# Escalation and carry exhibit

## Sample: 120,000 sf tilt-up warehouse (illustrative)

**Data through Oct 2026 | Jul 2026 to Oct 2026 preliminary | Next BLS PPI Dec 15, 2026 | Built Nov 16, 2026**

| | |
|---|---|
| **Location / region** | City, State \| West region |
| **Prepared for** | Owner, lender or credit committee |
| **Prepared by** | Your name, company |
| **Date** | Nov 13, 2026 |

### A. Escalation carried in this estimate

| | |
|---|---|
| **Escalation carried (Mid case), 1.87% of base** | **$337,300** |
| **Escalation contingency to cover the high case** | **$605,658** |
| **How wide the range is** | Low to high covers about 80% of past 12-month price swings for these scopes, scaled to each buyout date. Prices would beat the high case about 1 time in 10. |

| Scope | Base cost | Buyout date | Months | Carried | High case | Outlook |
|---|---|---|---|---|---|---|
| Structural steel and metals | $1,800,000 | Jan 2027 | 2.0 | $37,136 | $91,061 | Deteriorating |
| Plumbing and HVAC | $3,060,000 | Mar 2027 | 3.9 | $73,292 | $173,578 | Cautious |
| Sitework and paving | $1,440,000 | Dec 2026 | 1.0 | $8,717 | $29,236 | Cautious |
| Wood and framing | $1,080,000 | Mar 2027 | 3.9 | $5,254 | $111,413 | Cautious |
| Roofing and envelope | $1,080,000 | May 2027 | 5.9 | $27,799 | $93,518 | Cautious |
| Concrete | $2,160,000 | Jan 2027 | 2.0 | $18,566 | $66,209 | Cautious |
| Field labor (wages) | $2,700,000 | Jul 2027 | 8.0 | $86,461 | $104,512 | Cautious |
| Electrical | $2,340,000 | Feb 2027 | 3.0 | $23,058 | $110,628 | Cautious |
| Masonry | $720,000 | May 2027 | 5.9 | $14,672 | $35,708 | Neutral |
| Drywall and interiors | $1,620,000 | Aug 2027 | 9.0 | $42,342 | $127,094 | Cautious |
| **Total** | **$18,000,000** | | | **$337,300** | **$942,957** | |

### B. Material escalation clause (Schedule A summary)

| | |
|---|---|
| **Materials and adjustment due** | 3 materials: Structural steel shapes and plate $61,552 due; Building wire and cable $30,984 due; Framing lumber $0 due |
| **Baseline material covered** | $2,250,000 |
| **Adjustment due to date, after the cap (negative = credit)** | $92,536 |
| **Owner maximum exposure at the cap** | $900,000 |
| **Lines using preliminary BLS months** | 3 |

### C. Price claims checked against BLS indexes

| | |
|---|---|
| **Lines checked** | 3 |
| **Old costs rolled forward with the index** | $2,520,708 |
| **Claimed above the index, net** | $45,929 |
| **Claims over tolerance** | 1: Structural steel supplier price increase, $58,667 above the index (+6.9 pts). Ask for invoices or a quote history. |

### D. Construction loan carry and budget stress test

| | |
|---|---|
| **Total project cost** | $22,004,165 |
| **Loan commitment** | $15,500,000 |
| **Interest reserve needed** | $1,110,880 |
| **Interest reserve at +1.00%** | $1,254,833 |
| **Peak balance vs commitment** | Fits |
| **Contingency after high-case escalation and rate stress** | $167,254 |

### E. Basis and limits

Escalation is carried to each scope's buyout date at the Mid case; amounts above it are covered by the escalation contingency shown.

Nonresidential building bid prices, West region: +5.8% over 12 months to Oct 2026 (BLS, Confirmed). Scope trends, swings and ranges are BLD Pulse Editorial calculations on BLS producer price indexes.

BLS price data through Oct 2026 (Jul 2026 to Oct 2026 preliminary); rates as of Nov 12, 2026; lender quotes Sep 29, 2026 (Directional).
National indexes measure price change, not local unit prices. Planning and estimating reference, not a forecast and not investment, lending or legal advice.
Prepared with the BLD Pulse Cost Benchmark workbook, bldpulse.com.