

Historical Cost Indexes

The table below lists both the RSMMeans® historical cost index based on Jan. 1, 1993 = 100 as well as the computed value of an index based on Jan. 1, 2020 costs. Since the Jan. 1, 2020 figure is estimated, space is left to write in the actual index figures as they become available through the quarterly *RSMMeans Construction Cost Indexes*.

To compute the actual index based on Jan. 1, 2020 = 100, divide the historical cost index for a particular year by the actual Jan. 1, 2020 construction cost index. Space has been left to advance the index figures as the year progresses.

Historical Cost Index Jan. 1, 1993 = 100		Current Index Based on Jan. 1, 2020 = 100		Year	Historical Cost Index Jan. 1, 1993 = 100		Current Index Based on Jan. 1, 2020 = 100		Year	Historical Cost Index Jan. 1, 1993 = 100		Current Index Based on Jan. 1, 2020 = 100	
Est.	Actual	Est.	Actual		Actual	Est.	Actual	Actual		Est.	Actual		
Oct 2020*				July 2005	151.6	63.4		July 1987	87.7	36.7			
July 2020*				2004	143.7	60.1		1986	84.2	35.2			
Apr 2020*				2003	132.0	55.2		1985	82.6	34.6			
Jan 2020*	239.1		100.0	2002	128.7	53.8		1984	82.0	34.3			
July 2019		232.2	97.1	2001	125.1	52.3		1983	80.2	33.5			
2018		222.9	93.2	2000	120.9	50.6		1982	76.1	31.8			
2017		213.6	89.3	1999	117.6	49.2		1981	70.0	29.3			
2016		207.3	86.7	1998	115.1	48.1		1980	62.9	26.3			
2015		206.2	86.2	1997	112.8	47.2		1979	57.8	24.2			
2014		204.9	85.7	1996	110.2	46.1		1978	53.5	22.4			
2013		201.2	84.1	1995	107.6	45.0		1977	49.5	20.7			
2012		194.6	81.4	1994	104.4	43.7		1976	46.9	19.6			
2011		191.2	80.0	1993	101.7	42.5		1975	44.8	18.7			
2010		183.5	76.7	1992	99.4	41.6		1974	41.4	17.3			
2009		180.1	75.3	1991	96.8	40.5		1973	37.7	15.8			
2008		180.4	75.4	1990	94.3	39.4		1972	34.8	14.6			
2007		169.4	70.8	1989	92.1	38.5		1971	32.1	13.4			
2006		162.0	67.8	1988	89.9	37.6		1970	28.7	12.0			

Adjustments to Costs

The "Historical Cost Index" can be used to convert national average building costs at a particular time to the approximate building costs for some other time.

Example:

Estimate and compare construction costs for different years in the same city.

To estimate the national average construction cost of a building in 1970, knowing that it cost \$900,000 in 2020:

INDEX in 1970 = 28.7

INDEX in 2020 = 239.1

Time Adjustment Using the Historical Cost Indexes:

$$\frac{\text{Index for Year A}}{\text{Index for Year B}} \times \text{Cost in Year B} = \text{Cost in Year A}$$

$$\frac{\text{INDEX 1970}}{\text{INDEX 2020}} \times \text{Cost 2020} = \text{Cost 1970}$$

$$\frac{28.7}{239.1} \times \$900,000 = .120 \times \$900,000 = \$108,000$$

The construction cost of the building in 1970 was \$108,000.

Note: The city cost indexes for Canada can be used to convert U.S. national averages to local costs in Canadian dollars.

Example:

To estimate and compare the cost of a building in Toronto, ON in 2020 with the known cost of \$600,000 (US\$) in New York, NY in 2020:

INDEX Toronto = 115.6

INDEX New York = 137.1

$$\frac{\text{INDEX Toronto}}{\text{INDEX New York}} \times \text{Cost New York} = \text{Cost Toronto}$$

$$\frac{115.6}{137.1} \times \$600,000 = .843 \times \$600,000 = \$505,908$$

The construction cost of the building in Toronto is \$505,908 (CN\$).

*Historical Cost Index updates and other resources are provided on the following website:
<http://info.thegordiangroup.com/RSMMeans.html>