x 24"	64 sq ft	2,039
Fiberglass Bat Insulation (2,034 sq ft)	30	bags	R-21" x 15"	68 sq ft	1,240
NMB Electric Wire	3	boxes	250'		111
Single Breaker	15	pcs	15 Amp		70
Copper Pipe Type 'M'	150	ft	3/4"		238
ABS Pipe	100	ft	3"		89
Total (Without Rebar)					\$17,055
#4 Rebar	93	pcs	1/2"	20'	637
Total (With Rebar)					\$17,692

Transportation Cost of Market Basket

Table 4

Shipping and Handling (Without Concrete, Rebar, Doors and Windows)
2008

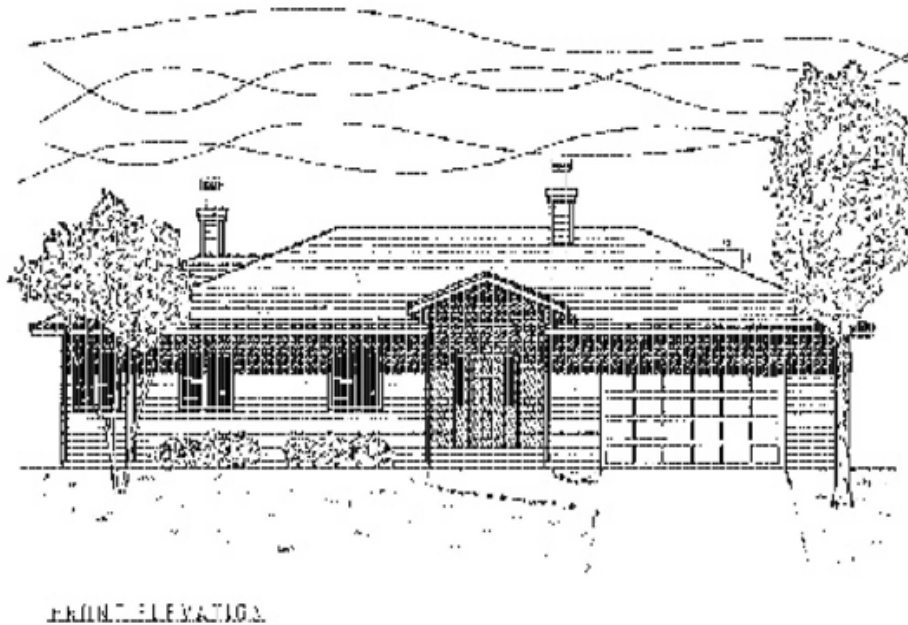
<u>Destination</u>	<u>Seattle</u>
Ketchikan	\$2,549
Juneau	3,944
Sitka	6,472
Anchorage	6,782
Wasilla	7,441
Kenai	8,626
Fairbanks	8,793
Kodiak	9,609
Bethel	12,047
Nome	14,927
Barrow	20,289

Notes:

Weighted average using 2007 Q2 QCW or 2008 ALMIS Employer Database (1st Edition) number of employees where applicable.

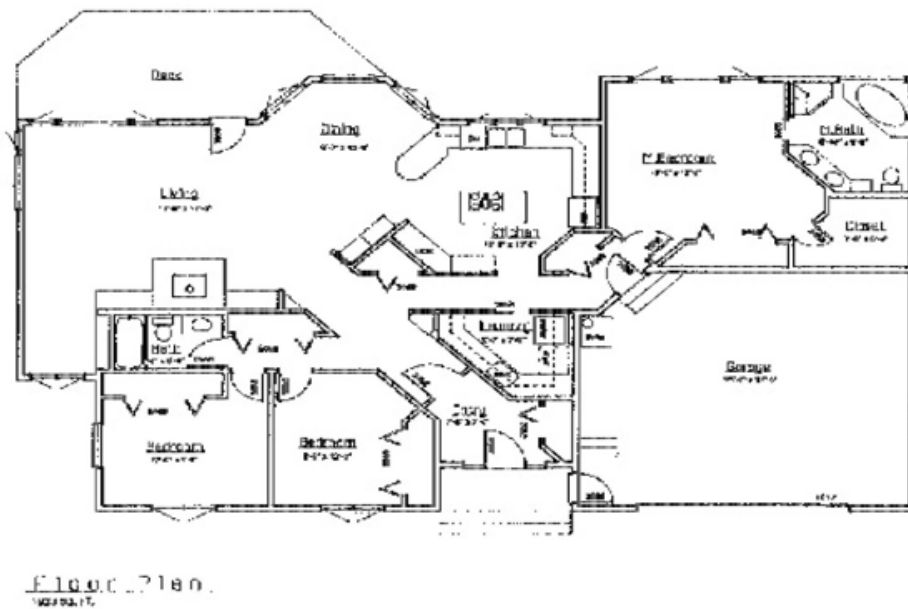
Totals may not add up due to rounding.

Artist Rendering of Model Home



Source: Alaska Department of Labor & Workforce Development, Research and Analysis Section, Construction Cost Survey 2006
Note: 1/ Seattle prices include asphalt shingles. 2/ Rural areas include metal roofing instead of asphalt shingles.

Floor Plan of Model Home



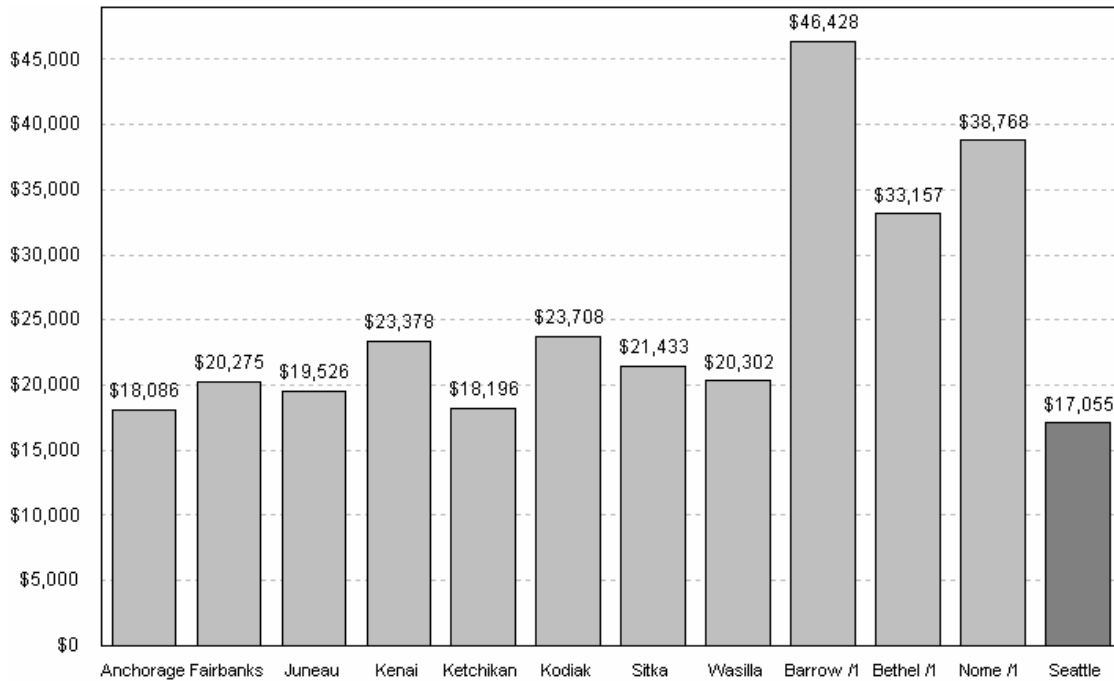
Source: Alaska Department of Labor & Workforce Development, Research and Analysis Section, Construction Cost Survey 2006
Note: 1/ Seattle prices include asphalt shingles. 2/ Rural areas include metal roofing instead of asphalt shingles.

Average Cost of Market Basket 2008

Graph 1

Urban & Rural Residential Construction (Without Concrete, Rebar, Doors, & Windows)

Alaska and Seattle Suppliers

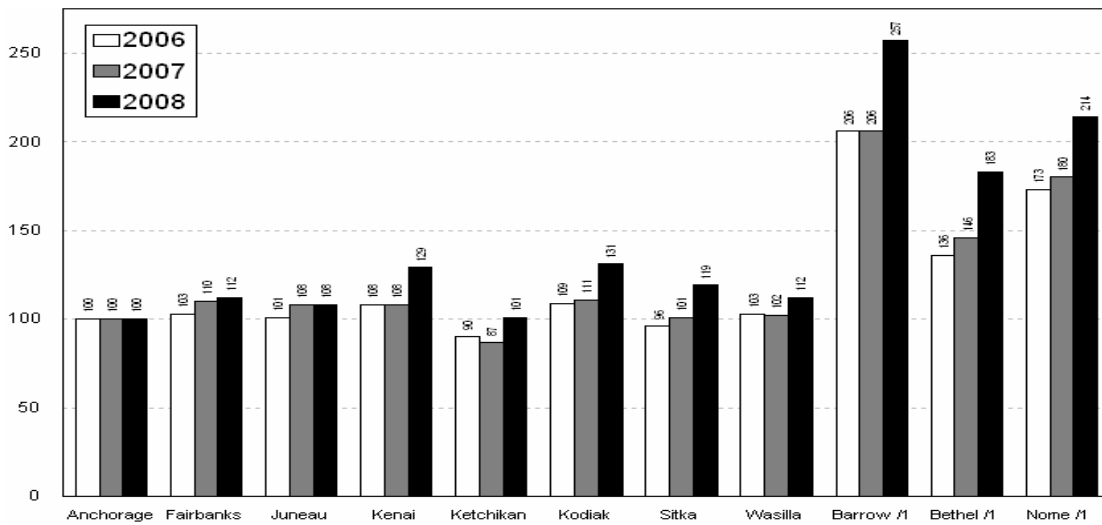


Alaska Suppliers Comparison Index

Graph 2

Urban & Rural Residential Construction (Without Concrete, Rebar, Doors, & Windows)

Index by Community with Anchorage as Baseline



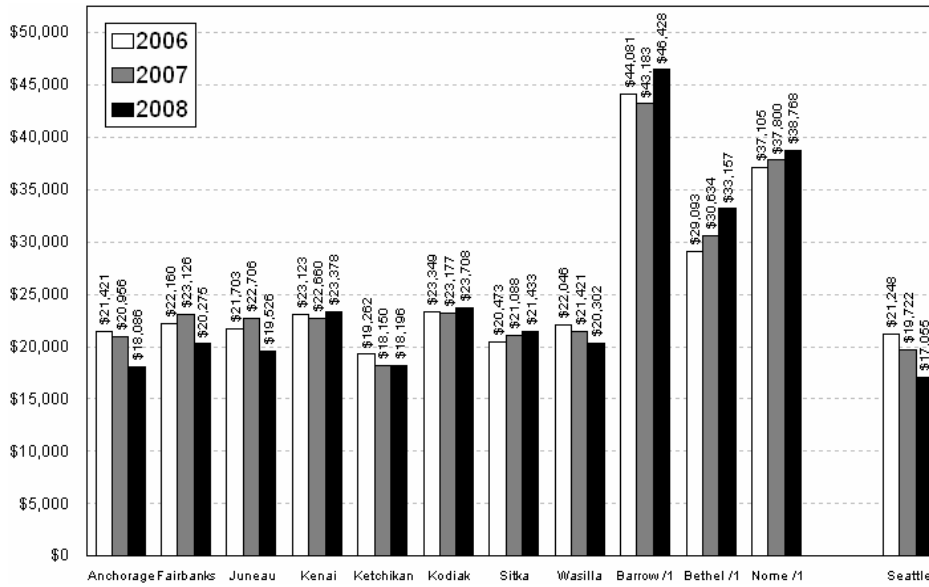
Note: /1 Rural areas include metal roofing instead of asphalt shingles.

Average Cost of Market Basket, 2006 - 2008

Graph 3

Urban & Rural Residential Construction (Without Concrete, Rebar, Doors, & Windows)

Alaska and Seattle Suppliers



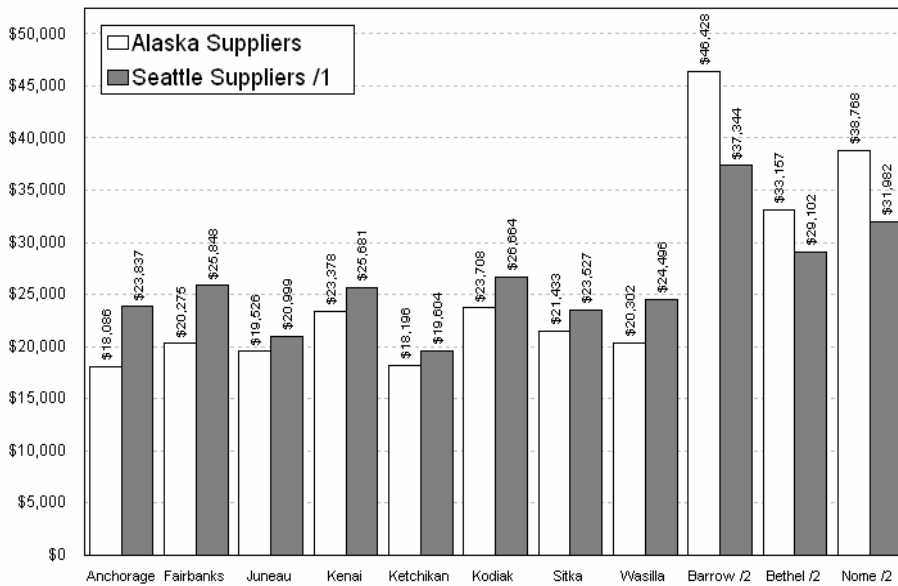
Note: /1 Rural areas include metal roofing instead of asphalt shingles.

Average Cost of Market Basket, 2006 - 2008

Graph 4

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