FIRST QUARTER EDITION

2025 NORTH AMERICAN ENGINEERING AND CONSTRUCTION INDUSTRY

OVERVIEW

JANUARY 2025

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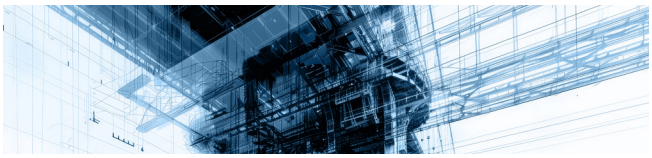

FOUR TRENDS TO WATCH IN THE BUILT ENVIRONMENT FOR 2025 AND BEYOND

By Chris Daum, President and Chief Executive Officer

As we move into 2025, understanding the trends and factors affecting the built environment is more important than ever. Not all sectors, geographies and business models will see the same outcomes. Gaining insight into what's likely to shape your strategy will be critical for success in the latter half of this decade.

There are many factors influencing how construction spending will close out the decade, including the current political climate, policy and funding shifts, and changing priorities across sectors. While we can't predict the future, there are several areas that will likely have an outsized impact on construction spending.

Following are four of the most important trends that will shape engineering, construction and other areas of the built environment in the coming years. We also offer some questions for executives to consider when looking to understand the operating environment and how to make strategic decisions that will drive long-term results.

TREND 1
The increase in data centers and reshoring of manufacturing facilities are driving E&C growth.

Private data center spending, which is a subset of the broader office sector, rose 60% from 2023 levels through the third quarter of 2024. New inventory grew by more than 20%, driven by surging demand for artificial intelligence (AI) and cloud computing. Spending on data centers is forecast to reach more than $30 billion by 2026, with an annual growth rate of more than 10% through 2026.

But it's not enough to quickly assemble a metal building on a concrete slab and add servers. The design and construction of data centers are changing to incorporate increased demand and new trends in the industry, such as the need to be more energy efficient. Since data

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centers consume 10 to 50 times the energy of commercial office buildings, owners are looking for energy-efficient solutions. This is especially true for hyperscale data centers because many large technology companies pledged to reduce their carbon emissions and integrate sustainability into their operations.

The rise in data centers is also changing how electricity is produced and how much it costs. Data centers use an estimated 2% of the total electricity consumed in the U.S., and this use is expected to grow. That means upgrading transmission and distribution infrastructure is essential to meeting demands. Strategic investments in smart grids, energy storage and grid flexibility allow electrical providers to effectively address the evolving requirements of electrification, support clean energy initiatives and achieve emissions reduction targets while ensuring reliable and sustainable power supplies.

Because transmission and distribution lines already carry substantial energy loads and substations are often located on the outskirts of urbanized areas, there is a clear need to prioritize upgrades, maintenance and restoration work on the electrical infrastructure. The lack of capital and necessary labor force coupled with the extensive timelines for major transmission projects further emphasizes the need to efficiently and intelligently expand the grid. Power system engineering providers and software solutions sit at the forefront of this massive development effort.

Besides data centers, construction spending will be driven by manufacturing. In October 2024, manufacturing construction spending reached $236 million, up 16.6% from the year before, according to the U.S. Census Bureau. The Covid-19 pandemic highlighted supply chain risks and other gaps in U.S. manufacturing, prompting many companies to begin moving production to the U.S. The risk of tariffs and other trade policy changes is also pushing many to build greater flexibility into their procurement strategies to help navigate uncertainty and diversify supply chains.

Critical questions to ask yourself:

- The continued data center builds to support AI are driving up the demand for power and the price of electricity; how does this impact traditional energy efficiency efforts?
- What happens after the federal stimulus program money is spent, especially given the transition toward smaller government spending and initiatives?
- What constraints are data centers putting on your business, including access to skilled labor, material procurement, transportation logistics, etc.? How can you work to combat these challenges?
- What strategies are you employing to integrate sustainability and resilience into your projects, ensuring you meet both regulatory requirements and client expectations in a rapidly evolving market?

TREND 2
Long-term efficiency and sustainability implications are reshaping how our world is built.

As we wrote in our paper The Seven Biggest Trends Affecting Infrastructure Today, the movement to reduce the U.S.'s carbon footprint is driving significant investment allocations in renewable energy infrastructure and the grid, sustainable transportation systems, and low-carbon construction materials and building products. In fact, investments in clean energy technologies in the U.S. are expected to surpass $300 billion in 2024, outpacing fossil fuel investment by a factor of two. Looking beyond mandates and sustainability goals that are driving these investments, renewable energy generation costs have declined considerably, allowing them to frequently compete with or surpass new fossil fuel plants. Technological advances and large-scale production have facilitated these reductions, making renewables highly competitive.

The Energy Information Administration is forecasting a substantial increase in the use of renewables, with solar energy capacities expected to grow by 128% over a three-year period ending in 2025 and wind energy infrastructure expected to expand by nearly 15% in the same period.

While we expect this shift to continue long-term, the new administration's stance on specific initiatives and certain companies pulling back on environmental, social and governance commitments, will likely bring potential setbacks in the adoption of renewable energy. This is something that the industry has continuously faced over the past decade, while continuing to outpace projected growth. Long-term, however, the rising cost of electricity and the need to find cost-cutting measures across the energy spectrum will continue to push new sources of generation across the board.

Adding to the shift in energy sources is the movement of more people to cities. Those living in cities and surrounding suburbs made up about 83% of the U.S. population in 2020, up from 64% in 1950. This urbanization trend is expected to continue, with 89% of the U.S. population expected to live in cities by 2050.

The continuing population shift from rural areas is expected to challenge the capacity of transit systems, roadways and utility systems in developed areas, driving the need for further infrastructure investments and increasing subsequent development, engineering and construction activity. This population shift puts increasing pressure on an already overburdened and aging infrastructure base, which will require investments in maintenance and repairs just to keep up with the status quo.

The U.S. is also dealing with rising costs from natural disasters and shifting investments to infrastructure that can withstand extreme winds, water, fire and other events. The U.S. government is mandating that state departments of transportation (DOTs) develop climate resiliency plans to qualify for federal funding and designated more than $50 billion to enhance climate adaptation and resilience nationwide, particularly in communities most vulnerable to flooding, wind damage and other extreme weather.

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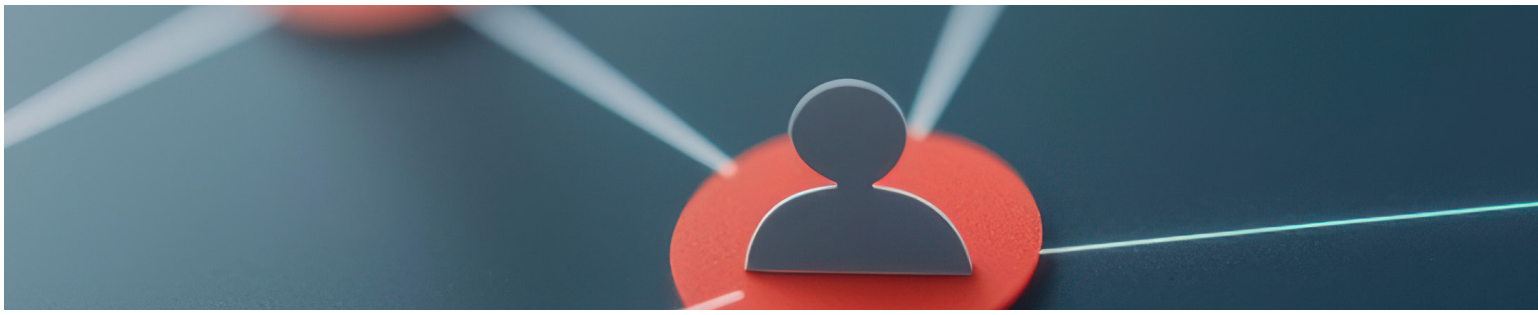
This mandate will shift where states invest and how they design, bid on and execute projects. Stakeholders will also likely see increased demand for projects to fortify roads, bridges and other structures against extreme weather events, rising sea levels and other climate-related risks.

The enhanced focus on addressing aging infrastructure in the U.S. — and a funding influx and numerous high-priority initiatives — present an opportunity for those ready to capitalize on the trends.

Ask yourself:

- Will the threat or implementation of tariffs impact the supply chain or cause elevated inflation? Or will it result in a strengthening of the dollar and have a limited impact on domestic spending?
- How will the pace and shape of the energy transition change under the new administration?
- How do changes in federal administrative regulations impact companies in the built environment?
- To what degree are corporations comfortable resisting pressure from the new administration to stick with long-term sustainability goals?



TREND 3
Companies that put workers first are solving key labor challenges.

It's time to shift our thinking about labor in construction. Labor is and always will be a constraint on engineering and construction firms, whether you're building a road, a data center or a multifamily unit. What we have learned over the years working with clients is that companies not experiencing labor issues put workers at the forefront of all their decisions.

Our NRCI survey this quarter tackled labor questions, finding that 38% of respondents expect to somewhat increase hiring and 41% plan to keep it about the same as 2024 levels. Most survey respondents plan to keep project staffing for field and skilled labor, project management, and estimators and office functions the same as in 2023, but that still indicates that companies need to hire workers across the project spectrum.

The open-ended responses to our survey questions revealed many of the reasons hiring remains a challenge, such as the increase in revenue and backlog, growing project size, the need for greater oversight of poorly executed project documents, constraints from immigration policies, growing competition and project delays causing strain on skilled labor. While the challenges may vary by company, contractor type or region, the need remains the same: replace departing workers and hire the right people to execute your project pipeline.

But as we all know, it's not enough to hire workers. You need to train and develop these individuals to keep them engaged. Companies with clear pipelines for developing talent, whether it's field leaders or those expected to take on roles in the C-suite, understand that putting power and decision-making capabilities into the hands of those who are best equipped to execute the work helps streamline operations and fuels employees' job satisfaction.

Companies that have the right mix of competitive compensation, comprehensive benefits, meaningful work and talent development programs, along with clear management succession plans, are attracting and retaining the best workers and seeing more growth compared to their peers. It takes dedicated leaders who are committed to empowering their employees to manage their careers. This is a critical piece of the puzzle in solving for labor constraints. You can take action to position your company for the future, craft a talent strategy that supports your performance and goals, and ensure you have a clear path to success.

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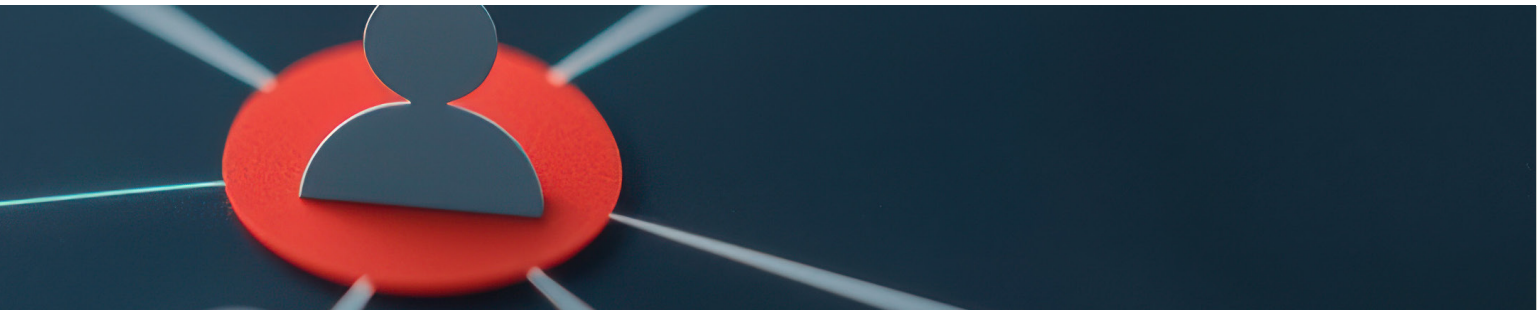

Ask yourself:

- Do you and your team have a clear and compelling vision for your organization?
- Have you effectively communicated your vision and how your team members contribute to that success?
- Are your leaders prepared to lead in today's operating environment?
- Are you proud of every aspect of your culture and are you leading effectively?

TREND 4
Companies that leverage digital tools are boosting operational efficiency and profitability in construction.

Technology continues to transform the way we work, especially in the built environment. From building information modeling (BIM), which enhances constructability and coordination, to advanced analytics powered by AI, which optimizes project planning and supply chain management, the opportunities for increased efficiency are unparalleled. Autonomous job sites are redefining logistics, materials management and manpower allocation, while robotics installations deliver unmatched precision, reducing both time and costs. These innovations are reshaping the construction lifecycle, driving significant productivity and profitability gains.

However, technology is only part of the solution. To unlock its full potential, companies need a clear business strategy aligned with a comprehensive data and technology roadmap. A successful transformation begins with understanding the "why" behind technology investments and developing a well-defined, actionable plan to help you achieve measurable results.

To develop a clear strategy, you need to ensure your workforce fully understands every project. In your leadership role you need to understand your employees' depth of expertise, their current challenges and what it will take to empower them to adopt advanced tools. And technology adoption isn't just about tools; it's about giving your teams the tools and information needed for long-term growth and success. By addressing these fundamentals and combining digital tools with improved processes, companies can ensure that technology enhances collaboration, efficiency and profitability.

Digital transformation is not a one-time event; it's a continuous, proactive journey. Every individual in the company must be involved and guided by a shared vision and direction. Success demands a structured, ongoing effort to implement, refine and update tools and processes that grow alongside your team and your business.

Aligning strategies with the right technology and data, including AI solutions, is crucial to achieving business goals. From project selection and preconstruction to cost estimating and post-job reviews, operational excellence hinges on disciplined process improvements that empower teams to adapt, grow and sustain long-term success.

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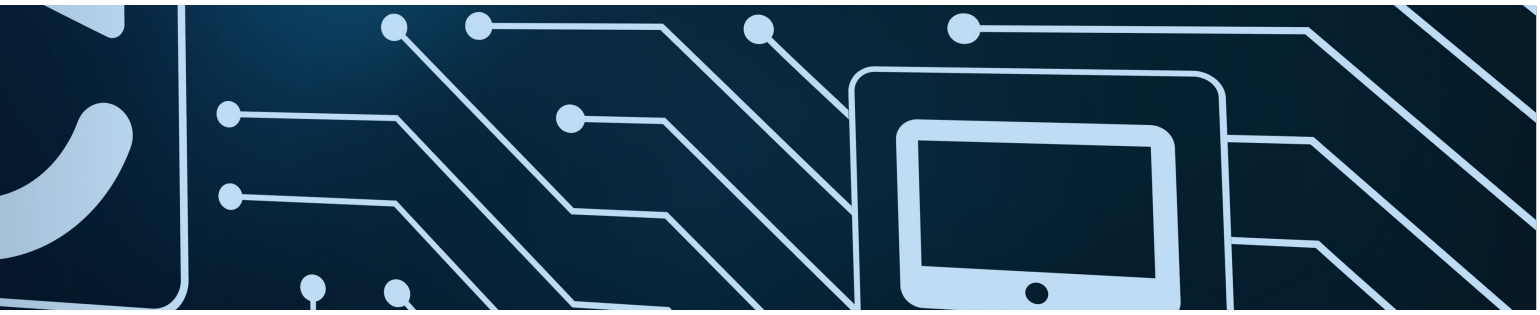
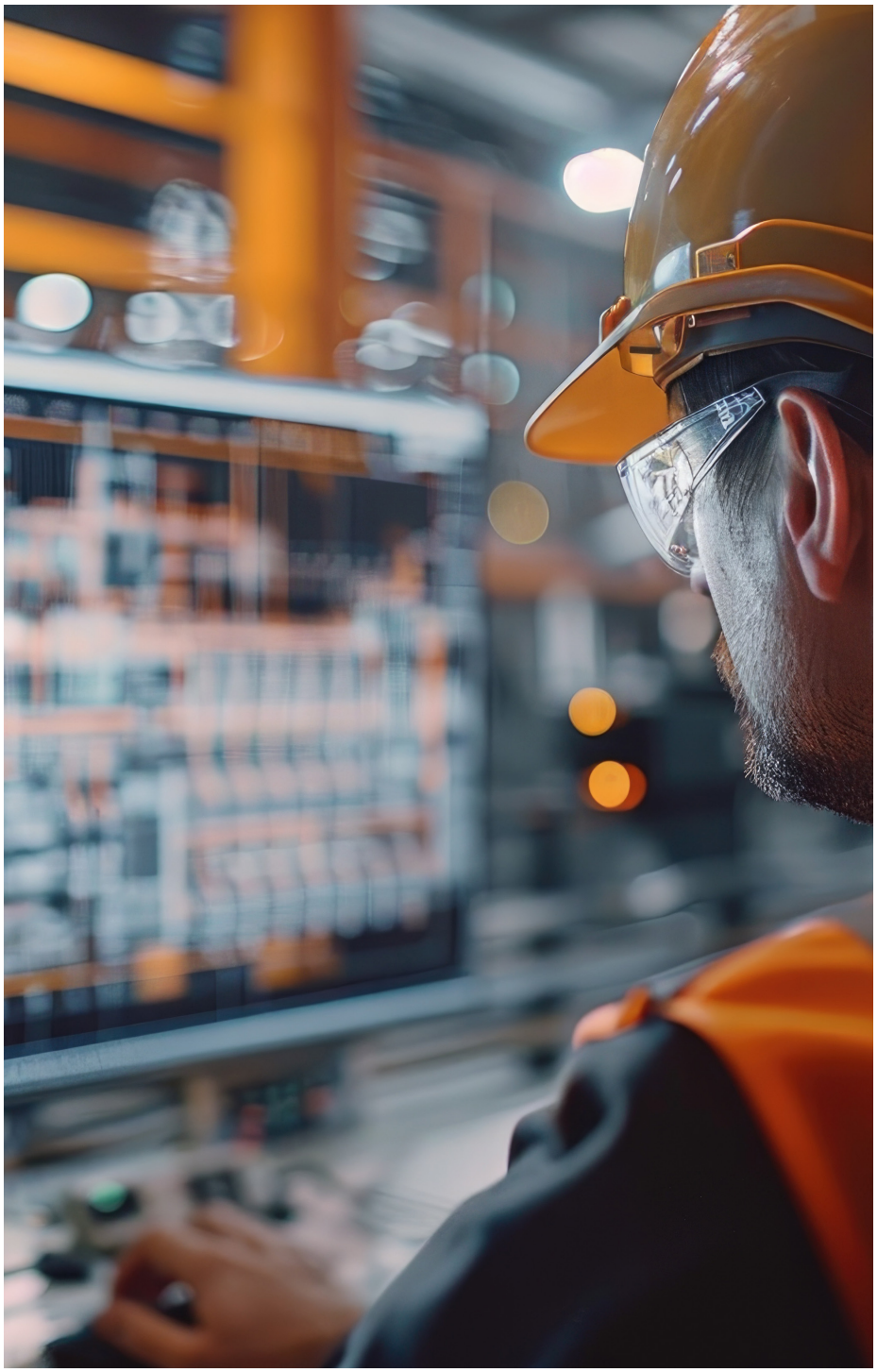


Key questions to consider:

- What tools do you have that can drive productivity, and what obstacles prevent you from fully leveraging them?
- How can you ensure your people have the right technology and processes to maximize efficiency and performance?
- What is your strategy for aligning technological investments with your long-term business objectives and operational roadmap?
- How can you leverage data, AI and other digital tools better to improve decision making and streamline key processes like preconstruction and project delivery?
- What metrics will you use to measure the success of your digital transformation, and how will you refine your approach based on the results?



LONG-TERM MACRO TRENDS ARE SHAPING THE FUTURE FOR MERGERS AND ACQUISITIONS ACROSS SECTORS.

The U.S. middle market is expecting an increase in mergers and acquisitions (M&A) activity in 2025, with positive deal factors outweighing some lingering and emerging challenges. The U.S. economic outlook is favorable, especially in comparison to other developed markets. The political landscape appears pro-business in areas such as regulations and taxes, while capital markets and investor sentiment are solid and generally optimistic. Stabilized interest rates and growing private debt markets further support middle-market M&A transactions.

Private equity (PE) is positioned to play a significant role, as PE firms seek to put record levels of cash to work. A fresh supply of higher-quality sponsor-owned assets is expected to come to market, driven by ever-mounting pressure for expiring fund vintages to return capital to investors. Of course, negative factors such as increased geopolitical risks, potential tariff wars, existing labor shortages further exacerbated by immigration issues and a possible resurgence of inflation may spike at any time and negatively impact the outlook. Nonetheless, current indicators suggest that the positives outweigh the known and potential negatives. Although the expected M&A uptick will vary across subsectors of the built environment, due to the unique impact of these factors, most subsectors stand to benefit from these favorable conditions.

The macro trends driving investment and M&A activity in the U.S. built environment are deeply established and expanding over the long term. Short-term policy changes and sentiment may influence some of these trends; however, the underlying economic and structural drivers will remain steadfast.

Key factors influencing M&A patterns:

- Population growth and migration patterns
- Years of deferred infrastructure investment
- Rising environmental impacts and costs of natural disasters
- Unprecedented technological advances, including robotics and AI
- Aging company owners
- Consolidation of fragmented sectors
- Labor shortages
- Increase in energy demand and transition to renewable sources
- Digitalization
- Reshoring and supply chain resiliency

These macro trends are creating meaningful opportunities across the built environment landscape. As a result, the outlook for M&A in 2025 and beyond is casting a promising light for stakeholders who position themselves strategically.

Questions to consider:

- How is your organization positioned to take advantage of the favorable M&A environment in 2025? Are there strategic acquisitions or partnerships you should prioritize?
- How are macro trends like labor shortages, energy transition and reshoring impacting your business operations, and can M&A help address these challenges or opportunities?
- Is your organization prepared to navigate potential risks, such as geopolitical instability or inflation, while capitalizing on long-term structural drivers in the built environment?
- What steps can you take now to attract private equity interest?

WHAT IT MEANS FOR YOU

The built environment is entering a transformative era, shaped by rapid technological advancements, shifting economic dynamics and an evolving regulatory landscape. From the rise of AI-driven tools to the increasing demand for sustainable solutions, the forces driving change are vast, complex and interconnected.

For executives, the challenge is not just to react but to anticipate and strategically position their organizations to thrive. The questions raised throughout this publication serve as a guidepost — prompting leaders to evaluate their approaches to labor shortages, digital transformation, energy transitions and market consolidation. The organizations that embrace adaptability, invest in their people and leverage innovation will be the ones that define the future of our industry.

As we move into 2025 and beyond, one thing remains clear: success will belong to those who can connect long-term vision with decisive action. Now is the time to seize the opportunities ahead, challenge conventional thinking and build a foundation for sustained growth and impact.

EXECUTIVE SUMMARY

Despite an assumed recession for the broader U.S. economy in 2025, FMI anticipates construction and engineering spending will continue to expand albeit at a slower rate during our forecast period. Single-family residential, the largest industry segment and one that creates demand for other types of construction, is projected to benefit from the recent rate-cutting cycle as well as anticipated political support for addressing housing affordability. Multifamily residential is projected to contract over the next several years due to the recent conclusion of a large and rapid building cycle. The residential improvements sector will continue to be challenged but will experience relief through lower borrowing rates that unlock homeowner mobility and refinancing activity.

Most other building construction sectors are projected to be positive in 2025, supported by lasting legislation from the Infrastructure Investment and Jobs Act (IIJA), Inflation Reduction Act (IRA), and CHIPS and Science Act. However, many segments will continue to slow through 2025 and return to historically stable growth rates of 2% to 3% a year, reflecting near-term inflation expectations.

Infrastructure construction remains the brightest spot in our forecast. The incoming administration communicated ongoing policy support for the built environment, although that support differs from the previous administration. FMI expects 2025 policies will continue to support infrastructure investment while reflecting new ways to boost private capital investments. Delays or opposition to reauthorizing large parts of IIJA funding beginning in 2026 are unlikely, which points to several years of capital support for nonbuilding structures.

In short, FMI projects that after expanding more than 40% since 2020, growth will slow for the industry overall during our forecast period, while several segments and geographies will perform above average. Single-family residential construction will continue to drive demand for other construction segments (e.g., institutional and nonbuilding structures) and will support ongoing industry expansion. Further, rapid advancements in artificial intelligence and quantum computing will continue to shape U.S. and global economies and provide opportunities across the engineering and construction industry for contributing participants. Despite broader U.S. economic challenges, this slower but more manageable pace of overall investment in the built environment should provide many stakeholders with opportunities to reassess priorities and work to address many of the longer-term challenges the built environment faces.

U.S. ENGINEERING AND CONSTRUCTION OUTLOOK

U.S. KEY TAKEAWAYS

- Total engineering and construction spending for the U.S. is forecast to end 2024 up 6%, in line with the 6% growth of 2023. Unlike in recent years, performance in 2024 was divided between areas of strong growth that offset segments that are contracting.
- Strong segments in 2024 included public safety, manufacturing and water supply, each with growth rates more than 15% above 2023 investment levels. Alternatively, multifamily residential, lodging and commercial started contracting.
- Looking at 2025, FMI forecasts 2% growth in overall construction spending due to stabilization among several of the strongest segments and continued mixed performance in other sectors. Nonbuilding structures are expected to continue to lead industry growth into 2025 and 2026.
- Public safety, water supply, amusement and recreation, power, manufacturing, and sewage and waste disposal are each anticipated to end 2025 with growth exceeding 5%.
- Single-family residential and residential improvements, the two largest industry segments, are expected to expand further in 2025, but at slower and more stable rates compared to 2024. Several other segments that are forecast to expand but at lower, more stable rates include office (as supported by the data center subsegment), health care, educational, transportation, communication, highway and street, and conservation and development.
- The latest Nonresidential Construction Index (NRCI) score of 56.9 is up nearly 20% from the previous quarter and marks the first NRCI score in the past year over the neutral base of 50. This indicates that a majority of participants expect improving economic conditions and expanding industry opportunities in the quarter and year ahead. Sentiment toward all economic measures improved while labor costs, material costs and expectations for office, lodging and commercial construction are likely to remain large near-term challenges.

UNITED STATES 2024 SEGMENT PERFORMANCE

2024/2023 COMPARISON

UP
5% or more

- Single-family
- Residential Improvements
- Educational
- Religious
- Public Safety
- Amusement and Recreation
- Transportation
- Manufacturing
- Power
- Sewage and Waste Disposal
- Water Supply

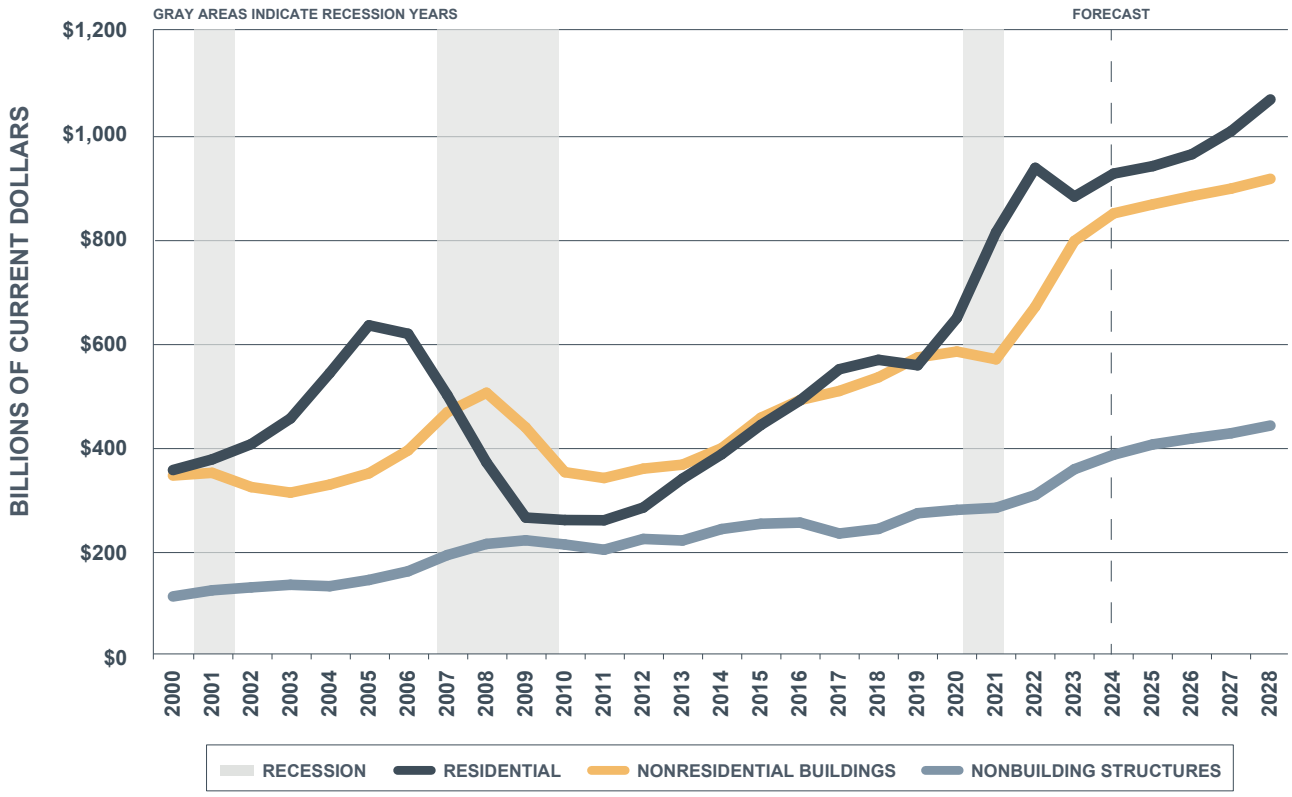
STABLE
0% to 4%

- Office
- Health Care
- Communication
- Highway and Street

DOWN
Under 0%

- Multifamily
- Lodging
- Commercial
- Conservation and Development

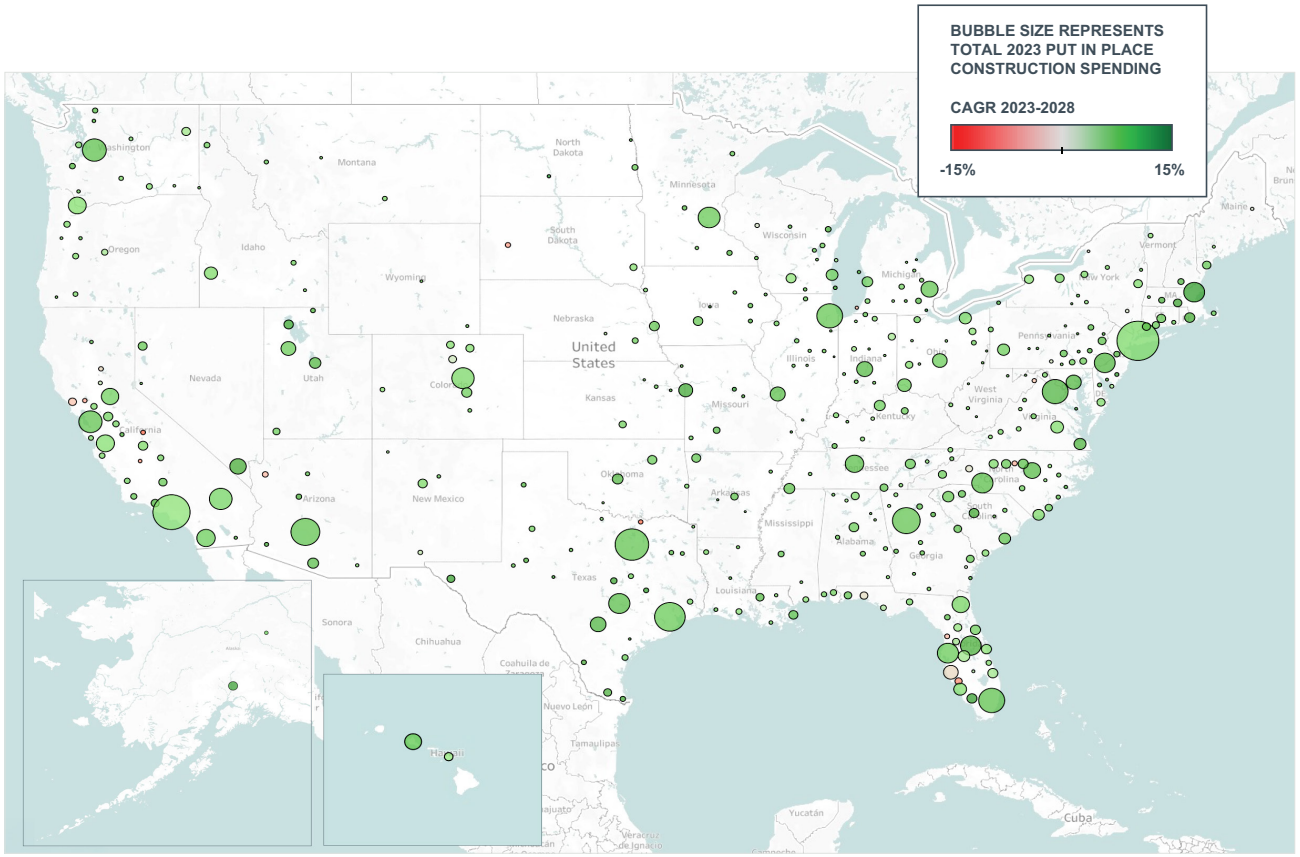
CONSTRUCTION SPENDING PUT IN PLACE
ESTIMATED FOR THE UNITED STATES



SOURCE: FMI FORECAST Q1 2025

First quarter forecast based on third quarter 2024 actuals and fourth quarter assumptions. Year end 2024 data will be released by the U.S. Census Bureau early this spring and featured in our Q2 Outlook.

HISTORICAL CONSTRUCTION SPENDING PUT IN PLACE
FORECAST GROWTH ACROSS METROPOLITAN STATISTICAL AREAS



SOURCE: FMI FORECAST Q1 2025

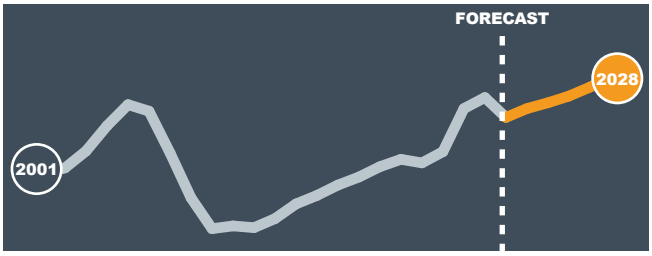
RESIDENTIAL CONSTRUCTION PUT IN PLACE

SINGLE-FAMILY RESIDENTIAL

6%

$424 BILLION
2024/2023 Comparison

DRIVERS:
- Unemployment rates
- Core CPI
- Income
- Mortgage rates
- Home prices
- Housing starts
- Housing permits



2025	STA	4%	$440 B
2026	STA	4%	$457 B
2027	UP	5%	$481 B
2028	UP	6%	$509 B

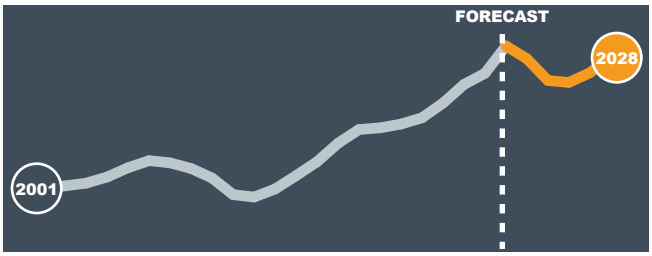
- In 2025 the U.S. will face its least affordable housing market in history, with median home prices exceeding 7.2 times the median household income. Monetary policy guidance suggests borrowing rates will remain largely unchanged over the next several years, with 30-year mortgage rates expected to remain between 6% and 7% well into 2026. Additionally, new policies such as tariffs on construction materials and stricter immigration rules are likely to sustain elevated construction and replacement costs for the foreseeable future.
- The National Association of Home Builders (NAHB) projects that single-family housing starts will expand slightly less than 1% in 2025 and 7% in 2026. New home sales will continue to rely on incentives like interest rate buydowns and the growing trend toward smaller, more affordable homes. These strategies aim to balance buyers' needs with financial constraints as millennials enter peak first-time home-buying ages, typically between 35 and 40. In 2024 the median age of a home buyer was at an all-time high of 56.
- The existing home market is gradually recovering from the "lock-in effect," with builders facing growing competition and margin pressures from existing home listings as existing home sales figures steadily rise. The National Association of Realtors (NAR) predicts a sustained 10% annual increase in existing home sales in both 2025 and 2026 as median prices grow in line with inflation, or approximately 2% annually.
- Affordability challenges, limited housing supply and increased institutional investor participation have driven significant growth in the single-family rental market, which is the second-largest rental housing type, accounting for about one-third of all rental households.

MULTIFAMILY RESIDENTIAL

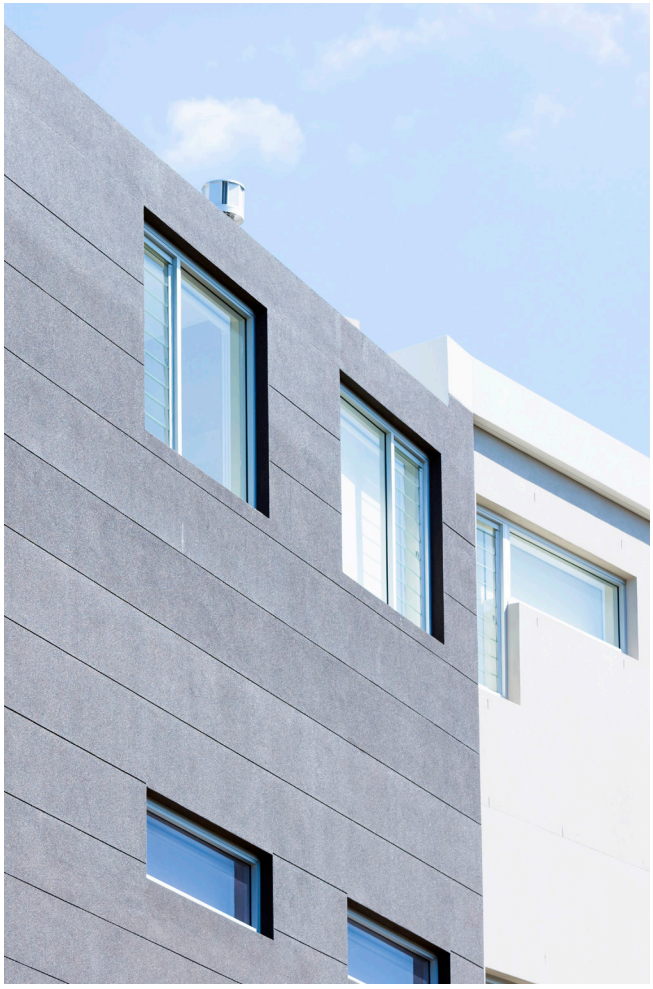
-7%

$135 BILLION
2024/2023 Comparison

DRIVERS:
- Unemployment rates
- Core CPI
- Income
- Mortgage rates
- Home prices
- Housing starts
- Housing permits



2025	DWN	-13%	$118 B
2026	DWN	-1%	$117 B
2027	UP	7%	$124 B
2028	UP	11%	$138 B



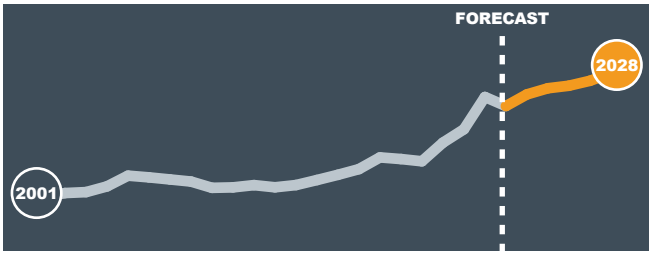
- High expenses — including borrowing, overhead and maintenance costs — combined with high inflation expectations and slow rent growth will continue to suppress new multifamily construction in 2025. These cyclical market conditions are expected to create opportunities starting in late 2026, as rent growth normalizes and multifamily starts rebound. According to the NAHB, multifamily starts declined more than 27% in 2024 and are projected to drop an additional 6.5% in 2025 before recovering in 2026. Fewer starts indicate declining units under construction, which correlates with decreased annual construction spending over the next several years.
- Multifamily stock grew by approximately 550,000 units in 2024, with an additional 508,000 units (primarily concentrated in the Sunbelt region) anticipated in 2025. Healthy rental demand has been supported by the substantial cost gap between average mortgage payments (more than $2,400) and monthly rents (around $1,800). Potential buyers are renting longer due to affordability challenges and the high costs of homeownership, helping maintain stable industry occupancy rates at around 95% through 2024.
- In 2025 the industry is less concerned with federal rent controls, but potential tariffs on construction materials and stricter immigration policies outlined by the incoming presidential administration are likely to keep construction costs high. Developers are optimistic about the strong likelihood of President Donald Trump extending corporate tax breaks for real estate, relaxing construction regulations and the possible restructuring of Fannie Mae and Freddie Mac.
- Modular construction is expected to gain momentum as developers seek faster and more cost-effective methods to deliver units amid labor shortages and rising material costs.
- Markets across the Mountain, West South Central and South Atlantic census divisions are expected to outperform the nation over the forecast period due to limited supply and strong demand dynamics.

IMPROVEMENTS

9%

$362 BILLION
2024/2023 Comparison

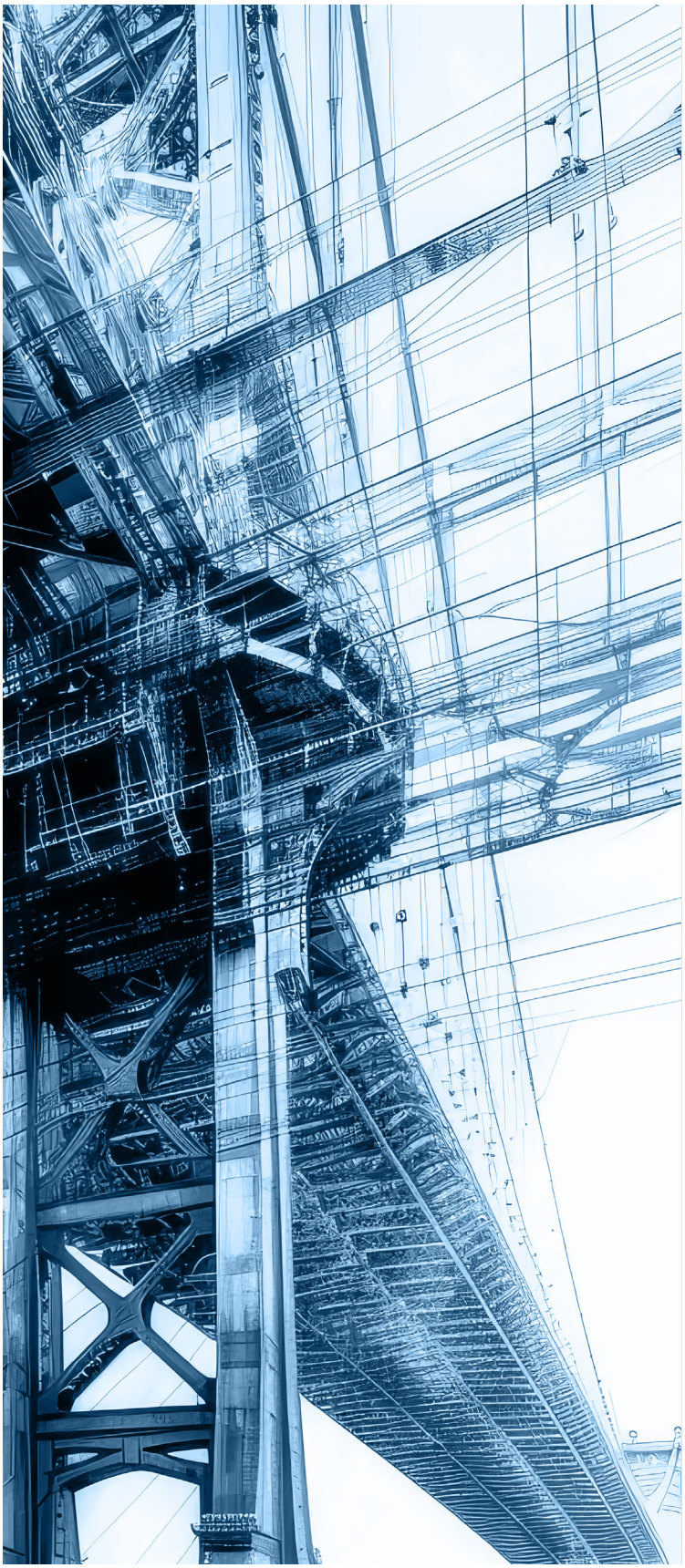
DRIVERS:
- Unemployment rates
- Core CPI
- Income
- Mortgage rates
- Home prices
- Housing starts
- Housing permits

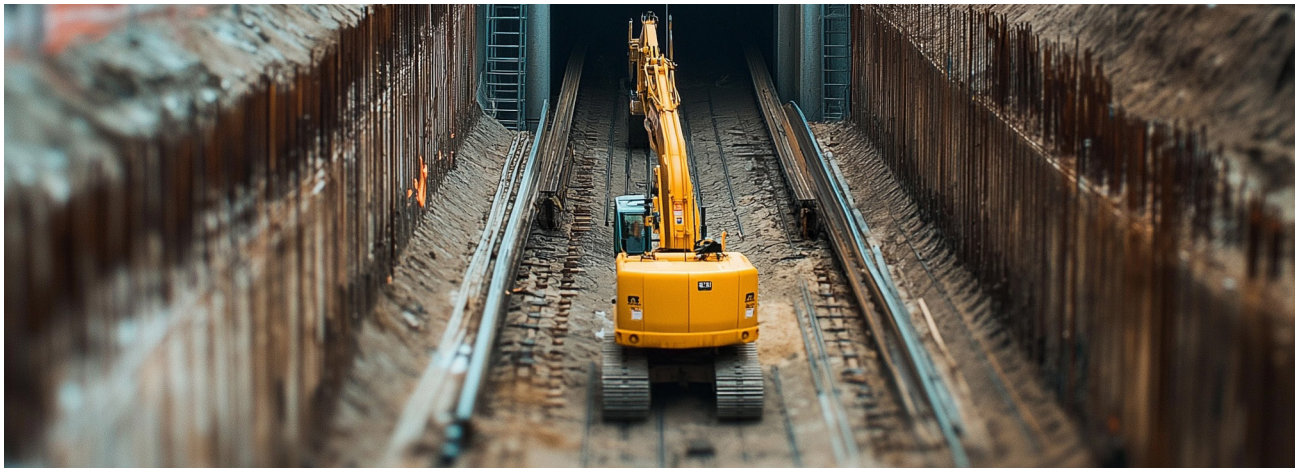


2025	UP	5%	$378 B
2026	STA	2%	$385 B
2027	STA	3%	$398 B
2028	UP	5%	$418 B

- Record-high home values supported by strong stock market performance have motivated homeowners to invest in home improvements rather than repair or move. Growth in improvements in 2024 was driven by strength in the multifamily and rental sector, severe weather events and pent-up demand as well as smaller contractors diversifying into adding luxury additions. We expect these trends to continue in 2025.
- Aging housing stock, with a median age of more than 40 years, will continue to drive increasing demands for maintenance, do-it-yourself projects and system updates over the forecast period. Despite ongoing pressures on consumer purchasing power, retailers and lenders will continue to drive growth by offering system upgrades or replacement programs with artificially low financing rates to incentivize buyers. Mortgage lenders, many of which are struggling due to low transaction activity, will also continue to fuel demand for improvements by promoting home equity loans and home equity lines of credit.
- Looking beyond 2025 and 2026, as existing home sales continue to rise and recover, more natural and stable demand will return to the improvements segment. Historically, homeowners typically spend the most on improvements and renovations in preparation for a sale or just after purchasing a new home.

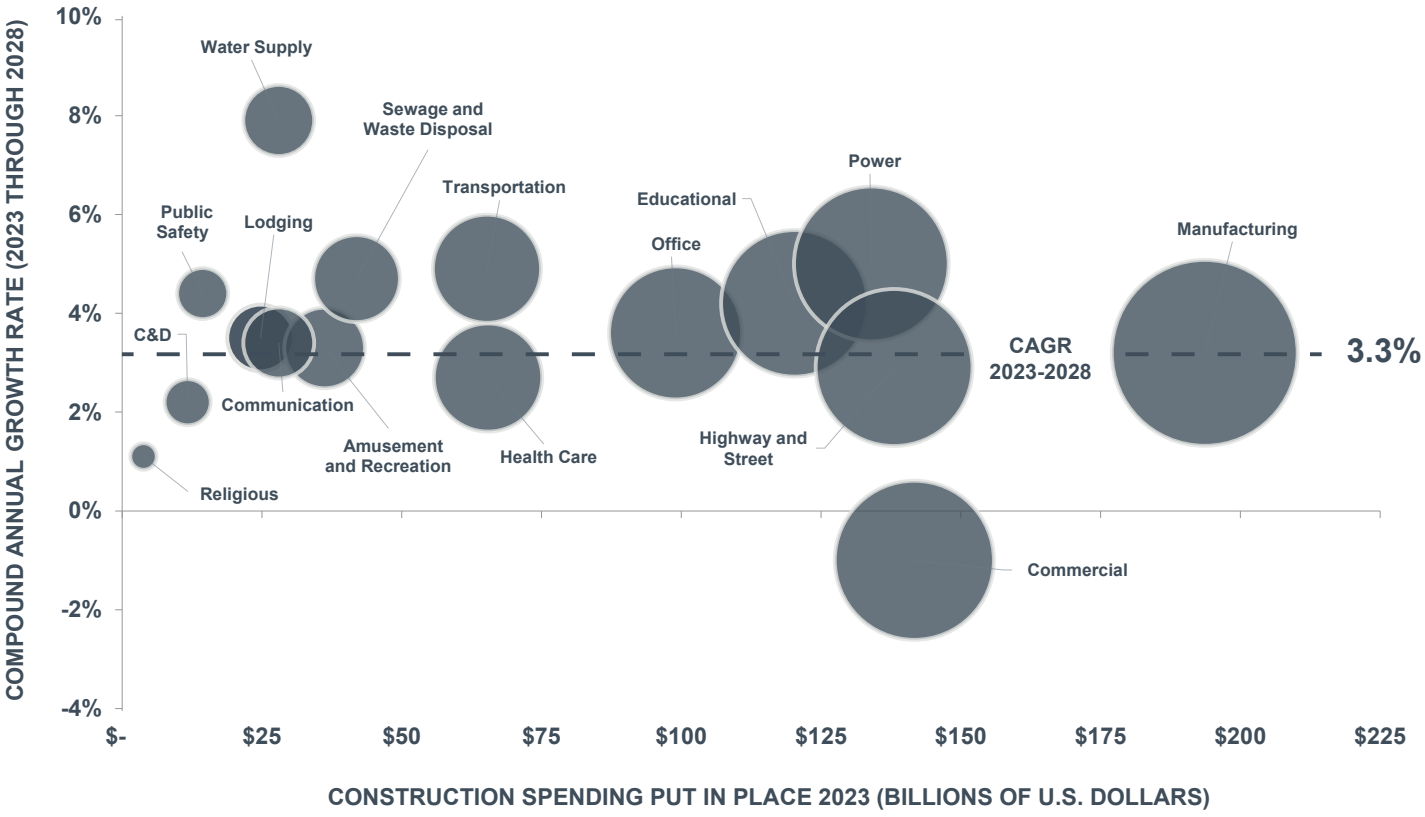
NONRESIDENTIAL CONSTRUCTION PUT IN PLACE





NONRESIDENTIAL CONSTRUCTION SPENDING PUT IN PLACE

FORECAST GROWTH BY CONSTRUCTION SEGMENT

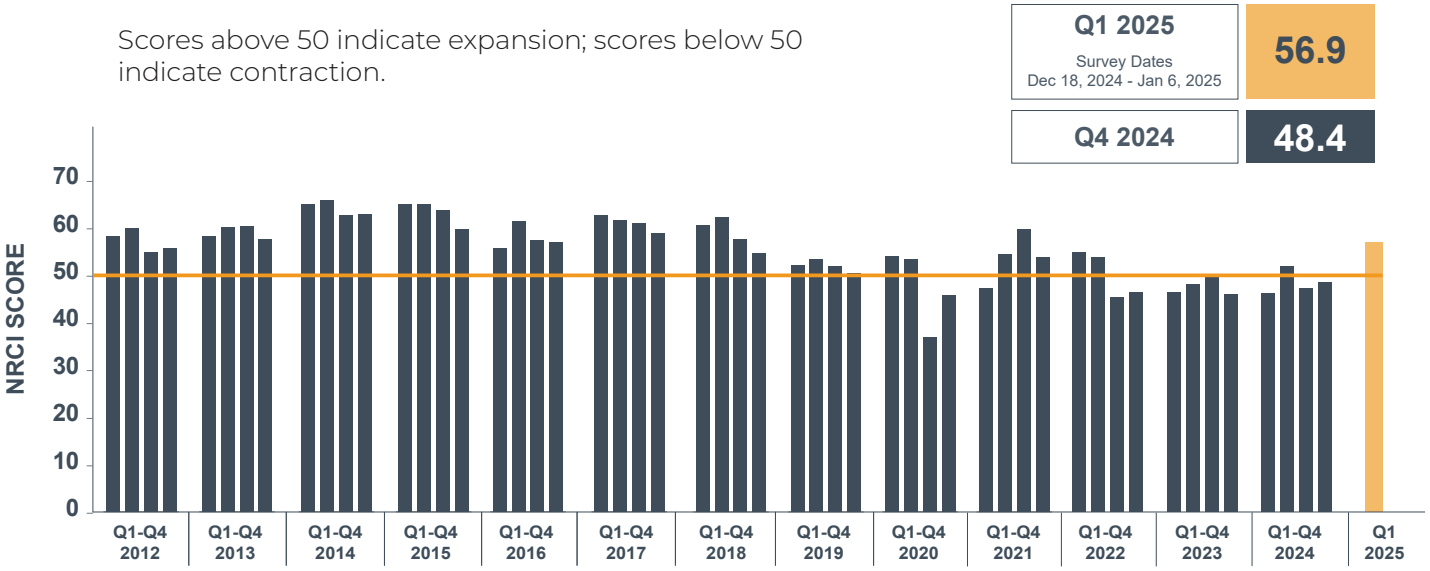


SOURCE: FMI FORECAST Q1 2025

TOTAL NONRESIDENTIAL CONSTRUCTION INDEX (NRCI)

Q1 2012 TO Q1 2025

Scores above 50 indicate expansion; scores below 50 indicate contraction.

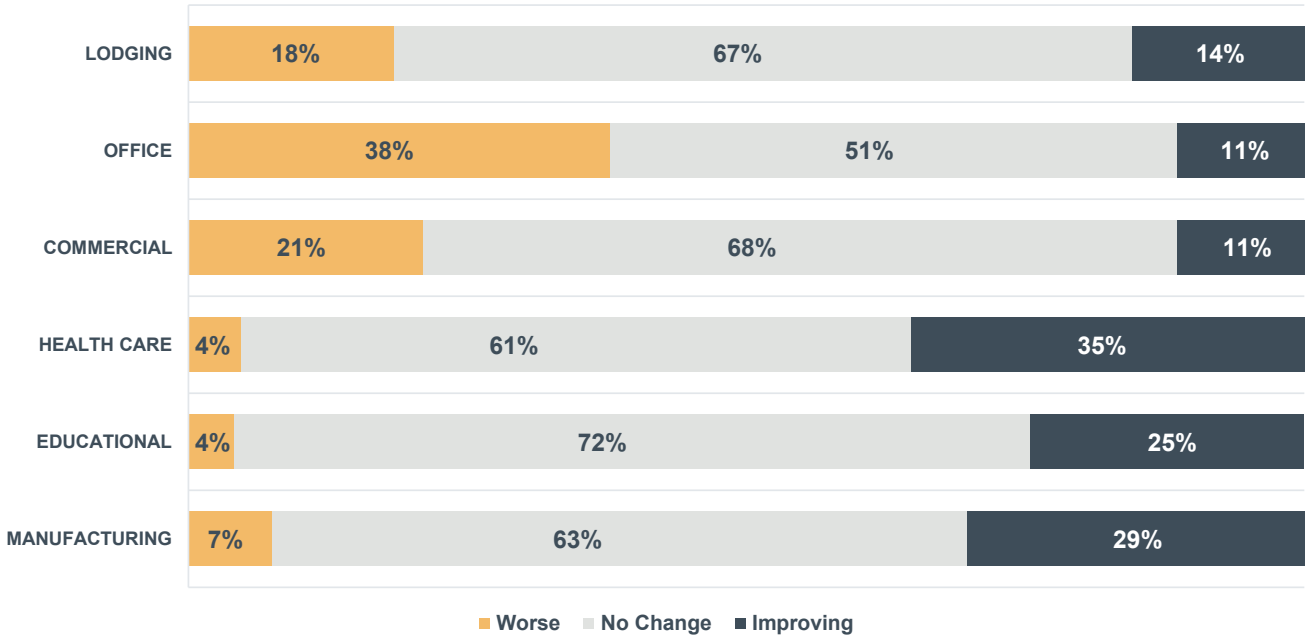


NRCI INDEX MOVEMENT		Q1 2025	Q4 2024
Overall U.S. Economy	↑	64.5	38.9
Economy Where We Do Business	↑	63.8	38.3
Our Engineering and Construction Business	↑	65.2	51.9
Engineering and Construction Where We Do Business	↑	60.9	43.8
Backlog	↑	68.1	49.4
Cost of Materials	↓	35.5	48.1
Cost of Labor	↓	29.7	36.4
Productivity	↑	51.4	50.0

The data in the NRCI is presented as a sampling of construction industry executives voluntarily serving as panelists for this FMI survey. Responses are based on their experience and opinions, and the analysis is based on FMI's interpretation of the aggregated results.

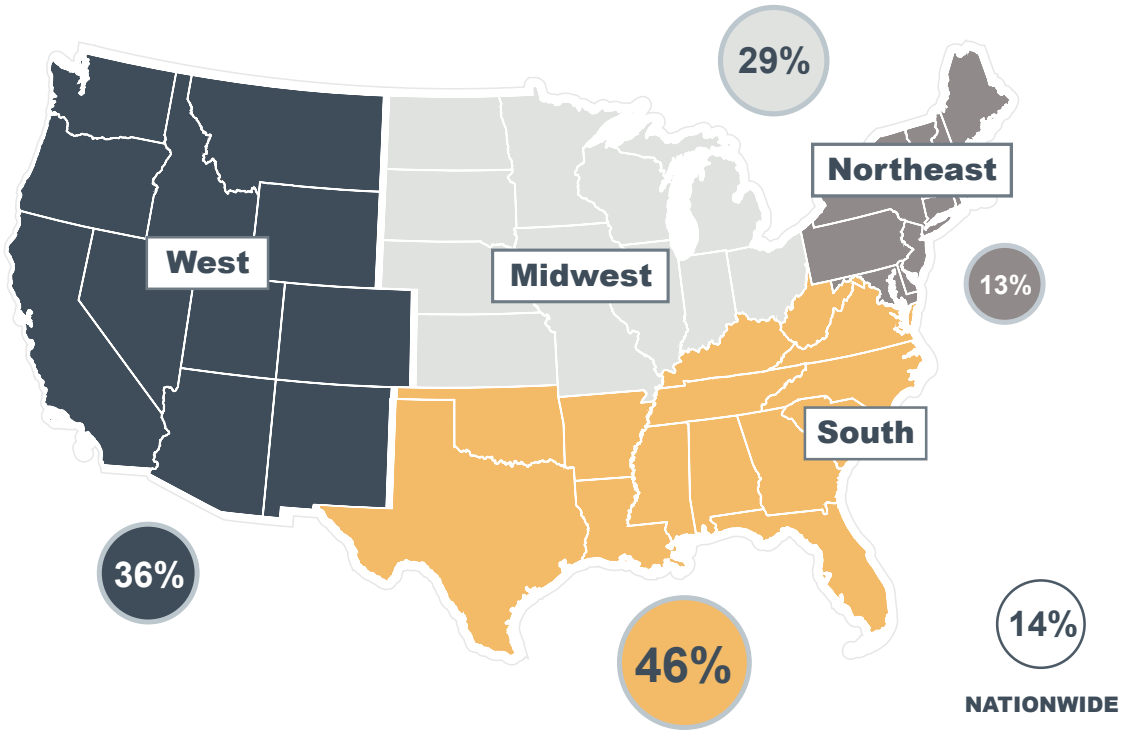
If you are interested in participating in this important industry index, please submit a request via our NRCI Participation Request form.

PERCEPTION OF CHANGE BY SEGMENT FOR NEXT QUARTER*



*SEGMENTS CAPTURED IN NRCI SURVEY.

WHERE SURVEY PARTICIPANTS WORK BY GEOGRAPHY*



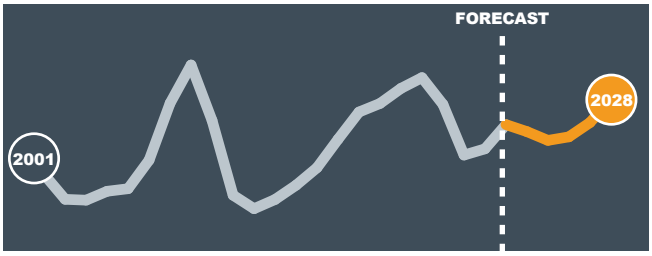
*RESPONDENTS ARE ABLE TO SELECT MORE THAN ONE OPTION.

LODGING

-5%

$23 BILLION
2024/2023 Comparison

DRIVERS:
- Occupancy rates
- RevPAR
- Average daily rates
- Room starts



2025	DWN	-7%	$22 B
2026	STA	3%	$22 B
2027	UP	12%	$25 B
2028	UP	17%	$29 B

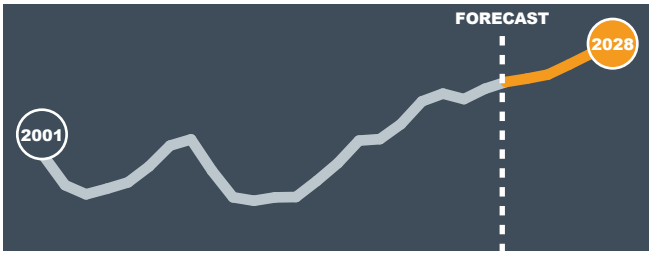
- U.S. hotel markets are projected to see reduced construction investment over the next few years due to high costs and expected economic weakness in 2025 and 2026, leading to decreased travel spending by businesses and consumers. However, major markets will continue to outperform the rest of the nation in 2025, with supply growth expected at 1.4% and revenue per available room (RevPAR) forecasted to increase by as much as 3.5% in the largest 25 cities.
- Operators of large hotels and chains will outperform independents, with more than 80% of rooms under construction belonging to these owners. Industry consolidation is likely in the coming years, driven by high interest rates, declining real estate valuations, maturing debt, and weaker consumer and business spending.
- Flexible work trends and the rising popularity of extended stays are reshaping hotel designs, emphasizing multifunctional spaces that cater to remote work and social interaction. Extended-stay projects are also gaining popularity, particularly in markets supporting significant labor needs due to large-scale manufacturing, technology and industrial developments.
- While the lodging industry is generally refocusing its attention on business travelers, the 2026 FIFA World Cup presents significant opportunities. The event is projected to have a $5 billion economic impact and cause an influx of 5 million international visitors to cities across the world. Host cities are preparing for record-breaking hotel developments, particularly in boutique and luxury accommodations, to meet occupancy demands.

OFFICE

2%

$101 BILLION
2024/2023 Comparison

DRIVERS:
- Office vacancy rates
- Unemployment rates



2025	STA	2%	$103 B
2026	UP	5%	$108 B
2027	UP	5%	$114 B
2028	STA	4%	$118 B

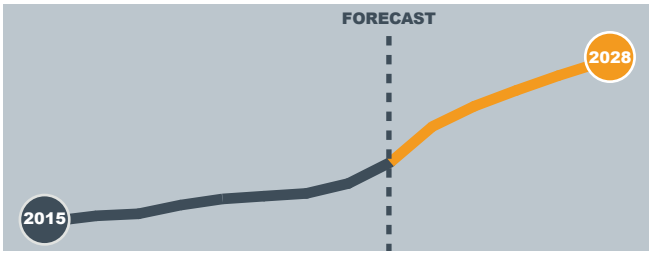
- Remote and hybrid work continues to reduce the need for traditional office spaces, with Kastle Systems reporting that physical office occupancy is stabilizing at just half pre-pandemic levels. Nationwide office vacancies remain at record highs, with an average of 19% in the fourth quarter of 2024, according to CBRE. In cities like San Francisco, Chicago and Houston vacancy rates have surpassed 30%. This structural decline challenges the viability of new traditional office construction, shifting owner and developer focus to adaptive reuse projects, such as converting offices into residential, mixed-use or data center facilities.
- Tenants are continuing to prioritize newer, premium office spaces with modern amenities, accelerating the trend known as "flight to quality." Class A office space accounts for 80% of new lease activity in major markets. Similarly, average rents for class A properties have grown 5% year-over-year, while older buildings are seeing declining rents and reduced interest from tenants.
- Delinquency rates for office loans securitized into commercial mortgage-backed securities (CMBS) reached 11% in December 2024, surpassing the 10.4% peak during the 2008-2009 financial crisis. This reflects significant financial strain on office property owners, aggravated by higher interest rates and declining lease renewals. According to Trepp, approximately $175 billion worth of office-backed CMBS loans are considered at risk.

SPECIALTY SUBSEGMENT: DATA CENTER

▲52%

$28 BILLION
2024/2023 Comparison

Data center spending estimates are a subset of office and are included in office.



2025	UP	19%	$33 B
2026	UP	13%	$37 B
2027	UP	10%	$41 B
2028	UP	9%	$45 B

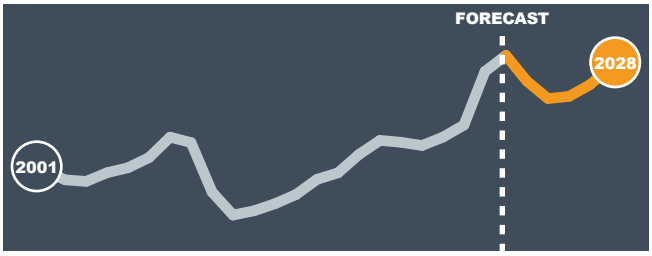
- The U.S. Census Bureau recently began publishing monthly private data center construction spending as a subset of office construction. Through the third quarter of 2024, private data center spending showed an approximately 60% increase from 2023 levels. In contrast, non-data center private office construction spending declined by nearly 15%. Growth in data center investment is expected to remain high over the forecast period.
- New data center inventory grew by more than 20% in 2024, driven by surging demand for AI and cloud computing. Top U.S. markets — Northern Virginia, Dallas-Fort Worth, Silicon Valley, Chicago, Phoenix and Atlanta — are leading this expansion. Prominent recent announcements include Microsoft's planned $40 billion investment in U.S. data center facilities in 2025 and Atlas Development's $17 billion data center campus south of Atlanta. This rapid growth is raising concerns in urban areas over land and resource allocation, such as Atlanta's ban on new data centers in some areas.
- Hyperscale data centers are projected to grow at compound annual growth rate (CAGR) in the teens through 2030. With this growth, significant challenges such as power shortages and extended lead times for electrical infrastructure will continue to disrupt ongoing and planned projects.

COMMERCIAL

-12%

$125 BILLION
2024/2023 Comparison

DRIVERS:
- Retail sales
- CPI
- Income
- Home prices
- Housing starts



2025	DWN	-9%	$114 B
2026	STA	1%	$116 B
2027	UP	6%	$123 B
2028	UP	9%	$135 B

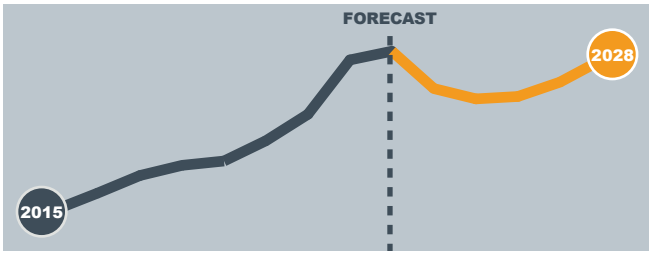
- The commercial sector is projected to contract in 2024 and 2025 for the first time since 2019, primarily due to the slowdown in the warehouse subsector, which now accounts for more than half of annual commercial construction spending. Changes to Amazon's strategy for 2024, including delays and cancellations of fulfillment centers, have created ripple effects across the industry that are expected to persist in the near term. Additionally, declining starts in multifamily and mixed-use developments are contributing to what will be reduced retail construction demand over the next several years.
- Select regions are seeing a recovery in physical retail construction, supported by rising equity valuations, wage growth and easing inflationary pressures, which have bolstered consumer spending. According to the Census Bureau, national retail sales grew 5.8% year-over-year in 2024. Most new brick-and-mortar retail developments are largely driven by multifamily housing expansions, with investment focused on servicing growing residential communities.
- Retail bankruptcies surged in 2024, with a 57.8% increase in store closures compared to 2023, resulting in more than 7,000 retail locations shutting down nationwide. While this trend has dampened some new construction activity, it has also created opportunities for redevelopment, particularly into mixed-use developments or in favor of alternative commercial uses like service-based businesses.

SPECIALTY SUBSEGMENT: WAREHOUSE

-18%

$62 BILLION
2024/2023 Comparison

Warehouse spending estimates are a subset of commercial and are included in commercial.



2025	DWN	-6%	$58 B
2026	STA	2%	$59 B
2027	UP	9%	$65 B
2028	UP	13%	$73 B

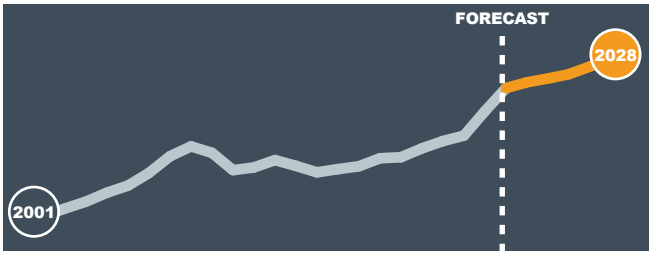
- Warehouse demand began to slow in late 2023 and normalize through most of 2024, with new deliveries expected to decline further into 2025. Over the past decade, warehouse construction spending has grown significantly, achieving a CAGR of 27%. During this period, the share of warehouse construction within total commercial construction expanded from 17% to 54%. However, through the third quarter of 2024, private warehouse spending declined by approximately 22% compared to 2023 levels. Further rising vacancy rates, which increased from slightly less than 5% in 2023 to nearly 8% in 2024 according to Commercial Edge, are motivating investors to take a more selective approach that focuses on prime locations and sectors.
- E-commerce sales, which have grown at an average annual rate of 10.3% over the past five years, are projected to surpass their 2020 peak of 16.4% of total retail sales by 2025. In 2024, online sales accounted for approximately 18.5% of total retail, reflecting sustained consumer preference for the convenience of digital shopping. Retailers are implementing strategies to combine in-person shopping with digital fulfillment.
- As of December 2024, $9 billion worth of warehousing and distribution projects are under construction in the U.S., driven by the demand for logistics infrastructure to support e-commerce and industrial growth.

HEALTH CARE

3%

$67 BILLION
2024/2023 Comparison

DRIVERS:
- Population change
- Population change ages 75+
- Uninsured population
- Government spending
- Nonresidential structure investment



2025	STA	2%	$69 B
2026	STA	2%	$70 B
2027	STA	4%	$72 B
2028	STA	3%	$75 B

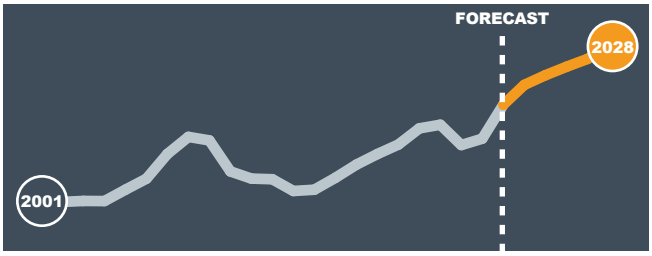
- The aging U.S. population is the key driver of health care construction over the forecast period. By 2030, the entire baby boomer generation will reach retirement age, increasing the senior population from 17% today to 20%. The population of those age 85 and older is expected to grow by nearly 60% over the next decade, or more than double the growth rate of any other age group. This cohort spends significantly more on health care annually than others, and nearly double those age 65 to 84, driving increasing demand for all types of health care facilities.
- In 2024 health care construction spending was led by public investments in both hospitals and medical office facilities. Private owners, meanwhile, have focused heavily on hospital projects, with limited investment in medical offices. The private medical office market is being disrupted by historically high vacancies, moderating rent growth and higher cap rates. This is expected to persist in 2025 as new supply continues to be added. A large wave of planned hospital projects is expected to break ground over the next two years, somewhat offsetting near-term disruptions in medical office construction.
- Hybrid medical office models are emerging as an economical solution, in place of renovating vacant traditional offices and retail space, to accommodate new life sciences infrastructure upgrades. Repurposing these distressed office and retail assets is also considered an affordable way for the health care industry to expand outside the hospital campus and more easily reach patients living in suburban or rural areas. Most property owners welcome and will assist or incentivize health care tenants due to the long-term stability in leases.

EDUCATIONAL

8%

$130 BILLION
2024/2023 Comparison

DRIVERS:
- Population change younger than age 18
- Population change ages 18-24
- Stock markets
- Government spending
- Nonresidential structure investment



2025	STA	4%	$134 B
2026	STA	3%	$138 B
2027	STA	3%	$142 B
2028	STA	4%	$147 B

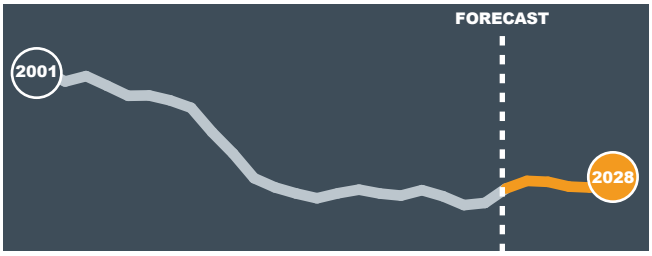
- State and local public entities have driven robust spending in 2024 for both K-12 and higher education facilities. On the private side, investment has been concentrated in K-12 facilities, while private spending on higher education has declined.
- Public educational construction is expected to continue to grow over the forecast period, strengthened by new or extended funding measures passed in November. In California, for example, voters approved Proposition 2, authorizing $10 billion in state general obligation bonds for the construction and repair of K-12 public schools and community colleges.
- Many projects supported by Inflation Reduction Act (IRA) funds are scheduled to start in 2025, focusing on HVAC upgrades, lighting, building envelopes, clean energy solutions and electric vehicle charging stations. A recent report by the Government Accountability Office found that approximately 36,000 school buildings require an update to their HVAC systems, suggesting essential infrastructure upgrades will be required within the next two years.
- The evolving landscape and privatization of college athletics is driving increased capital investment in training and research facilities, new and expanded stadiums, enhanced fan experiences and multiuse, revenue-generating spaces. These developments aim to boost interest in schools, teams and athletes while supporting event commercialization. Universities increasingly consider these investments essential in maintaining a competitive edge. Similar competitive priorities are supporting capital investments in artificial intelligence and quantum computing research facilities.

RELIGIOUS

8%

$4 BILLION
2024/2023 Comparison

DRIVERS:
- GDP
- Population
- Income
- Personal savings



2025	DWN	-1%	$4 B
2026	DWN	-5%	$4 B
2027	DWN	-1%	$4 B
2028	UP	5%	$4 B

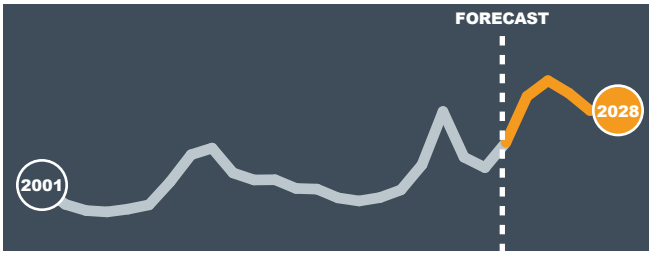
- Religious disaffiliation continues to rise, with 28% of U.S. adults identifying as unaffiliated, up from 16% in 2007. This group now represents the largest religious cohort in the country. Younger generations, particularly millennials, exhibit significantly lower rates of institutional affiliation, with only 36% reporting church membership.
- Increasing economic challenges in 2025 and 2026, including rising consumer debt, strained disposable incomes and higher unemployment, are expected to impact religious institutions. These pressures may reduce donations and disrupt capital plans during the forecast period.
- Religious participation is becoming more diverse, with attendees increasingly engaging through online platforms and unconventional venues like warehouses. Meanwhile, weekly in-person church attendance dropped to 20%. Many smaller community churches are being sold and repurposed as community centers, event venues or educational facilities that reflect changing needs.

PUBLIC SAFETY

34%

$19 BILLION
2024/2023 Comparison

DRIVERS:
- Population
- Government spending
- Incarceration rates
- Nonresidential structure investment



2025	UP	9%	$21 B
2026	DWN	-6%	$20 B
2027	DWN	-9%	$18 B
2028	STA	0%	$18 B

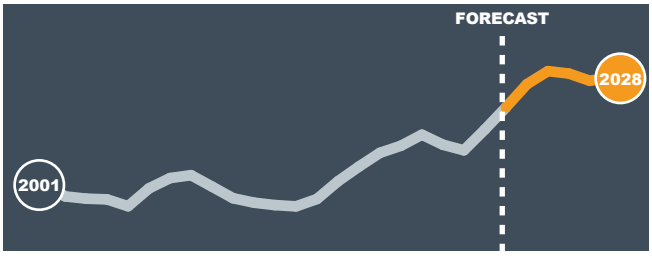
- Strength in 2024 construction spending growth is being led by state and local correction/detention and police and fire facility investments. Over the forecast period, expanding capital programs within the Department of Homeland Security, including increased focus on the U.S. Border Patrol and Federal Emergency Management Agency (FEMA), are anticipated under the Trump administration.
- The Federal Bureau of Prisons (BOP) FY 2025 submission reflects a significant reduction in planned spending for new facilities, citing construction delays, rising costs and shifting priorities toward modernization, repair and renovation. Declining population projections further contribute to the scaled-back investment.
- Recently the BOP closed multiple facilities due to staffing and budget constraints and proposed canceling plans for a new large federal facility in Kentucky. The incoming Trump administration's proposed reorganization of the Department of Justice is expected to emphasize increased privatization of corrections to support national priorities.

AMUSEMENT AND RECREATION

14%

$41 BILLION
2024/2023 Comparison

DRIVERS:
- Income
- Personal savings rates
- Unemployment rates
- Employment



2025	UP	7%	$44 B
2026	DWN	-1%	$43 B
2027	DWN	-4%	$42 B
2028	STA	2%	$43 B

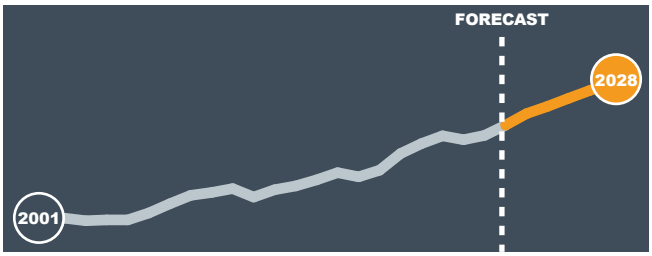
- In early 2025, construction investment is being driven by public spending in social centers (e.g., community centers, golf and country clubs), neighborhood centers, convention centers and sports facilities. In contrast, private investment slowed significantly, with contraction across theme parks, amusement parks and fitness facilities.
- The sports submarket within the amusement and recreation segment is experiencing robust expansion, fueled by large-scale public investment and tax subsidies. Upcoming sporting events, including increasingly popular events such as Formula One races, the 2026 FIFA World Cup and the 2028 Olympics, are expected to generate billions of dollars in funding for new construction and renovation projects within the amusement and recreation sector, lending to stability in investment over the forecast period.
- The rise of hybrid conference models aimed at boosting event attendance has increased demand for technologically advanced meeting spaces. Features such as AI-powered smart rooms, seamless wireless connectivity and integrated systems are driving up construction costs and creating opportunities for specialized contractors to meet these evolving needs.

TRANSPORTATION

8%

$70 BILLION
2024/2023 Comparison

DRIVERS:
- Population
- Government spending
- Transportation funding



2025	STA	4%	$73 B
2026	UP	5%	$77 B
2027	STA	4%	$80 B
2028	STA	4%	$83 B

- The U.S. manufacturing construction boom is supporting expanded transportation needs, particularly for freight rail and port activity. Recent labor strikes have amplified awareness of infrastructure needs, spurring investments in automation, resiliency and efficiency. Federal and private sector investments are expected to increase steadily over the forecast period to accommodate growing industrial and supply chain demands.
- Programmed transportation funds under the Surface Transportation Investment Act (STIA) are set to expire after fiscal year 2026. Following significant Republican victories in the November elections, political negotiations are anticipated but expected to proceed with minimal delays. FMI forecasts a modest boost in multimodal transportation funding levels as part of the reauthorization process, further supporting planned construction activity.
- Domestic enplanements are projected to reach record highs in 2025, with passenger and cargo volumes expected to grow by approximately 50% by 2040, according to the Federal Aviation Administration (FAA). This rising demand is spurring significant air construction demand, including major terminal projects like the $9.5 billion Terminal 1 redevelopment at New York's John F. Kennedy International Airport.

COMMUNICATION

2%

$29 BILLION
2024/2023 Comparison

DRIVERS:
- Population
- Security and regulation standards
- Private investment
- Innovation and technology investment

2025	STA	3%	$29 B
2026	STA	4%	$31 B
2027	STA	4%	$32 B
2028	STA	4%	$33 B

- Urban pollution concerns are prompting owners to rethink underground communication network deployment strategies, while suburban and rural markets are seeing increased investment due to favorable funding from IIJA programs and expected reduced obstacles. Rural broadband investment supported by the Broadband Equity Access and Deployment (BEAD) program is set to accelerate through 2025 and 2026 as projects break ground.
- The transition to 5G-Advanced (5G-A), the next evolution of 5G technology driven by 3GPP's Release 18, is advancing industry standards and enhancing user experiences with the intended integration of artificial intelligence. Concurrently, advancements in satellite technology are disrupting demand for traditional terrestrial network expansions, offering various new and expanded solutions for connectivity.
- The economy's increasing reliance on artificial intelligence, cloud services, the internet of things (IoT) and virtual environments for work, education and entertainment is driving demand for faster, more reliable networks. This demand aligns with and is upheld by ongoing construction investments in data centers, manufacturing, transportation and logistics infrastructure.

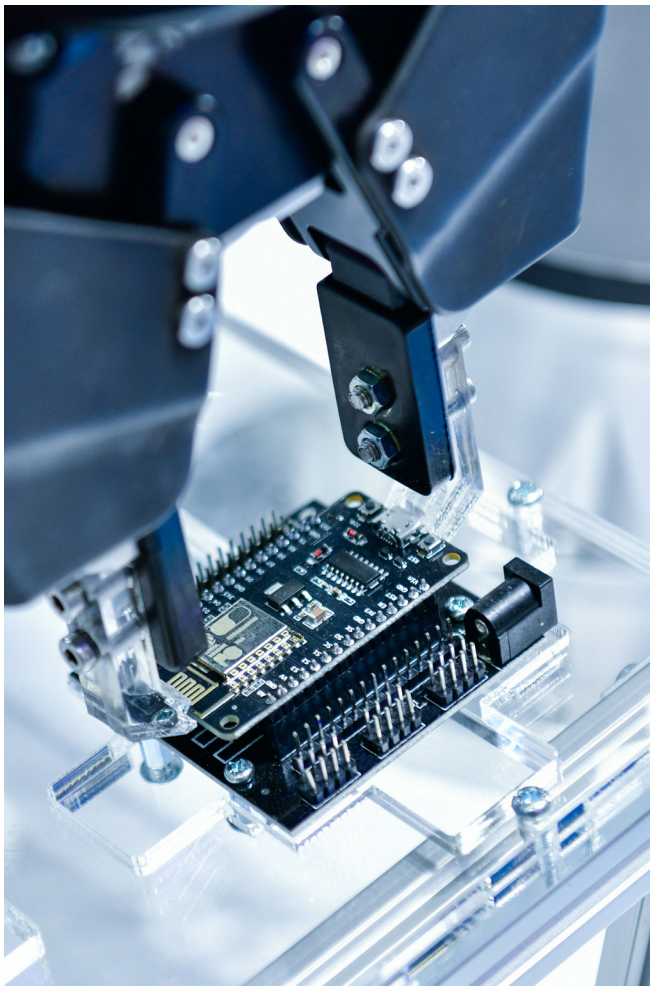
MANUFACTURING

22%

$236 BILLION
2024/2023 Comparison

DRIVERS:
- PMI
- Industrial production
- Capacity utilization
- Durable goods orders
- Manufacturing inventories

2025	UP	6%	$249 B
2026	STA	0%	$250 B
2027	DWN	-3%	$242 B
2028	DWN	-6%	$227 B



- U.S. manufacturing construction investment has surged in recent years, driven by legislation such as the CHIPS and Science Act, IRA and IIJA. Planned construction for 2025 is nearing $250 billion, more than tripling 2020 investment levels. This growth is fueled by significant projects within semiconductor, electric vehicle and battery, plastic, fabricated metal, energy refining and biomanufacturing plants.
- Talent shortages, supply chain disruptions and input volatility (e.g., oil prices, labor disputes at ports) continue to strain resources across both the manufacturing and engineering and construction industries. Large-scale manufacturing projects are placing intense demand on construction resources such as labor and equipment, further complicating the industry landscape and pace of development. Although reshoring manufacturing mitigates some economic and security risk, ongoing issues with domestic infrastructure needs including logistics, water, wastewater and power availability are likely to uncover and/or cause future disruptions.
- Smart manufacturing, a digitalization trend within the manufacturing industry that promotes productivity, efficiency and flexibility, is rapidly growing along with significant investments in high-tech manufacturing. Within this evolution, the integration of advanced manufacturing technologies (AI, IoT, robotics) is transforming the sector by enabling smart factories, reducing manufacturing labor dependencies and improving profitability.

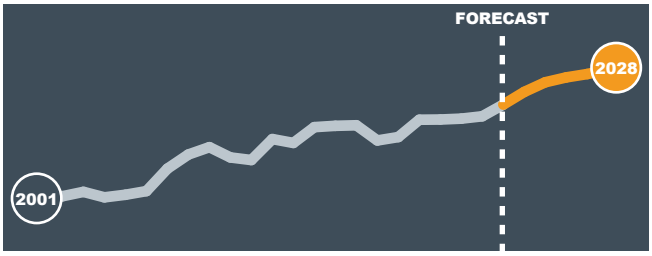
NONBUILDING STRUCTURES CONSTRUCTION PUT IN PLACE

POWER

10%

$147 BILLION
2024/2023 Comparison

DRIVERS:
- Population
- Industrial production
- Government spending



2025	UP	7%	$158 B
2026	STA	3%	$163 B
2027	STA	2%	$166 B
2028	STA	3%	$171 B

- The transition from the Biden to the Trump administration is expected to bring significant policy changes and disruptions within the power sector over the next several years. Heading into 2025, renewables represent more than 90% of generation capacity across all new/planned power generation projects, supported by federal incentives such as the IRA and state-level carbon neutrality policies. Utility-scale solar is expected to add 51 GW of capacity by the end of 2025, complemented by 14 GW of new wind capacity.
- Natural gas continues to be a critical and reliable resource, contributing approximately 40% of U.S. generation capacity. With nearly 6 GW of new natural gas capacity under construction and set to be completed in 2025, more projects are expected over the forecast period as domestic oil production expands and coal generation is gradually retired. By 2030, coal's share of electricity generation is projected to fall below 15%, down from 20% in 2022.
- Rapid growth in energy demands from manufacturing, data centers, artificial intelligence, cloud computing and quantum computing will reshape investment strategies and priorities. Data centers account for 3% of U.S. electricity consumption, which is projected to rise to 5% by 2030. To meet this demand, utilities are delaying fossil fuel plant retirements and increasing investments in grid modernization and renewable energy. Concurrently, technology companies are participating by accelerating investments in clean microgrids, nuclear power and battery storage solutions.

HIGHWAY AND STREET

3%

$142 BILLION
2024/2023 Comparison

DRIVERS:
- Population
- Government spending
- Nonresidential structure investment

2025	STA	3%	$146 B
2026	STA	2%	$148 B
2027	STA	3%	$153 B
2028	UP	5%	$160 B

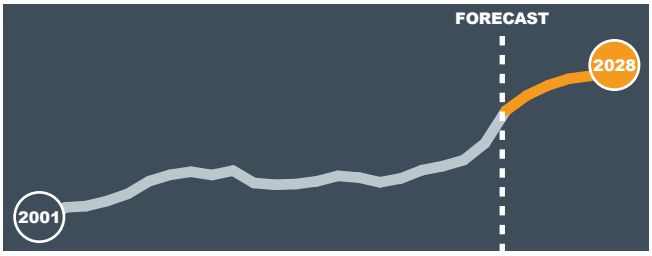
- Spending growth led by bridge investments slowed and stabilized in 2024 following several years of rapid increases. This transition marks a leveling-off of the significant project activity initiated by the IIJA beginning in 2022, as well as cooling inflationary pressures.
- Programmed IIJA highway funds are set to expire after fiscal year 2026. Following the sweeping Republican victories in the November elections, political negotiations are expected but are likely to proceed with minimal delays. FMI anticipates a modest boost in funding levels as part of the reauthorization process, with several temporary and grant programs expected to become permanent, further supporting planned construction spending.
- With industry priorities shifting to accommodate heavier vehicles, natural disasters, carbon capture and other climate-related considerations, designs are increasingly emphasizing low-impact materials and resilience. One notable example is the adoption and study of carbon output measurements for materials used in road and bridge construction, a practice that may eventually become a key factor in traditional competitive award processes.

SEWAGE AND WASTE DISPOSAL

10%

$46 BILLION
2024/2023 Comparison

DRIVERS:
- Population
- Industrial production
- Government spending



2025	UP	6%	$49 B
2026	STA	4%	$50 B
2027	STA	1%	$51 B
2028	STA	3%	$53 B

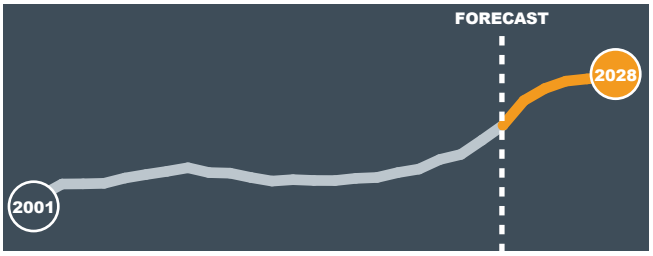
- Spending in 2024 was driven by treatment plant expansion projects spurred by residential and manufacturing growth. Migration trends, aging infrastructure and the increasing frequency of billion-dollar weather events such as hurricanes and flash floods are prompting significant investments in storm cleanup, infrastructure hardening and stormwater management systems. Additionally, long-term investments are increasingly prioritizing data analytics and advanced technologies to improve the assessment and management of water and wastewater infrastructure.
- The EPA's 2022 Clean Watersheds Needs Survey (CWNS) identified a $630 billion gap between available funds and infrastructure needs — a 73% increase from the prior report. Key areas of focus include additional treatment plants, conveyance systems, combined sewer overflows correction, recycled water distribution and desalination. States like New York and California face the largest funding shortfalls. Federal programs, such as the Bipartisan Infrastructure Law's $1 billion allocation to the Clean Water State Revolving Fund, help close this gap as well as fund additional critical research efforts and projects targeting emerging per- and polyfluoroalkyl substance (PFAS) contaminants.

WATER SUPPLY

23%

$35 BILLION
2024/2023 Comparison

DRIVERS:
- Population
- Industrial production
- Government spending



2025	UP	9%	$38 B
2026	UP	5%	$40 B
2027	STA	1%	$40 B
2028	STA	1%	$41 B

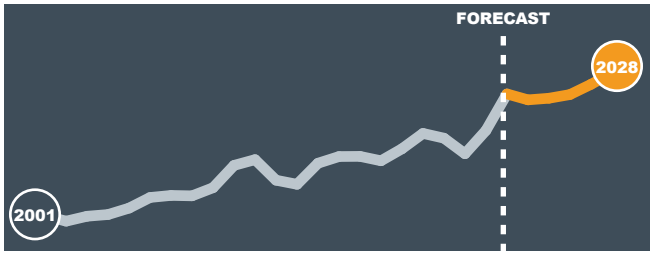
- Rising industrial investment continues to elevate source water protection as a national priority, prompting changes in managing industrial runoff, permitting and federal funding. According to the EPA's 2023 estimates, $625 billion will be needed over the next 20 years to improve drinking water infrastructure, with two-thirds of the investment focused on repairing transmission and distribution networks. The 2025 update (updates are released every four years) to the ASCE's Infrastructure Report Card is expected to significantly influence future policy and funding priorities.
- As of October 2024, the EPA's Lead and Copper Rule Improvements (LCRI) mandates the identification and replacement of all lead service lines (LSLs) within the next 10 years. Initial system cost estimates range between $50 billion and $80 billion, though the exact locations and quantities of these lines remain somewhat uncertain. The EPA estimates that approximately 9 million homes — or about 6% of the U.S. housing stock — are served by LSLs. States with the highest reported numbers of LSLs include Florida, Illinois, Ohio, Pennsylvania and Texas. Additionally, the rule will lower the allowable lead levels in drinking water and require select states to replace galvanized service lines.

CONSERVATION AND DEVELOPMENT

-3%

$11 BILLION
2024/2023 Comparison

DRIVERS:
- Population
- Government spending



2025	STA	1%	$11 B
2026	STA	2%	$12 B
2027	UP	6%	$12 B
2028	UP	6%	$13 B

- Planned funding from the Harbor Maintenance Trust Fund, the U.S. Army Corps of Engineers' Civil Works Program and the IIJA is fueling growth in dredging and waterway conservation spending in 2025. Priorities include harbor deepening, expanded maintenance programs and infrastructure upgrades in support of rising global trade activity and expanding U.S. port infrastructure. Largely driven by significant investment in manufacturing, particularly along Eastern and Gulf coasts, conservation investment will be critical toward protecting trade routes, expanding port capacities and reliably accommodating larger vessels.
- High-profile projects like the Ike Dike in Galveston, Texas, and the Lower Manhattan Coastal Resiliency Project highlight increasing needs for environmental resilience. Coastal restoration efforts, including beach nourishment programs in states such as Florida, New Jersey and North Carolina, aim to mitigate storm impacts, reduce erosion and strengthen storm-hardening measures along vital trade corridors and waterways.

Construction Put in Place Estimated for the United States

Millions of Current Dollars

1st Quarter 2025 Forecast, Based on 3rd Quarter 2024 Actuals and 4th Quarter 2024 Assumptions

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
RESIDENTIAL BUILDINGS										
Single-family	280,385	310,060	424,491	453,752	400,909	424,409	439,812	457,479	481,146	508,554
Multifamily	88,401	100,089	114,926	123,801	145,587	135,348	118,036	116,544	124,211	137,742
Improvements*	184,656	234,108	269,551	355,215	331,100	361,992	378,317	385,013	398,046	417,962
Total Residential	**553,442**	**644,257**	**808,968**	**932,768**	**877,596**	**921,748**	**936,165**	**959,036**	**1,003,403**	**1,064,258**
NONRESIDENTIAL BUILDINGS										
Lodging	33,461	28,483	19,082	20,236	24,740	23,434	21,807	22,465	25,110	29,406
Office	88,724	92,831	89,902	95,382	98,989	100,770	102,907	108,175	113,735	118,308
Data Center	8,480	9,231	9,947	12,584	18,201	27,688	33,082	37,270	41,177	44,696
Commercial	84,345	89,714	97,394	131,503	141,702	125,312	114,245	115,579	123,033	134,501
Warehouse	35,264	42,810	52,637	72,794	76,037	62,154	58,336	59,219	64,544	72,863
Health Care	46,263	48,599	50,327	58,098	65,429	67,296	68,504	69,861	72,313	74,616
Educational	108,952	110,692	100,988	104,035	120,226	129,701	134,295	138,311	142,058	147,453
Religious	3,730	3,472	3,096	3,187	3,801	4,124	4,084	3,881	3,842	4,019
Public Safety	12,012	17,667	12,826	11,715	14,395	19,272	20,939	19,608	17,779	17,852
Amusement and Recreation	30,416	28,288	27,102	31,527	36,203	41,119	43,901	43,385	41,847	42,635
Transportation	57,448	60,734	59,075	60,908	65,246	70,149	73,226	76,645	79,937	82,905
Communication	22,184	23,876	23,091	24,366	28,004	28,535	29,450	30,547	31,814	33,153
Manufacturing	80,978	75,425	82,030	125,025	193,630	235,552	249,278	250,181	241,525	226,885
Total Nonresidential Buildings	**568,513**	**579,781**	**564,913**	**665,982**	**792,365**	**845,263**	**862,636**	**878,638**	**892,994**	**911,732**
NONBUILDING STRUCTURES										
Power	117,960	118,168	119,108	121,605	134,010	147,461	157,688	162,855	166,402	171,282
Highway and Street	99,402	102,321	103,381	115,655	138,060	142,252	145,856	148,169	152,665	159,646
Sewage and Waste Disposal	26,119	27,189	28,811	33,246	41,912	45,939	48,587	50,369	51,091	52,702
Water Supply	16,397	18,952	20,284	24,056	27,999	34,559	37,774	39,716	40,306	40,876
Conservation and Development	9,207	8,903	7,911	9,392	11,719	11,342	11,444	11,678	12,327	13,060
Total Nonbuilding Structures	**269,085**	**275,533**	**279,495**	**303,954**	**353,700**	**381,553**	**401,349**	**412,786**	**422,791**	**437,567**
Total Put in Place	**$1,391,040**	**$1,499,571**	**$1,653,376**	**$1,902,704**	**$2,023,661**	**$2,148,565**	**$2,200,150**	**$2,250,460**	**$2,319,187**	**$2,413,557**

Construction Put in Place Estimated for the United States

Change From Prior Year — Current Dollar Basis

1st Quarter 2025 Forecast, Based on 3rd Quarter 2024 Actuals and 4th Quarter 2024 Assumptions

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
RESIDENTIAL BUILDINGS										
Single-family	-3%	11%	37%	7%	-12%	6%	4%	4%	5%	6%
Multifamily	6%	13%	15%	8%	18%	-7%	-13%	-1%	7%	11%
Improvements*	-3%	27%	15%	32%	-7%	9%	5%	2%	3%	5%
Total Residential	**-2%**	**16%**	**26%**	**15%**	**-6%**	**5%**	**2%**	**2%**	**5%**	**6%**
NONRESIDENTIAL BUILDINGS										
Lodging	6%	-15%	-33%	6%	22%	-5%	-7%	3%	12%	17%
Office	16%	5%	-3%	6%	4%	2%	2%	5%	5%	4%
Data Center	24%	9%	8%	27%	45%	52%	19%	13%	10%	9%
Commercial	-2%	6%	9%	35%	8%	-12%	-9%	1%	6%	9%
Warehouse	5%	21%	23%	38%	4%	-18%	-6%	2%	9%	13%
Health Care	6%	5%	4%	15%	13%	3%	2%	2%	4%	3%
Educational	8%	2%	-9%	3%	16%	8%	4%	3%	3%	4%
Religious	7%	-7%	-11%	3%	19%	8%	-1%	-5%	-1%	5%
Public Safety	28%	47%	-27%	-9%	23%	34%	9%	-6%	-9%	0%
Amusement and Recreation	8%	-7%	-4%	16%	15%	14%	7%	-1%	-4%	2%
Transportation	8%	6%	-3%	3%	7%	8%	4%	5%	4%	4%
Communication	-9%	8%	-3%	6%	15%	2%	3%	4%	4%	4%
Manufacturing	12%	-7%	9%	52%	55%	22%	6%	0%	-3%	-6%
Total Nonresidential Buildings	**7%**	**2%**	**-3%**	**18%**	**19%**	**7%**	**2%**	**2%**	**2%**	**2%**
NONBUILDING STRUCTURES										
Power	18%	0%	1%	2%	10%	10%	7%	3%	2%	3%
Highway and Street	8%	3%	1%	12%	19%	3%	3%	2%	3%	5%
Sewage and Waste Disposal	9%	4%	6%	15%	26%	10%	6%	4%	1%	3%
Water Supply	6%	16%	7%	19%	16%	23%	9%	5%	1%	1%
Conservation and Development	12%	-3%	-11%	19%	25%	-3%	1%	2%	6%	6%
Total Nonbuilding Structures	**13%**	**2%**	**1%**	**9%**	**16%**	**8%**	**5%**	**3%**	**2%**	**3%**
Total Put in Place	**4%**	**8%**	**10%**	**15%**	**6%**	**6%**	**2%**	**2%**	**3%**	**4%**

*Improvements includes additions, alterations and major replacements. It does not include maintenance and repairs.

Data center is a subsegment of office and warehouse is a subsegment of commercial.

REGIONAL SUMMARY

REGIONAL KEY TAKEAWAYS

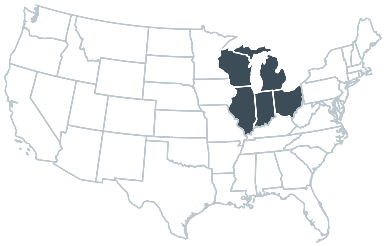
As seen in the regional summary table below, FMI expects the top two performing census divisions through 2025 year-end to include the East North Central (3.6%) and West South Central (3.4%) states.

- Top census divisions for residential spending in 2025 will include East North Central (2.7%) and East South Central (2.3%) states.
- Top census divisions for nonresidential building spending in 2025 include the East South Central (4.7%), Middle Atlantic (4.1%) and East North Central (3.3%) states.
- Top census divisions for nonbuilding structure spending in 2025 include the Pacific (8.5%), West South Central (7.5%) and East North Central (6.1%) states.

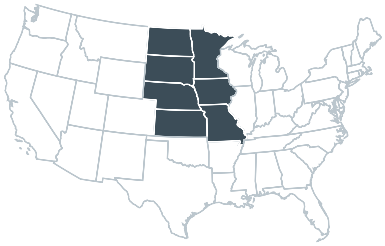
TOTAL CONSTRUCTION PROJECTED GROWTH 2024-2025

New England 1.1%

Middle Atlantic 2.1%

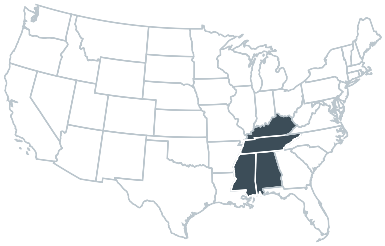


East North Central 3.6%

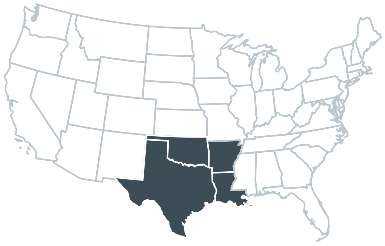


West North Central 1.3%

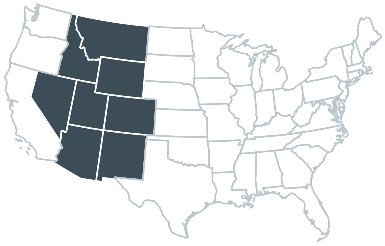
South Atlantic 2.4%



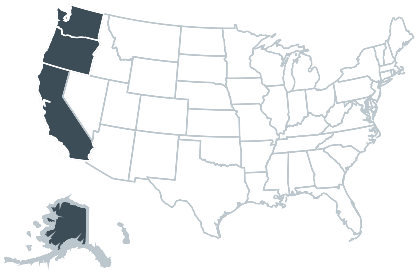
East South Central 3.0%



West South Central 3.4%



Mountain 0.7%



Pacific 2.8%

REGIONAL SUMMARY

	Year	Total Residential	Total Nonresidential Buildings	Total Nonbuilding Structures	Total Construction Put in Place	Projected Growth 2024-2025
Northeast	New England					
	2024	30,179	31,148	9,979	71,307	**1.1%**
	2025	30,729	30,954	10,421	72,104	
	Mid-Atlantic					
	2024	68,830	87,560	40,936	197,326	**2.1%**
	2025	68,819	91,108	41,614	201,541	
Midwest	East North Central					
	2024	74,929	113,410	42,921	231,260	**3.6%**
	2025	76,974	117,110	45,528	239,612	
	West North Central					
	2024	51,747	55,908	27,754	135,409	**1.3%**
	2025	51,816	56,351	29,003	137,170	
South	South Atlantic					
	2024	232,596	159,013	72,282	463,891	**2.4%**
	2025	235,988	162,886	76,013	474,888	
	East South Central					
	2024	46,064	44,991	17,336	108,391	**3.0%**
	2025	47,125	47,108	17,428	111,660	
	West South Central					
	2024	129,428	157,794	55,897	343,119	**3.4%**
	2025	131,919	162,865	60,094	354,878	
West	Mountain					
	2024	146,643	97,498	51,368	295,508	**0.7%**
	2025	149,460	95,254	52,804	297,518	
	Pacific					
	2024	141,331	97,942	63,082	302,355	**2.8%**
	2025	143,334	99,001	68,444	310,779	
U.S.	Total United States					
	2024	**$921,748**	**$845,263**	**$381,553**	**$2,148,565**	**2.4%**
	2025	**$936,165**	**$862,636**	**$401,349**	**$2,200,150**	

Construction Put in Place Estimated for New England

Millions of Current Dollars

1st Quarter 2025 Forecast, Based on 3rd Quarter 2024 Actuals and 4th Quarter 2024 Assumptions

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
RESIDENTIAL BUILDINGS										
Single-family	9,301	10,047	12,766	14,390	12,885	14,090	14,579	15,122	15,968	16,881
Multifamily	2,638	3,007	3,476	4,036	4,558	4,047	3,580	3,369	3,655	3,982
Improvements*	6,781	8,258	8,691	11,421	11,041	12,042	12,570	12,863	13,401	13,843
Total Residential	**18,721**	**21,312**	**24,933**	**29,846**	**28,484**	**30,179**	**30,729**	**31,354**	**33,023**	**34,705**
NONRESIDENTIAL BUILDINGS										
Lodging	1,571	1,064	666	555	800	814	718	687	768	1,020
Office	4,768	4,622	4,456	4,021	3,785	3,527	3,356	3,294	3,422	3,645
Commercial	3,151	3,164	3,506	4,414	4,050	3,670	3,413	3,269	3,450	3,703
Health Care	2,385	3,060	3,723	4,754	6,698	6,971	6,638	6,756	7,295	7,534
Educational	6,945	6,985	6,543	6,842	6,960	7,477	7,907	8,605	8,773	9,076
Religious	109	76	41	28	52	61	52	46	45	47
Public Safety	705	970	785	563	778	966	1,002	942	910	953
Amusement and Recreation	978	1,054	1,040	1,233	1,334	1,416	1,448	1,515	1,578	1,624
Transportation	2,914	3,270	3,919	3,892	3,107	3,059	3,113	3,237	3,410	3,606
Communication	492	513	540	246	374	385	392	402	416	431
Manufacturing	2,408	2,674	3,812	3,090	2,640	2,803	2,916	2,940	3,001	3,195
Total Nonresidential Buildings	**26,426**	**27,450**	**29,032**	**29,638**	**30,576**	**31,148**	**30,954**	**31,690**	**33,068**	**34,834**
NONBUILDING STRUCTURES										
Power	3,770	3,646	2,919	1,702	1,159	1,257	1,420	1,612	1,749	1,831
Highway and Street	3,745	3,509	3,706	4,095	5,790	5,817	5,946	6,138	6,241	6,520
Sewage and Waste Disposal	1,199	1,055	1,258	1,467	1,581	1,757	1,837	1,938	2,015	2,114
Water Supply	578	611	568	816	839	984	1,048	1,114	1,190	1,259
Conservation and Development	232	265	156	237	173	165	171	179	190	204
Total Nonbuilding Structures	**9,524**	**9,087**	**8,607**	**8,318**	**9,542**	**9,979**	**10,421**	**10,981**	**11,385**	**11,928**
Total Put in Place	**$54,671**	**$57,848**	**$62,572**	**$67,802**	**$68,602**	**$71,307**	**$72,104**	**$74,025**	**$77,476**	**$81,468**

Construction Put in Place Estimated for New England

Change From Prior Year — Current Dollar Basis

1st Quarter 2025 Forecast, Based on 3rd Quarter 2024 Actuals and 4th Quarter 2024 Assumptions

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
RESIDENTIAL BUILDINGS										
Single-family	-16%	8%	27%	13%	-10%	9%	3%	4%	6%	6%
Multifamily	-3%	14%	16%	16%	13%	-11%	-12%	-6%	8%	9%
Improvements*	-8%	22%	5%	31%	-3%	9%	4%	2%	4%	3%
Total Residential	**-12%**	**14%**	**17%**	**20%**	**-5%**	**6%**	**2%**	**2%**	**5%**	**5%**
NONRESIDENTIAL BUILDINGS										
Lodging	-27%	-32%	-37%	-17%	44%	2%	-12%	-4%	12%	33%
Office	27%	-3%	-4%	-10%	-6%	-7%	-5%	-2%	4%	7%
Commercial	-9%	0%	11%	26%	-8%	-9%	-7%	-4%	6%	7%
Health Care	37%	28%	22%	28%	41%	4%	-5%	2%	8%	3%
Educational	-1%	1%	-6%	5%	2%	7%	6%	9%	2%	3%
Religious	-34%	-30%	-46%	-32%	86%	17%	-14%	-12%	-3%	6%
Public Safety	12%	38%	-19%	-28%	38%	24%	4%	-6%	-3%	5%
Amusement and Recreation	4%	8%	-1%	19%	8%	6%	2%	5%	4%	3%
Transportation	21%	12%	20%	-1%	-20%	-2%	2%	4%	5%	6%
Communication	17%	4%	5%	-54%	52%	3%	2%	2%	3%	4%
Manufacturing	-2%	11%	43%	-19%	-15%	6%	4%	1%	2%	6%
Total Nonresidential Buildings	**5%**	**4%**	**6%**	**2%**	**3%**	**2%**	**-1%**	**2%**	**4%**	**5%**
NONBUILDING STRUCTURES										
Power	17%	-3%	-20%	-42%	-32%	8%	13%	14%	8%	5%
Highway and Street	20%	-6%	6%	10%	41%	0%	2%	3%	2%	4%
Sewage and Waste Disposal	15%	-12%	19%	17%	8%	11%	5%	5%	4%	5%
Water Supply	-12%	6%	-7%	44%	3%	17%	6%	6%	7%	6%
Conservation and Development	13%	14%	-41%	52%	-27%	-4%	3%	5%	6%	8%
Total Nonbuilding Structures	**15%**	**-5%**	**-5%**	**-3%**	**15%**	**5%**	**4%**	**5%**	**4%**	**5%**
Total Put in Place	**0%**	**6%**	**8%**	**8%**	**1%**	**4%**	**1%**	**3%**	**5%**	**5%**

*Improvements includes additions, alterations and major replacements. It does not include maintenance and repairs.

NEW ENGLAND STATES INCLUDE CONNECTICUT, MAINE, MASSACHUSETTS, NEW HAMPSHIRE, RHODE ISLAND AND VERMONT.

Construction Put in Place Estimated for the Middle Atlantic

Millions of Current Dollars

1st Quarter 2025 Forecast, Based on 3rd Quarter 2024 Actuals and 4th Quarter 2024 Assumptions

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
RESIDENTIAL BUILDINGS										
Single-family	19,732	20,328	26,323	32,157	30,046	29,743	30,764	32,030	33,676	35,376
Multifamily	9,624	10,907	15,363	15,802	18,057	15,408	13,488	14,070	15,104	16,544
Improvements*	14,829	17,722	21,305	25,128	21,494	23,679	24,567	24,753	25,367	26,658
Total Residential	**44,185**	**48,957**	**62,990**	**73,087**	**69,597**	**68,830**	**68,819**	**70,853**	**74,147**	**78,578**
NONRESIDENTIAL BUILDINGS										
Lodging	4,549	3,339	2,646	2,457	2,195	2,163	2,211	2,385	2,882	3,434
Office	18,519	17,053	17,250	16,056	16,000	16,245	17,033	18,098	19,525	20,377
Commercial	9,445	9,904	10,889	12,964	13,367	11,033	10,026	9,943	10,767	11,741
Health Care	7,265	7,114	6,637	7,049	7,079	7,245	7,488	7,865	8,440	8,822
Educational	14,086	13,479	11,825	12,975	16,100	18,394	19,265	20,555	20,943	21,871
Religious	380	338	320	235	205	219	224	215	201	209
Public Safety	1,090	1,373	1,288	1,354	1,247	2,443	2,949	2,616	1,872	1,773
Amusement and Recreation	4,268	4,791	4,030	3,440	4,108	5,082	5,765	5,687	5,392	5,591
Transportation	10,137	8,359	7,689	9,260	10,878	12,394	13,421	14,283	14,906	15,572
Communication	7,275	6,664	7,582	9,033	8,335	8,509	8,730	8,979	9,364	9,849
Manufacturing	7,016	7,178	6,913	5,573	4,277	3,833	3,996	5,666	7,351	7,965
Total Nonresidential Buildings	**84,032**	**79,592**	**77,068**	**80,396**	**83,790**	**87,560**	**91,108**	**96,293**	**101,643**	**107,203**
NONBUILDING STRUCTURES										
Power	12,606	19,273	21,879	19,332	19,186	18,320	18,545	19,322	20,646	22,317
Highway and Street	10,962	11,266	9,817	11,524	12,911	13,134	13,314	13,401	13,777	14,404
Sewage and Waste Disposal	2,647	2,667	2,731	3,126	4,257	4,581	4,674	4,882	5,133	5,665
Water Supply	1,800	1,791	2,016	1,852	2,204	2,700	2,835	2,912	3,041	3,407
Conservation and Development	1,615	1,374	1,217	2,151	2,268	2,200	2,246	2,347	2,559	2,821
Total Nonbuilding Structures	**29,630**	**36,371**	**37,662**	**37,986**	**40,827**	**40,936**	**41,614**	**42,865**	**45,156**	**48,613**
Total Put in Place	**$157,847**	**$164,919**	**$177,720**	**$191,469**	**$194,214**	**$197,326**	**$201,541**	**$210,011**	**$220,946**	**$234,394**

Construction Put in Place Estimated for the Middle Atlantic

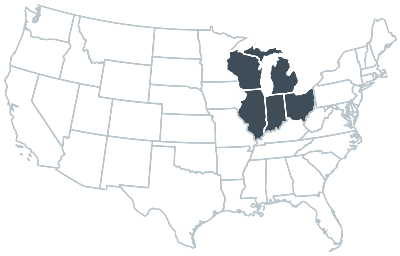
Change From Prior Year — Current Dollar Basis

1st Quarter 2025 Forecast, Based on 3rd Quarter 2024 Actuals and 4th Quarter 2024 Assumptions

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
RESIDENTIAL BUILDINGS										
Single-family	-10%	3%	29%	22%	-7%	-1%	3%	4%	5%	5%
Multifamily	8%	13%	41%	3%	14%	-15%	-12%	4%	7%	10%
Improvements*	-3%	20%	20%	18%	-14%	10%	4%	1%	2%	5%
Total Residential	**-4%**	**11%**	**29%**	**16%**	**-5%**	**-1%**	**0%**	**3%**	**5%**	**6%**
NONRESIDENTIAL BUILDINGS										
Lodging	-10%	-27%	-21%	-7%	-11%	-1%	2%	8%	21%	19%
Office	5%	-8%	1%	-7%	0%	2%	5%	6%	8%	4%
Commercial	-4%	5%	10%	19%	3%	-17%	-9%	-1%	8%	9%
Health Care	15%	-2%	-7%	6%	0%	2%	3%	5%	7%	5%
Educational	8%	-4%	-12%	10%	24%	14%	5%	7%	2%	4%
Religious	10%	-11%	-6%	-26%	-13%	7%	2%	-4%	-6%	4%
Public Safety	73%	26%	-6%	5%	-8%	96%	21%	-11%	-28%	-5%
Amusement and Recreation	18%	12%	-16%	-15%	19%	24%	13%	-1%	-5%	4%
Transportation	38%	-18%	-8%	20%	17%	14%	8%	6%	4%	4%
Communication	10%	-8%	14%	19%	-8%	2%	3%	3%	4%	5%
Manufacturing	15%	2%	-4%	-19%	-23%	-10%	4%	42%	30%	8%
Total Nonresidential Buildings	**10%**	**-5%**	**-3%**	**4%**	**4%**	**4%**	**4%**	**6%**	**6%**	**5%**
NONBUILDING STRUCTURES										
Power	12%	53%	14%	-12%	-1%	-5%	1%	4%	7%	8%
Highway and Street	7%	3%	-13%	17%	12%	2%	1%	1%	3%	5%
Sewage and Waste Disposal	-8%	1%	2%	14%	36%	8%	2%	4%	5%	10%
Water Supply	-8%	-1%	13%	-8%	19%	22%	5%	3%	4%	12%
Conservation and Development	87%	-15%	-11%	77%	5%	-3%	2%	5%	9%	10%
Total Nonbuilding Structures	**9%**	**23%**	**4%**	**1%**	**7%**	**0%**	**2%**	**3%**	**5%**	**8%**
Total Put in Place	**5%**	**4%**	**8%**	**8%**	**1%**	**2%**	**2%**	**4%**	**5%**	**6%**

*Improvements includes additions, alterations and major replacements. It does not include maintenance and repairs.

MIDDLE ATLANTIC STATES INCLUDE NEW JERSEY, NEW YORK AND PENNSYLVANIA.



Construction Put in Place Estimated for the East North Central

Millions of Current Dollars

1st Quarter 2025 Forecast, Based on 3rd Quarter 2024 Actuals and 4th Quarter 2024 Assumptions

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
RESIDENTIAL BUILDINGS										
Single-family	22,348	24,650	34,360	37,648	32,429	34,857	36,590	38,251	40,270	42,662
Multifamily	5,899	8,095	8,920	9,058	11,581	10,478	9,145	8,871	9,387	10,158
Improvements*	15,385	20,284	22,990	29,701	27,062	29,594	31,239	31,432	32,207	33,552
Total Residential	**43,632**	**53,030**	**66,271**	**76,408**	**71,072**	**74,929**	**76,974**	**78,554**	**81,864**	**86,373**
NONRESIDENTIAL BUILDINGS										
Lodging	3,009	2,735	1,898	1,590	1,799	1,659	1,436	1,515	1,738	2,164
Office	8,315	8,110	8,020	7,290	9,100	10,017	10,961	11,220	11,435	11,871
Commercial	10,822	11,376	11,309	13,834	14,468	12,027	10,952	10,984	11,803	12,964
Health Care	6,452	7,462	7,022	7,502	7,679	8,223	8,697	8,317	8,121	8,215
Educational	12,500	13,289	12,049	12,269	14,402	15,526	15,382	14,926	15,749	16,111
Religious	351	276	205	323	356	374	354	303	308	328
Public Safety	1,858	3,227	1,963	1,430	2,206	3,142	3,494	3,215	2,697	2,449
Amusement and Recreation	2,602	3,194	2,391	3,309	3,776	4,418	4,762	5,029	5,206	5,335
Transportation	3,143	4,916	4,569	4,531	5,762	7,063	7,282	7,943	8,358	8,097
Communication	1,466	809	1,034	1,795	1,719	1,779	1,830	1,913	2,008	2,143
Manufacturing	11,141	12,664	11,855	16,202	37,838	49,182	51,959	50,572	46,093	40,722
Total Nonresidential Buildings	**61,658**	**68,059**	**62,315**	**70,075**	**99,105**	**113,410**	**117,110**	**115,936**	**113,518**	**110,399**
NONBUILDING STRUCTURES										
Power	9,474	11,981	10,205	9,386	7,025	6,802	7,619	9,639	11,067	11,871
Highway and Street	13,676	15,895	17,760	17,514	23,888	24,542	24,955	25,319	26,169	27,424
Sewage and Waste Disposal	3,574	3,681	3,707	3,876	5,615	6,418	7,028	7,460	7,296	7,487
Water Supply	1,886	1,518	2,276	2,653	3,302	4,276	4,895	5,334	5,572	5,691
Conservation and Development	611	491	362	530	737	882	1,031	1,089	1,154	1,111
Total Nonbuilding Structures	**29,220**	**33,565**	**34,309**	**33,958**	**40,567**	**42,921**	**45,528**	**48,841**	**51,258**	**53,584**
Total Put in Place	**$134,510**	**$154,654**	**$162,895**	**$180,440**	**$210,744**	**$231,260**	**$239,612**	**$243,331**	**$246,639**	**$250,356**

Construction Put in Place Estimated for the East North Central

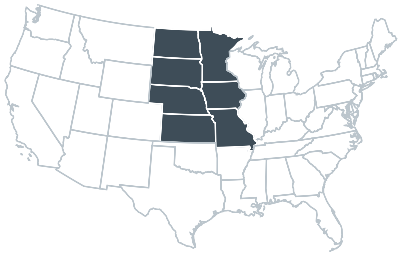
Change From Prior Year — Current Dollar Basis

1st Quarter 2025 Forecast, Based on 3rd Quarter 2024 Actuals and 4th Quarter 2024 Assumptions

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
RESIDENTIAL BUILDINGS										
Single-family	-7%	10%	39%	10%	-14%	7%	5%	5%	5%	6%
Multifamily	4%	37%	10%	2%	28%	-10%	-13%	-3%	6%	8%
Improvements*	-3%	32%	13%	29%	-9%	9%	6%	1%	2%	4%
Total Residential	**-4%**	**22%**	**25%**	**15%**	**-7%**	**5%**	**3%**	**2%**	**4%**	**6%**
NONRESIDENTIAL BUILDINGS										
Lodging	8%	-9%	-31%	-16%	13%	-8%	-13%	6%	15%	24%
Office	18%	-2%	-1%	-9%	25%	10%	9%	2%	2%	4%
Commercial	4%	5%	-1%	22%	5%	-17%	-9%	0%	7%	10%
Health Care	9%	16%	-6%	7%	2%	7%	6%	-4%	-2%	1%
Educational	10%	6%	-9%	2%	17%	8%	-1%	-3%	6%	2%
Religious	47%	-21%	-26%	57%	10%	5%	-5%	-14%	2%	6%
Public Safety	66%	74%	-39%	-27%	54%	42%	11%	-8%	-16%	-9%
Amusement and Recreation	2%	23%	-25%	38%	14%	17%	8%	6%	4%	2%
Transportation	17%	56%	-7%	-1%	27%	23%	3%	9%	5%	-3%
Communication	-27%	-45%	28%	74%	-4%	3%	3%	5%	5%	7%
Manufacturing	23%	14%	-6%	37%	134%	30%	6%	-3%	-9%	-12%
Total Nonresidential Buildings	**12%**	**10%**	**-8%**	**12%**	**41%**	**14%**	**3%**	**-1%**	**-2%**	**-3%**
NONBUILDING STRUCTURES										
Power	85%	26%	-15%	-8%	-25%	-3%	12%	27%	15%	7%
Highway and Street	-1%	16%	12%	-1%	36%	3%	2%	1%	3%	5%
Sewage and Waste Disposal	10%	3%	1%	5%	45%	14%	9%	6%	-2%	3%
Water Supply	-3%	-20%	50%	17%	24%	30%	14%	9%	4%	2%
Conservation and Development	75%	-20%	-26%	46%	39%	20%	17%	6%	6%	-4%
Total Nonbuilding Structures	**20%**	**15%**	**2%**	**-1%**	**19%**	**6%**	**6%**	**7%**	**5%**	**5%**
Total Put in Place	**8%**	**15%**	**5%**	**11%**	**17%**	**10%**	**4%**	**2%**	**1%**	**2%**

*Improvements includes additions, alterations and major replacements. It does not include maintenance and repairs.

EAST NORTH CENTRAL STATES INCLUDE INDIANA, ILLINOIS, MICHIGAN, OHIO AND WISCONSIN.



Construction Put in Place Estimated for the West North Central

Millions of Current Dollars

1st Quarter 2025 Forecast, Based on 3rd Quarter 2024 Actuals and 4th Quarter 2024 Assumptions

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
RESIDENTIAL BUILDINGS										
Single-family	15,730	18,036	24,361	25,630	21,571	23,253	24,441	25,899	27,388	29,436
Multifamily	5,373	7,007	8,451	8,852	9,349	8,479	6,607	6,415	6,690	7,361
Improvements*	11,523	16,023	18,554	22,228	18,469	20,016	20,768	21,224	22,238	23,520
Total Residential	**32,627**	**41,066**	**51,366**	**56,711**	**49,389**	**51,747**	**51,816**	**53,538**	**56,316**	**60,318**
NONRESIDENTIAL BUILDINGS										
Lodging	1,960	1,495	820	644	762	808	734	771	891	1,105
Office	4,608	5,753	5,033	6,144	7,013	7,736	8,312	8,666	8,959	9,171
Commercial	6,895	6,977	7,743	9,859	9,787	8,133	7,176	7,299	7,905	8,673
Health Care	4,007	3,575	3,213	4,223	4,317	4,216	4,276	4,626	5,126	5,248
Educational	7,923	7,617	7,823	7,883	8,545	9,097	9,506	9,666	9,919	10,278
Religious	270	371	190	325	283	314	305	287	281	306
Public Safety	1,068	1,464	1,341	1,224	1,414	1,842	1,753	1,571	1,586	1,707
Amusement and Recreation	1,903	1,767	1,648	2,537	3,724	4,222	3,811	3,300	3,332	3,874
Transportation	2,295	2,714	3,245	2,873	4,016	4,192	3,769	3,690	3,860	3,943
Communication	526	477	718	1,063	1,594	1,871	2,018	2,170	2,264	2,352
Manufacturing	6,594	4,956	5,789	7,226	10,410	13,478	14,689	15,610	15,059	13,782
Total Nonresidential Buildings	**38,049**	**37,167**	**37,563**	**44,001**	**51,866**	**55,908**	**56,351**	**57,656**	**59,181**	**60,441**
NONBUILDING STRUCTURES										
Power	13,308	9,174	7,415	10,403	6,539	6,737	7,204	8,150	9,417	10,332
Highway and Street	8,306	11,711	11,564	12,904	13,443	13,638	13,899	14,098	14,545	15,006
Sewage and Waste Disposal	2,230	2,414	2,693	2,696	3,439	3,800	4,037	4,131	4,211	4,110
Water Supply	1,058	1,409	1,610	2,194	2,347	2,918	3,182	3,421	3,491	3,514
Conservation and Development	492	691	707	553	632	661	681	704	730	758
Total Nonbuilding Structures	**25,394**	**25,399**	**23,987**	**28,750**	**26,400**	**27,754**	**29,003**	**30,503**	**32,394**	**33,719**
Total Put in Place	**$96,069**	**$103,632**	**$112,917**	**$129,463**	**$127,655**	**$135,409**	**$137,170**	**$141,697**	**$147,890**	**$154,478**

Construction Put in Place Estimated for the West North Central

Change From Prior Year — Current Dollar Basis

1st Quarter 2025 Forecast, Based on 3rd Quarter 2024 Actuals and 4th Quarter 2024 Assumptions

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
RESIDENTIAL BUILDINGS										
Single-family	-2%	15%	35%	5%	-16%	8%	5%	6%	6%	7%
Multifamily	4%	30%	21%	5%	6%	-9%	-22%	-3%	4%	10%
Improvements*	-1%	39%	16%	20%	-17%	8%	4%	2%	5%	6%
Total Residential	**-1%**	**26%**	**25%**	**10%**	**-13%**	**5%**	**0%**	**3%**	**5%**	**7%**
NONRESIDENTIAL BUILDINGS										
Lodging	21%	-24%	-45%	-22%	18%	6%	-9%	5%	15%	24%
Office	-4%	25%	-13%	22%	14%	10%	7%	4%	3%	2%
Commercial	-4%	1%	11%	27%	-1%	-17%	-12%	2%	8%	10%
Health Care	14%	-11%	-10%	31%	2%	-2%	1%	8%	11%	2%
Educational	37%	-4%	3%	1%	8%	6%	4%	2%	3%	4%
Religious	-11%	38%	-49%	71%	-13%	11%	-3%	-6%	-2%	9%
Public Safety	45%	37%	-8%	-9%	15%	30%	-5%	-10%	1%	8%
Amusement and Recreation	8%	-7%	-7%	54%	47%	13%	-10%	-13%	1%	16%
Transportation	54%	18%	20%	-11%	40%	4%	-10%	-2%	5%	2%
Communication	-77%	-9%	50%	48%	50%	17%	8%	7%	4%	4%
Manufacturing	-6%	-25%	17%	25%	44%	29%	9%	6%	-4%	-8%
Total Nonresidential Buildings	**4%**	**-2%**	**1%**	**17%**	**18%**	**8%**	**1%**	**2%**	**3%**	**2%**
NONBUILDING STRUCTURES										
Power	5%	-31%	-19%	40%	-37%	3%	7%	13%	16%	10%
Highway and Street	12%	41%	-1%	12%	4%	1%	2%	1%	3%	3%
Sewage and Waste Disposal	18%	8%	12%	0%	28%	11%	6%	2%	2%	-2%
Water Supply	0%	33%	14%	36%	7%	24%	9%	7%	2%	1%
Conservation and Development	57%	40%	2%	-22%	14%	5%	3%	3%	4%	4%
Total Nonbuilding Structures	**9%**	**0%**	**-6%**	**20%**	**-8%**	**5%**	**5%**	**5%**	**6%**	**4%**
Total Put in Place	**4%**	**8%**	**9%**	**15%**	**-1%**	**6%**	**1%**	**3%**	**4%**	**4%**

*Improvements includes additions, alterations and major replacements. It does not include maintenance and repairs.

WEST NORTH CENTRAL STATES INCLUDE IOWA, KANSAS, MINNESOTA, MISSOURI, NEBRASKA, NORTH DAKOTA AND SOUTH DAKOTA.

Construction Put in Place Estimated for the South Atlantic

Millions of Current Dollars

1st Quarter 2025 Forecast, Based on 3rd Quarter 2024 Actuals and 4th Quarter 2024 Assumptions

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
RESIDENTIAL BUILDINGS										
Single-family	65,832	71,084	105,106	113,658	101,161	108,041	111,345	114,560	121,212	129,434
Multifamily	18,797	21,882	25,414	28,664	34,388	34,132	30,506	29,523	31,084	34,167
Improvements*	43,160	52,174	58,952	83,319	82,584	90,423	94,138	95,662	98,690	104,370
Total Residential	**127,789**	**145,139**	**189,472**	**225,641**	**218,133**	**232,596**	**235,988**	**239,745**	**250,986**	**267,971**
NONRESIDENTIAL BUILDINGS										
Lodging	7,746	6,569	4,413	4,891	6,685	5,830	5,396	5,568	6,209	7,381
Office	17,472	18,877	17,199	20,627	20,464	20,781	21,666	22,862	24,082	25,632
Commercial	19,087	20,036	20,246	29,928	33,448	28,987	26,664	27,398	29,219	32,040
Health Care	9,935	10,488	10,360	11,650	12,880	13,222	13,445	13,611	13,849	14,574
Educational	17,457	16,895	16,155	16,309	21,298	23,309	24,229	24,929	25,609	26,766
Religious	875	765	713	820	903	976	1,020	997	943	966
Public Safety	1,762	2,513	1,941	1,882	2,869	3,547	3,843	3,722	3,437	3,369
Amusement and Recreation	5,285	4,936	5,087	6,615	7,837	8,841	9,298	9,183	8,839	8,584
Transportation	9,618	8,479	7,455	9,024	10,931	11,572	12,058	12,316	12,692	13,200
Communication	3,101	4,220	3,846	4,235	4,998	5,118	5,282	5,458	5,652	5,863
Manufacturing	10,313	6,367	7,946	15,110	28,166	36,831	39,985	40,293	39,023	35,727
Total Nonresidential Buildings	**102,650**	**100,145**	**95,363**	**121,091**	**150,478**	**159,013**	**162,886**	**166,339**	**169,553**	**174,102**
NONBUILDING STRUCTURES										
Power	17,489	10,864	15,602	15,900	26,495	31,222	33,520	35,667	34,627	33,110
Highway and Street	21,027	18,831	19,195	22,034	23,799	24,615	25,217	25,611	26,383	27,355
Sewage and Waste Disposal	5,279	5,445	5,241	6,282	8,683	9,289	9,595	9,733	9,489	10,029
Water Supply	2,442	3,214	3,058	3,879	4,788	5,848	6,457	6,784	6,619	6,550
Conservation and Development	1,705	1,408	1,100	1,317	1,620	1,309	1,224	1,247	1,297	1,377
Total Nonbuilding Structures	**47,942**	**39,762**	**44,196**	**49,412**	**65,386**	**72,282**	**76,013**	**79,042**	**78,415**	**78,421**
Total Put in Place	**$278,381**	**$285,047**	**$329,032**	**$396,144**	**$433,998**	**$463,891**	**$474,888**	**$485,126**	**$498,953**	**$520,495**

Construction Put in Place Estimated for the South Atlantic

Change From Prior Year — Current Dollar Basis

1st Quarter 2025 Forecast, Based on 3rd Quarter 2024 Actuals and 4th Quarter 2024 Assumptions

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
RESIDENTIAL BUILDINGS										
Single-family	1%	8%	48%	8%	-11%	7%	3%	3%	6%	7%
Multifamily	5%	16%	16%	13%	20%	-1%	-11%	-3%	5%	10%
Improvements*	-2%	21%	13%	41%	-1%	9%	4%	2%	3%	6%
Total Residential	**0%**	**14%**	**31%**	**19%**	**-3%**	**7%**	**1%**	**2%**	**5%**	**7%**
NONRESIDENTIAL BUILDINGS										
Lodging	18%	-15%	-33%	11%	37%	-13%	-7%	3%	12%	19%
Office	26%	8%	-9%	20%	-1%	2%	4%	6%	5%	6%
Commercial	2%	5%	1%	48%	12%	-13%	-8%	3%	7%	10%
Health Care	12%	6%	-1%	12%	11%	3%	2%	1%	2%	5%
Educational	9%	-3%	-4%	1%	31%	9%	4%	3%	3%	5%
Religious	38%	-12%	-7%	15%	10%	8%	5%	-2%	-5%	2%
Public Safety	34%	43%	-23%	-3%	52%	24%	8%	-3%	-8%	-2%
Amusement and Recreation	-6%	-7%	3%	30%	18%	13%	5%	-1%	-4%	-3%
Transportation	20%	-12%	-12%	21%	21%	6%	4%	2%	3%	4%
Communication	16%	36%	-9%	10%	18%	2%	3%	3%	4%	4%
Manufacturing	5%	-38%	25%	90%	86%	31%	9%	1%	-3%	-8%
Total Nonresidential Buildings	**11%**	**-2%**	**-5%**	**27%**	**24%**	**6%**	**2%**	**2%**	**2%**	**3%**
NONBUILDING STRUCTURES										
Power	30%	-38%	44%	2%	67%	18%	7%	6%	-3%	-4%
Highway and Street	8%	-10%	2%	15%	8%	3%	2%	2%	3%	4%
Sewage and Waste Disposal	16%	3%	-4%	20%	38%	7%	3%	1%	-3%	6%
Water Supply	0%	32%	-5%	27%	23%	22%	10%	5%	-2%	-1%
Conservation and Development	34%	-17%	-22%	20%	23%	-19%	-6%	2%	4%	6%
Total Nonbuilding Structures	**16%**	**-17%**	**11%**	**12%**	**32%**	**11%**	**5%**	**4%**	**-1%**	**0%**
Total Put in Place	**7%**	**2%**	**15%**	**20%**	**10%**	**7%**	**2%**	**2%**	**3%**	**4%**

*Improvements includes additions, alterations and major replacements. It does not include maintenance and repairs.

SOUTH ATLANTIC REGION INCLUDES DELAWARE, DISTRICT OF COLUMBIA, FLORIDA, GEORGIA, MARYLAND, NORTH CAROLINA, SOUTH CAROLINA, VIRGINIA AND WEST VIRGINIA.

Construction Put in Place Estimated for the East South Central

Millions of Current Dollars

1st Quarter 2025 Forecast, Based on 3rd Quarter 2024 Actuals and 4th Quarter 2024 Assumptions

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
RESIDENTIAL BUILDINGS										
Single-family	14,291	15,420	20,977	22,819	20,211	21,151	21,869	22,941	24,038	25,693
Multifamily	3,259	4,558	5,513	4,641	6,375	5,857	5,146	4,750	4,954	5,326
Improvements*	9,453	12,223	15,085	19,406	17,629	19,056	20,110	21,032	21,735	22,675
Total Residential	**27,004**	**32,202**	**41,576**	**46,867**	**44,215**	**46,064**	**47,125**	**48,722**	**50,727**	**53,694**
NONRESIDENTIAL BUILDINGS										
Lodging	1,845	1,479	932	821	1,357	1,478	1,439	1,279	1,304	1,425
Office	3,650	4,703	3,935	2,888	2,599	2,750	2,869	2,924	3,069	3,287
Commercial	4,690	5,776	5,666	6,545	6,351	5,679	5,310	5,462	5,794	6,309
Health Care	2,103	2,012	1,638	2,302	3,151	2,894	2,759	2,851	2,997	3,180
Educational	4,356	4,499	3,616	4,666	5,979	6,334	6,405	6,295	6,473	6,772
Religious	345	263	150	163	178	203	214	206	192	197
Public Safety	527	764	559	724	1,014	1,504	1,682	1,500	1,275	1,315
Amusement and Recreation	1,308	1,043	1,602	1,932	1,958	2,229	2,903	2,962	2,367	2,257
Transportation	2,194	1,653	1,156	1,263	1,625	1,715	1,788	1,841	1,959	2,056
Communication	2,274	4,484	3,577	1,865	1,378	1,319	1,343	1,411	1,499	1,552
Manufacturing	6,680	6,024	7,033	12,688	15,824	18,885	20,395	20,780	20,191	19,277
Total Nonresidential Buildings	**29,971**	**32,701**	**29,864**	**35,857**	**41,415**	**44,991**	**47,108**	**47,511**	**47,121**	**47,627**
NONBUILDING STRUCTURES										
Power	2,539	3,933	2,811	5,572	6,407	6,247	5,811	6,273	7,444	7,782
Highway and Street	5,629	5,020	3,886	5,190	6,976	7,272	7,408	7,486	7,680	8,085
Sewage and Waste Disposal	1,049	1,336	1,484	1,582	2,192	2,410	2,621	2,700	2,752	2,636
Water Supply	355	599	597	785	968	1,227	1,393	1,451	1,402	1,299
Conservation and Development	175	166	159	39	163	180	194	207	212	202
Total Nonbuilding Structures	**9,746**	**11,054**	**8,938**	**13,169**	**16,706**	**17,336**	**17,428**	**18,117**	**19,491**	**20,003**
Total Put in Place	**$66,721**	**$75,957**	**$80,378**	**$95,892**	**$102,336**	**$108,391**	**$111,660**	**$114,350**	**$117,340**	**$121,324**

Construction Put in Place Estimated for the East South Central

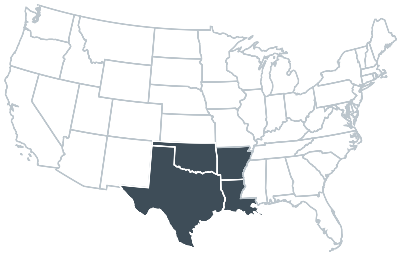
Change From Prior Year — Current Dollar Basis

1st Quarter 2025 Forecast, Based on 3rd Quarter 2024 Actuals and 4th Quarter 2024 Assumptions

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
RESIDENTIAL BUILDINGS										
Single-family	5%	8%	36%	9%	-11%	5%	3%	5%	5%	7%
Multifamily	14%	40%	21%	-16%	37%	-8%	-12%	-8%	4%	8%
Improvements*	5%	29%	23%	29%	-9%	8%	6%	5%	3%	4%
Total Residential	**6%**	**19%**	**29%**	**13%**	**-6%**	**4%**	**2%**	**3%**	**4%**	**6%**
NONRESIDENTIAL BUILDINGS										
Lodging	12%	-20%	-37%	-12%	65%	9%	-3%	-11%	2%	9%
Office	47%	29%	-16%	-27%	-10%	6%	4%	2%	5%	7%
Commercial	-5%	23%	-2%	16%	-3%	-11%	-7%	3%	6%	9%
Health Care	5%	-4%	-19%	41%	37%	-8%	-5%	3%	5%	6%
Educational	-9%	3%	-20%	29%	28%	6%	1%	-2%	3%	5%
Religious	-9%	-24%	-43%	8%	9%	14%	5%	-4%	-6%	2%
Public Safety	-6%	45%	-27%	29%	40%	48%	12%	-11%	-15%	3%
Amusement and Recreation	47%	-20%	54%	21%	1%	14%	30%	2%	-20%	-5%
Transportation	78%	-25%	-30%	9%	29%	6%	4%	3%	6%	5%
Communication	150%	97%	-20%	-48%	-26%	-4%	2%	5%	6%	4%
Manufacturing	30%	-10%	17%	80%	25%	19%	8%	2%	-3%	-5%
Total Nonresidential Buildings	**20%**	**9%**	**-9%**	**20%**	**16%**	**9%**	**5%**	**1%**	**-1%**	**1%**
NONBUILDING STRUCTURES										
Power	-44%	55%	-29%	98%	15%	-2%	-7%	8%	19%	5%
Highway and Street	19%	-11%	-23%	34%	34%	4%	2%	1%	3%	5%
Sewage and Waste Disposal	15%	27%	11%	7%	39%	10%	9%	3%	2%	-4%
Water Supply	-31%	69%	0%	32%	23%	27%	14%	4%	-3%	-7%
Conservation and Development	39%	-5%	-4%	-75%	315%	11%	8%	6%	3%	-5%
Total Nonbuilding Structures	**-10%**	**13%**	**-19%**	**47%**	**27%**	**4%**	**1%**	**4%**	**8%**	**3%**
Total Put in Place	**9%**	**14%**	**6%**	**19%**	**7%**	**6%**	**3%**	**2%**	**3%**	**3%**

*Improvements includes additions, alterations and major replacements. It does not include maintenance and repairs.

EAST SOUTH CENTRAL STATES INCLUDE ALABAMA, KENTUCKY, MISSISSIPPI AND TENNESSEE.



Construction Put in Place Estimated for the West South Central

Millions of Current Dollars

1st Quarter 2025 Forecast, Based on 3rd Quarter 2024 Actuals and 4th Quarter 2024 Assumptions

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
RESIDENTIAL BUILDINGS										
Single-family	39,807	45,024	63,925	66,308	58,404	60,196	62,358	65,260	69,074	73,134
Multifamily	14,579	16,346	17,157	18,367	20,703	19,559	17,519	16,926	18,231	20,517
Improvements*	21,609	27,589	36,090	48,310	45,472	49,674	52,043	52,627	53,792	55,488
Total Residential	**75,995**	**88,959**	**117,172**	**132,986**	**124,580**	**129,428**	**131,919**	**134,813**	**141,097**	**149,139**
NONRESIDENTIAL BUILDINGS										
Lodging	4,161	3,564	2,109	2,904	3,039	2,834	2,544	2,593	2,950	3,397
Office	12,734	14,117	12,601	14,323	16,968	16,610	15,297	15,793	16,457	17,823
Commercial	13,815	15,302	17,550	24,011	27,451	26,451	24,727	25,059	26,174	28,442
Health Care	5,143	5,868	7,247	8,077	9,663	10,387	10,871	11,302	11,558	11,775
Educational	17,221	18,625	16,805	16,698	20,366	21,967	23,027	23,971	24,586	25,346
Religious	868	768	755	760	1,097	1,249	1,215	1,152	1,186	1,262
Public Safety	1,656	1,994	1,560	1,941	1,758	2,135	2,250	2,100	2,048	2,122
Amusement and Recreation	4,182	3,003	2,502	3,986	5,183	5,903	5,720	5,011	4,881	5,334
Transportation	3,193	4,460	4,571	4,849	4,889	5,039	5,501	5,883	6,263	6,516
Communication	3,856	2,802	1,945	2,114	3,875	3,665	3,737	3,843	4,008	4,160
Manufacturing	27,653	26,278	24,863	29,872	49,003	61,553	67,975	72,236	73,521	70,086
Total Nonresidential Buildings	**94,483**	**96,782**	**92,507**	**109,535**	**143,293**	**157,794**	**162,865**	**168,943**	**173,631**	**176,263**
NONBUILDING STRUCTURES										
Power	14,140	20,283	18,285	20,340	12,411	13,308	15,512	16,259	18,024	19,175
Highway and Street	16,291	16,542	17,021	20,327	24,786	25,619	26,547	26,970	28,049	29,609
Sewage and Waste Disposal	3,204	3,665	4,538	5,361	6,404	7,050	7,562	7,839	8,094	8,017
Water Supply	3,656	3,888	4,261	5,252	6,131	7,461	8,059	8,281	8,230	8,013
Conservation and Development	1,694	1,924	1,870	2,027	2,700	2,459	2,413	2,496	2,652	2,868
Total Nonbuilding Structures	**38,985**	**46,303**	**45,975**	**53,307**	**52,432**	**55,897**	**60,094**	**61,844**	**65,050**	**67,681**
Total Put in Place	**$209,464**	**$232,044**	**$255,653**	**$295,828**	**$320,305**	**$343,119**	**$354,878**	**$365,601**	**$379,778**	**$393,083**

Construction Put in Place Estimated for the West South Central

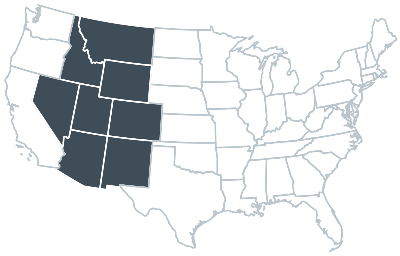
Change From Prior Year — Current Dollar Basis

1st Quarter 2025 Forecast, Based on 3rd Quarter 2024 Actuals and 4th Quarter 2024 Assumptions

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
RESIDENTIAL BUILDINGS										
Single-family	3%	13%	42%	4%	-12%	3%	4%	5%	6%	6%
Multifamily	25%	12%	5%	7%	13%	-6%	-10%	-3%	8%	13%
Improvements*	3%	28%	31%	34%	-6%	9%	5%	1%	2%	3%
Total Residential	**6%**	**17%**	**32%**	**13%**	**-6%**	**4%**	**2%**	**2%**	**5%**	**6%**
NONRESIDENTIAL BUILDINGS										
Lodging	27%	-14%	-41%	38%	5%	-7%	-10%	2%	14%	15%
Office	29%	11%	-11%	14%	18%	-2%	-8%	3%	4%	8%
Commercial	3%	11%	15%	37%	14%	-4%	-7%	1%	4%	9%
Health Care	-2%	14%	24%	11%	20%	7%	5%	4%	2%	2%
Educational	2%	8%	-10%	-1%	22%	8%	5%	4%	3%	3%
Religious	-3%	-11%	-2%	1%	44%	14%	-3%	-5%	3%	6%
Public Safety	-5%	20%	-22%	24%	-9%	21%	5%	-7%	-3%	4%
Amusement and Recreation	16%	-28%	-17%	59%	30%	14%	-3%	-12%	-3%	9%
Transportation	-25%	40%	2%	6%	1%	3%	9%	7%	6%	4%
Communication	-11%	-27%	-31%	9%	83%	-5%	2%	3%	4%	4%
Manufacturing	10%	-5%	-5%	20%	64%	26%	10%	6%	2%	-5%
Total Nonresidential Buildings	**7%**	**2%**	**-4%**	**18%**	**31%**	**10%**	**3%**	**4%**	**3%**	**2%**
NONBUILDING STRUCTURES										
Power	86%	43%	-10%	11%	-39%	7%	17%	5%	11%	6%
Highway and Street	4%	2%	3%	19%	22%	3%	4%	2%	4%	6%
Sewage and Waste Disposal	-8%	14%	24%	18%	19%	10%	7%	4%	3%	-1%
Water Supply	32%	6%	10%	23%	17%	22%	8%	3%	-1%	-3%
Conservation and Development	-1%	14%	-3%	8%	33%	-9%	-2%	3%	6%	8%
Total Nonbuilding Structures	**25%**	**19%**	**-1%**	**16%**	**-2%**	**7%**	**8%**	**3%**	**5%**	**4%**
Total Put in Place	**10%**	**11%**	**10%**	**16%**	**8%**	**7%**	**3%**	**3%**	**4%**	**4%**

*Improvements includes additions, alterations and major replacements. It does not include maintenance and repairs.

WEST SOUTH CENTRAL STATES INCLUDE ARKANSAS, LOUISIANA, OKLAHOMA AND TEXAS.



Construction Put in Place Estimated for Mountain

Millions of Current Dollars

1st Quarter 2025 Forecast, Based on 3rd Quarter 2024 Actuals and 4th Quarter 2024 Assumptions

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
RESIDENTIAL BUILDINGS										
Single-family	48,124	58,563	75,883	74,856	64,413	69,811	72,953	75,077	78,051	81,845
Multifamily	9,850	11,639	13,630	15,455	18,437	17,192	14,896	15,237	16,430	18,488
Improvements*	29,553	40,731	45,733	59,684	55,018	59,639	61,611	63,074	65,805	69,840
Total Residential	**87,527**	**110,933**	**135,246**	**149,996**	**137,869**	**146,643**	**149,460**	**153,387**	**160,286**	**170,173**
NONRESIDENTIAL BUILDINGS										
Lodging	3,675	4,509	3,583	4,232	5,178	5,053	4,790	5,028	5,403	5,873
Office	5,722	6,929	6,812	8,616	9,128	9,422	9,838	11,418	12,515	11,518
Commercial	5,842	7,372	8,968	13,850	16,401	14,666	12,248	11,960	12,897	14,362
Health Care	4,009	4,053	4,603	3,971	3,912	4,017	4,039	3,843	3,681	3,739
Educational	6,189	7,004	6,018	6,182	6,988	7,412	7,613	7,765	7,996	8,299
Religious	316	483	516	328	386	413	422	405	400	406
Public Safety	1,254	2,841	1,478	814	1,157	1,456	1,562	1,434	1,347	1,419
Amusement and Recreation	4,939	3,730	3,161	3,251	3,635	3,892	4,753	5,328	5,161	4,797
Transportation	4,978	5,767	5,571	4,857	5,029	5,296	5,455	5,607	5,822	6,191
Communication	840	1,673	1,688	1,619	2,795	2,857	2,966	3,073	3,154	3,203
Manufacturing	5,250	4,938	9,937	27,891	38,457	43,014	41,568	35,843	29,649	27,875
Total Nonresidential Buildings	**43,014**	**49,299**	**52,336**	**75,611**	**93,067**	**97,498**	**95,254**	**91,705**	**88,024**	**87,682**
NONBUILDING STRUCTURES										
Power	5,930	5,985	7,425	10,993	28,876	32,887	33,443	28,757	24,537	23,758
Highway and Street	6,410	7,120	6,651	7,465	10,820	11,256	11,570	11,795	12,166	12,825
Sewage and Waste Disposal	1,793	1,604	1,865	2,428	2,413	2,699	3,084	3,435	3,678	3,820
Water Supply	1,670	2,130	1,797	2,353	2,592	3,069	3,320	3,557	3,731	3,867
Conservation and Development	509	392	469	1,025	1,514	1,457	1,387	1,275	1,327	1,420
Total Nonbuilding Structures	**16,312**	**17,231**	**18,207**	**24,264**	**46,215**	**51,368**	**52,804**	**48,819**	**45,439**	**45,690**
Total Put in Place	**$146,853**	**$177,463**	**$205,789**	**$249,871**	**$277,151**	**$295,508**	**$297,518**	**$293,912**	**$293,749**	**$303,545**

Construction Put in Place Estimated for Mountain

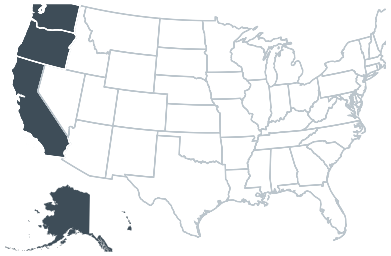
Change From Prior Year — Current Dollar Basis

1st Quarter 2025 Forecast, Based on 3rd Quarter 2024 Actuals and 4th Quarter 2024 Assumptions

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
RESIDENTIAL BUILDINGS										
Single-family	-6%	22%	30%	-1%	-14%	8%	5%	3%	4%	5%
Multifamily	8%	18%	17%	13%	19%	-7%	-13%	2%	8%	13%
Improvements*	-5%	38%	12%	31%	-8%	8%	3%	2%	4%	6%
Total Residential	**-4%**	**27%**	**22%**	**11%**	**-8%**	**6%**	**2%**	**3%**	**4%**	**6%**
NONRESIDENTIAL BUILDINGS										
Lodging	30%	23%	-21%	18%	22%	-2%	-5%	5%	7%	9%
Office	5%	21%	-2%	26%	6%	3%	4%	16%	10%	-8%
Commercial	0%	26%	22%	54%	18%	-11%	-16%	-2%	8%	11%
Health Care	12%	1%	14%	-14%	-1%	3%	1%	-5%	-4%	2%
Educational	-10%	13%	-14%	3%	13%	6%	3%	2%	3%	4%
Religious	36%	53%	7%	-36%	18%	7%	2%	-4%	-1%	2%
Public Safety	65%	126%	-48%	-45%	42%	26%	7%	-8%	-6%	5%
Amusement and Recreation	48%	-24%	-15%	3%	12%	7%	22%	12%	-3%	-7%
Transportation	-3%	16%	-3%	-13%	4%	5%	3%	3%	4%	6%
Communication	-35%	99%	1%	-4%	73%	2%	4%	4%	3%	2%
Manufacturing	29%	-6%	101%	181%	38%	12%	-3%	-14%	-17%	-6%
Total Nonresidential Buildings	**9%**	**15%**	**6%**	**44%**	**23%**	**5%**	**-2%**	**-4%**	**-4%**	**0%**
NONBUILDING STRUCTURES										
Power	-31%	1%	24%	48%	163%	14%	2%	-14%	-15%	-3%
Highway and Street	-6%	11%	-7%	12%	45%	4%	3%	2%	3%	5%
Sewage and Waste Disposal	4%	-11%	16%	30%	-1%	12%	14%	11%	7%	4%
Water Supply	41%	28%	-16%	31%	10%	18%	8%	7%	5%	4%
Conservation and Development	-14%	-23%	20%	118%	48%	-4%	-5%	-8%	4%	7%
Total Nonbuilding Structures	**-13%**	**6%**	**6%**	**33%**	**90%**	**11%**	**3%**	**-8%**	**-7%**	**1%**
Total Put in Place	**-2%**	**21%**	**16%**	**21%**	**11%**	**7%**	**1%**	**-1%**	**0%**	**3%**

*Improvements includes additions, alterations and major replacements. It does not include maintenance and repairs.

MOUNTAIN STATES INCLUDE ARIZONA, COLORADO, IDAHO, MONTANA, NEVADA, NEW MEXICO, UTAH AND WYOMING.



Construction Put in Place Estimated for the Pacific

Millions of Current Dollars

1st Quarter 2025 Forecast, Based on 3rd Quarter 2024 Actuals and 4th Quarter 2024 Assumptions

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
RESIDENTIAL BUILDINGS										
Single-family	45,219	46,909	60,791	66,285	59,789	63,267	64,915	68,341	71,470	74,094
Multifamily	18,382	16,647	17,002	18,924	22,139	20,196	17,148	17,383	18,676	21,198
Improvements*	32,362	39,104	42,149	56,017	52,331	57,868	61,272	62,347	64,811	68,016
Total Residential	**95,962**	**102,660**	**119,942**	**141,227**	**134,258**	**141,331**	**143,334**	**148,070**	**154,957**	**163,308**
NONRESIDENTIAL BUILDINGS										
Lodging	4,946	3,729	2,014	2,142	2,925	2,794	2,540	2,638	2,965	3,606
Office	12,937	12,667	14,596	15,416	13,932	13,682	13,573	13,901	14,271	14,984
Commercial	10,597	9,807	11,517	16,098	16,378	14,666	13,729	14,204	15,024	16,268
Health Care	4,962	4,967	5,884	8,570	10,051	10,121	10,290	10,691	11,246	11,530
Educational	22,276	22,299	20,154	20,209	19,587	20,186	20,961	21,599	22,010	22,934
Religious	218	130	205	206	341	313	278	272	286	297
Public Safety	2,091	2,522	1,911	1,784	1,952	2,238	2,404	2,507	2,607	2,744
Amusement and Recreation	4,951	4,770	5,641	5,224	4,648	5,117	5,442	5,370	5,091	5,239
Transportation	18,976	21,115	20,901	20,359	19,009	19,819	20,837	21,843	22,667	23,724
Communication	2,353	2,234	2,161	2,396	2,937	3,032	3,152	3,299	3,449	3,601
Manufacturing	3,922	4,346	3,882	7,374	7,015	5,972	5,795	6,242	7,638	8,254
Total Nonresidential Buildings	**88,230**	**88,586**	**88,865**	**99,778**	**98,774**	**97,942**	**99,001**	**102,565**	**107,255**	**113,180**
NONBUILDING STRUCTURES										
Power	38,704	33,029	32,567	27,976	25,912	30,682	34,615	37,174	38,889	41,108
Highway and Street	13,356	12,426	13,781	14,603	15,645	16,358	16,999	17,351	17,656	18,419
Sewage and Waste Disposal	5,145	5,322	5,295	6,427	7,328	7,936	8,149	8,252	8,423	8,825
Water Supply	2,952	3,792	4,101	4,271	4,828	6,078	6,584	6,862	7,029	7,276
Conservation and Development	2,175	2,192	1,870	1,513	1,913	2,028	2,097	2,135	2,207	2,300
Total Nonbuilding Structures	**62,331**	**56,761**	**57,614**	**54,791**	**55,625**	**63,082**	**68,444**	**71,773**	**74,204**	**77,927**
Total Put in Place	**$246,523**	**$248,006**	**$266,421**	**$295,795**	**$288,657**	**$302,355**	**$310,779**	**$322,408**	**$336,417**	**$354,415**

Construction Put in Place Estimated for the Pacific

Change From Prior Year — Current Dollar Basis

1st Quarter 2025 Forecast, Based on 3rd Quarter 2024 Actuals and 4th Quarter 2024 Assumptions

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
RESIDENTIAL BUILDINGS										
Single-family	-6%	4%	30%	9%	-10%	6%	3%	5%	5%	4%
Multifamily	-5%	-9%	2%	11%	17%	-9%	-15%	1%	7%	14%
Improvements*	-8%	21%	8%	33%	-7%	11%	6%	2%	4%	5%
Total Residential	**-7%**	**7%**	**17%**	**18%**	**-5%**	**5%**	**1%**	**3%**	**5%**	**5%**
NONRESIDENTIAL BUILDINGS										
Lodging	-11%	-25%	-46%	6%	37%	-4%	-9%	4%	12%	22%
Office	9%	-2%	15%	6%	-10%	-2%	-1%	2%	3%	5%
Commercial	-16%	-7%	17%	40%	2%	-10%	-6%	3%	6%	8%
Health Care	-21%	0%	18%	46%	17%	1%	2%	4%	5%	3%
Educational	15%	0%	-10%	0%	-3%	3%	4%	3%	2%	4%
Religious	-29%	-40%	58%	0%	66%	-8%	-11%	-2%	5%	4%
Public Safety	13%	21%	-24%	-7%	9%	15%	7%	4%	4%	5%
Amusement and Recreation	-14%	-4%	18%	-7%	-11%	10%	6%	-1%	-5%	3%
Transportation	-8%	11%	-1%	-3%	-7%	4%	5%	5%	4%	5%
Communication	-41%	-5%	-3%	11%	23%	3%	4%	5%	5%	4%
Manufacturing	5%	11%	-11%	90%	-5%	-15%	-3%	8%	22%	8%
Total Nonresidential Buildings	**-4%**	**0%**	**0%**	**12%**	**-1%**	**-1%**	**1%**	**4%**	**5%**	**6%**
NONBUILDING STRUCTURES										
Power	17%	-15%	-1%	-14%	-7%	18%	13%	7%	5%	6%
Highway and Street	27%	-7%	11%	6%	7%	5%	4%	2%	2%	4%
Sewage and Waste Disposal	23%	3%	-1%	21%	14%	8%	3%	1%	2%	5%
Water Supply	0%	28%	8%	4%	13%	26%	8%	4%	2%	4%
Conservation and Development	-22%	1%	-15%	-19%	26%	6%	3%	2%	3%	4%
Total Nonbuilding Structures	**16%**	**-9%**	**2%**	**-5%**	**2%**	**13%**	**8%**	**5%**	**3%**	**5%**
Total Put in Place	**-1%**	**1%**	**7%**	**11%**	**-2%**	**5%**	**3%**	**4%**	**4%**	**5%**

*Improvements includes additions, alterations and major replacements. It does not include maintenance and repairs.

PACIFIC STATES INCLUDE ALASKA, CALIFORNIA, HAWAII, OREGON AND WASHINGTON.

CANADIAN ENGINEERING AND CONSTRUCTION OUTLOOK

CANADIAN KEY TAKEAWAYS

- In 2024, total engineering and construction in Canada is expected to be $392 billion. This represents a nearly 5% increase from 2023, or about $18 billion more in new construction. Looking to 2025, FMI anticipates another uptick in spending — 4% to $408 billion.
- Overall, FMI anticipates total construction spending to continue to rise through the forecast period. Stability across the nonbuilding structures and infrastructure segments keeps national construction from stagnating. Construction activity in nonresidential buildings is expected to reach over $142 billion by 2028, and nonbuilding structures spending is anticipated to reach nearly $122 billion. Strong provincial and federal investment in infrastructure will boost construction activities.

CANADA 2024 SEGMENT PERFORMANCE

2024/2023 COMPARISON

UP
5% or more

- Residential Improvements
- Health Care
- Religious
- Amusement and Recreation
- Transportation
- Communication
- Manufacturing
- Highway and Street
- Sewage and Waste Disposal
- Conservation and Development

STABLE
0% to 4%

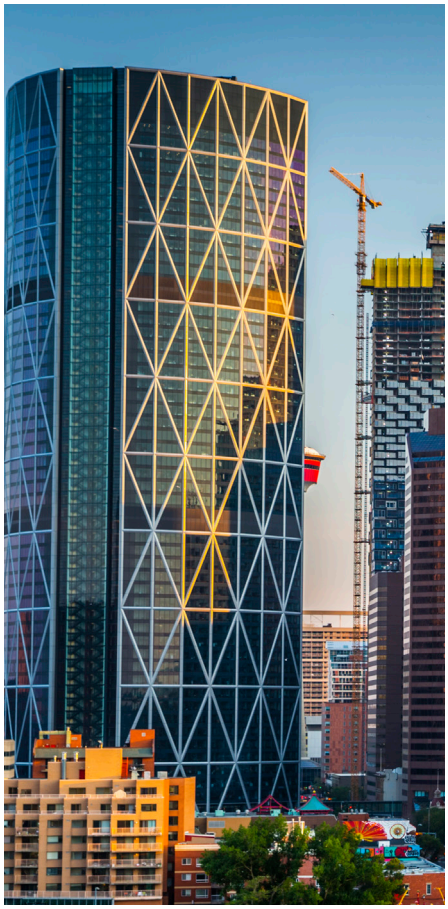
- Multifamily
- Public Safety
- Power
- Water Supply

DOWN
Under 0%

- Single-family
- Lodging
- Office
- Commercial
- Educational

PROVINCE by PROVINCE

- Alberta's construction activity from 2024 and into 2025 has been strengthened by several segments: power and energy, manufacturing and health care. The outlook for Alberta is the most positive compared to other provinces and is projected to grow at a 5% CAGR through 2028. This year, growth is fueled by strong residential and manufacturing investment. The provincial government is under pressure to diversify its income streams, but in the interim is taking advantage of sizeable tax revenues generated by the energy sector.
- For British Columbia, 2024 was a year of significant growth in non-residential segments. Lodging, commercial, health care, amusement and recreation, and manufacturing saw double-digit growth year-over-year. Moving forward, the outlook for infrastructure segments (power, transportation, conservation and development) as well as manufacturing remains positive. Within residential construction, single-family construction is anticipated to decline sharply in 2024, although investments in improvements maintain stability. In total, construction spending is forecast to reach more than $81 billion in 2028.



- Representing 35% of national construction spending, Ontario's impact on the national construction market in Canada remains outsized. The residential market remained flat in 2024, growing just 1%, although single-family home construction declined. In 2024, bright spots in construction included transportation, health care and manufacturing construction. Through the forecast period (2028), conservation and development, highway and street, and transportation are the fastest growing at more than 5% CAGR for each segment.
- Quebec will finish 2024 construction activity 6% higher than 2023, with some moderation occurring in lodging, health care, educational and water supply. Through 2028, the highway and street sector is forecast to experience the fastest-growing CAGR at 6.5%. Lodging, office and commercial are anticipated to continue to drop slightly and likely won't recover through 2028.

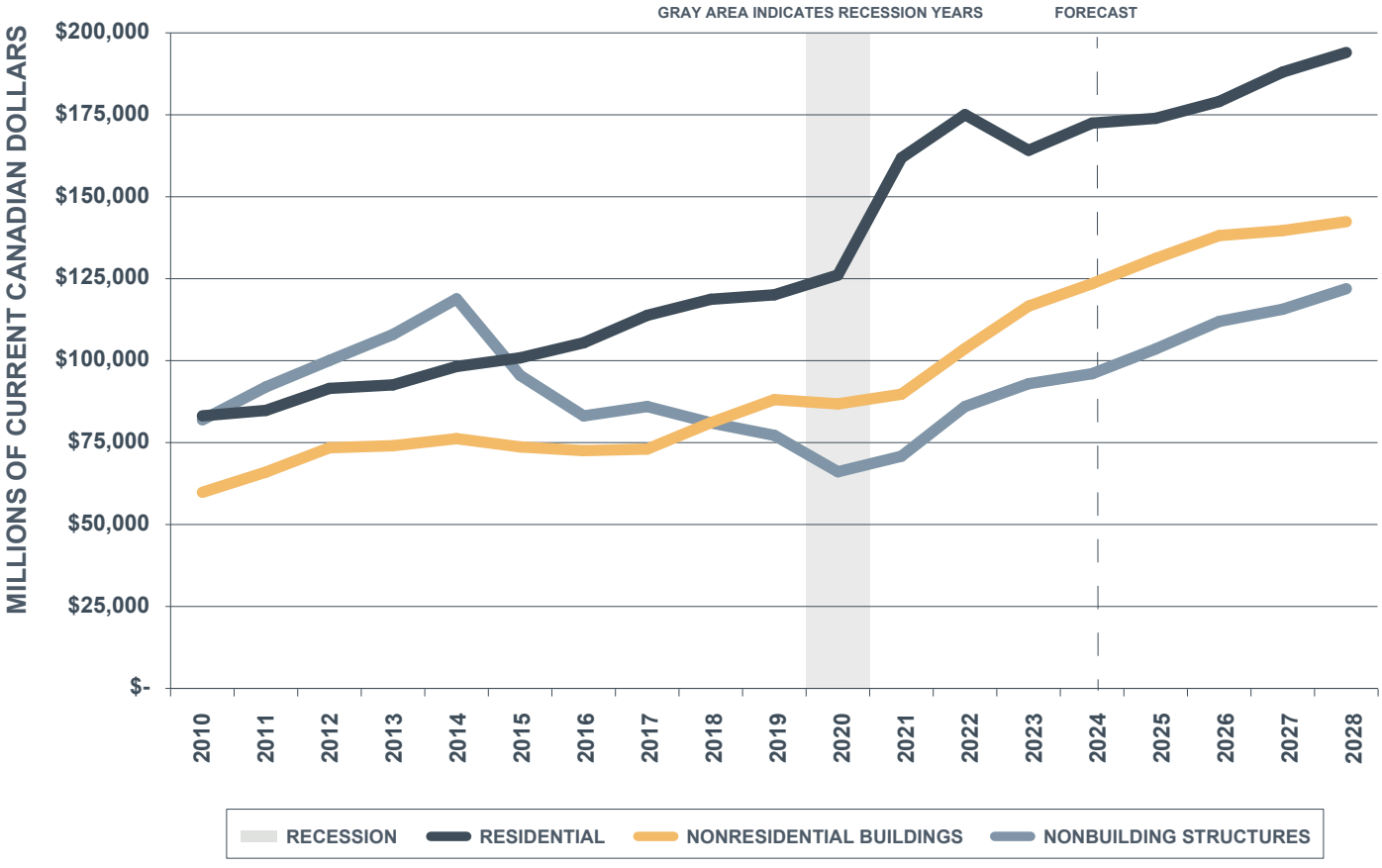
SEGMENT OVERVIEW

When considering segment activity into 2025, multifamily, lodging, office and commercial construction are anticipated to drop between 2% to 3% from 2024. Sluggish growth in residential construction activity should ease in 2027, with spending topping $188 billion by 2027.

On a positive note, conservation and development and transportation are the fastest-growing segments through the forecast period (13.6% and 6.9% CAGR, respectively). Closely following are highway and street (6.1% CAGR), manufacturing (5.9% CAGR), power (5.6% CAGR) and health care (5.6% CAGR).

Overall, Canada's construction segment saw a strong year despite headwinds. While the residential sector is anticipated to soften during the forecast period, investments in infrastructure will keep construction activity growing at 4.2% compounded annually.

TOTAL CONSTRUCTION SPENDING PUT IN PLACE ESTIMATED FOR CANADA

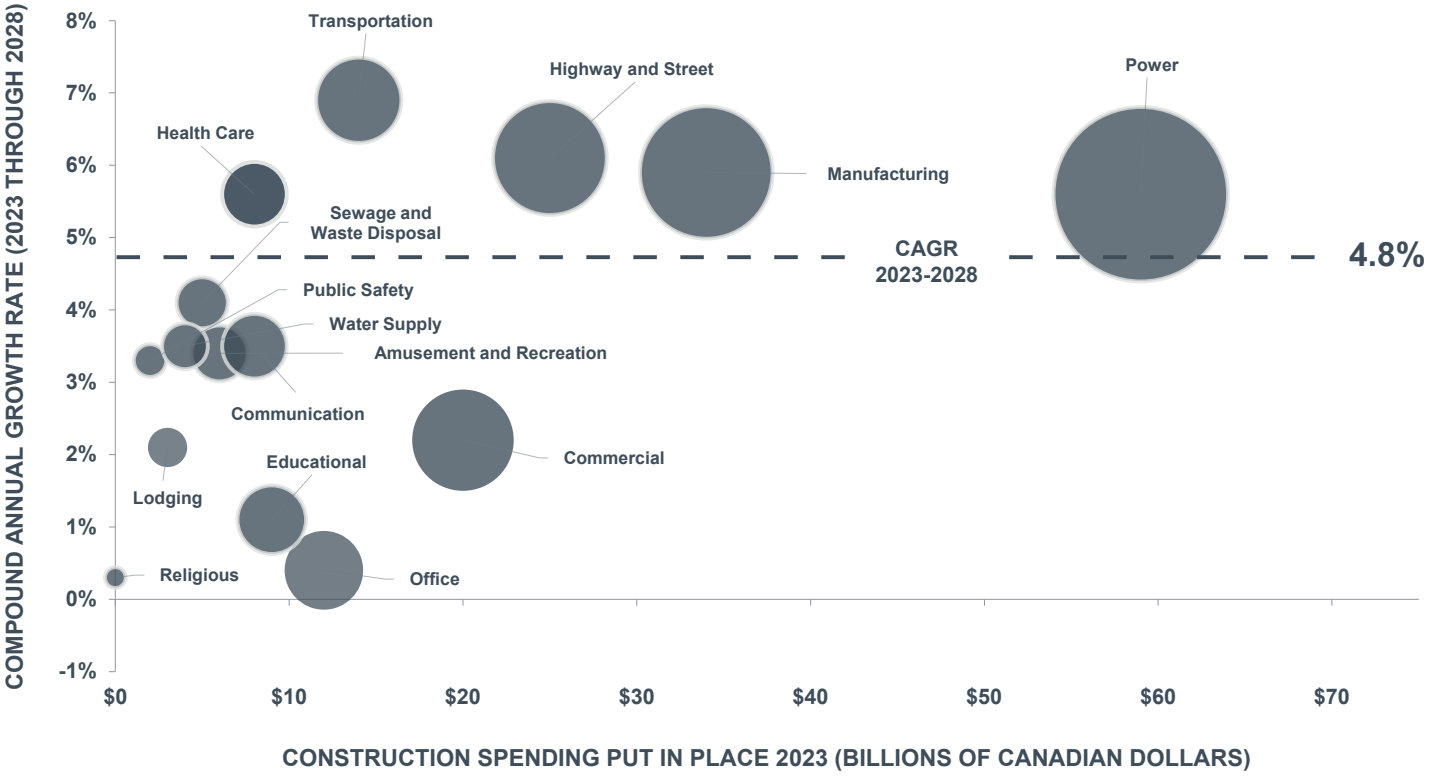


SOURCE: FMI FORECAST Q1 2025

First quarter forecast based on third quarter 2024 actuals and fourth quarter assumptions.

NONRESIDENTIAL CONSTRUCTION SPENDING PUT IN PLACE

FORECAST GROWTH BY CONSTRUCTION SEGMENT



SOURCE: FMI FORECAST Q1 2025

Construction Put in Place Estimated for Canadian Census Division

Millions of Current Canadian Dollars
1st Quarter 2025 Forecast, Based on 3rd Quarter 2024 Actuals and 4th Quarter 2024 Assumptions

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
RESIDENTIAL BUILDINGS										
Single-family	22,839	24,095	34,694	36,701	29,496	28,391	29,841	30,869	32,738	33,360
Multifamily	35,998	38,818	46,444	50,416	52,598	54,272	52,722	54,407	57,078	59,398
Improvements*	61,249	63,207	80,733	87,928	82,076	89,793	91,363	93,790	98,234	101,246
Total Residential	**120,087**	**126,120**	**161,871**	**175,045**	**164,169**	**172,457**	**173,926**	**179,066**	**188,049**	**194,004**
NONRESIDENTIAL BUILDINGS										
Lodging	2,750	2,569	2,634	3,405	3,375	3,341	3,267	3,409	3,661	3,741
Office	11,311	11,674	10,692	11,302	12,002	11,549	11,317	11,495	11,722	12,250
Commercial	16,072	15,013	15,393	19,897	19,719	19,605	19,108	20,273	21,255	21,971
Health Care	5,319	5,756	6,311	7,153	7,733	9,323	9,802	10,408	10,333	10,138
Educational	6,744	6,938	7,915	8,279	8,744	8,740	9,356	9,535	9,600	9,235
Religious	444	415	318	312	361	422	442	413	383	367
Public Safety	1,698	1,753	1,605	1,697	1,802	1,834	1,994	2,054	2,175	2,117
Amusement and Recreation	4,116	4,352	3,983	4,872	6,384	7,031	6,960	7,137	7,347	7,561
Transportation	10,582	10,662	11,896	11,358	14,340	15,865	17,023	18,318	19,259	20,060
Communication	5,878	6,784	7,180	7,336	7,974	8,343	8,914	9,362	9,586	9,471
Manufacturing	23,189	20,883	21,832	28,076	34,193	37,442	42,982	45,757	44,358	45,482
Total Nonresidential Buildings	**88,105**	**86,799**	**89,760**	**103,689**	**116,627**	**123,495**	**131,165**	**138,160**	**139,679**	**142,392**
NONBUILDING STRUCTURES										
Power	50,443	38,925	44,029	55,609	58,551	59,941	64,489	70,454	72,628	76,899
Highway and Street	18,557	19,027	18,940	21,566	25,355	26,609	28,913	30,867	32,220	34,070
Sewage and Waste Disposal	4,598	4,846	4,784	5,207	5,347	5,671	5,846	6,174	6,346	6,552
Water Supply	3,457	3,214	3,047	3,532	3,652	3,742	4,246	4,383	4,396	4,336
Conservation and Development	147	81	49	95	49	52	68	83	95	93
Total Nonbuilding Structures	**77,202**	**66,093**	**70,849**	**86,009**	**92,954**	**96,016**	**103,563**	**111,961**	**115,685**	**121,949**
Total Put in Place	**$285,394**	**$279,012**	**$322,481**	**$364,743**	**$373,750**	**$391,967**	**$408,654**	**$429,187**	**$443,413**	**$458,345**

Construction Put in Place Estimated for Canadian Census Division

Change From Prior Year — Current Canadian Dollars
1st Quarter 2025 Forecast, Based on 3rd Quarter 2024 Actuals and 4th Quarter 2024 Assumptions

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
RESIDENTIAL BUILDINGS										
Single-family	-13%	5%	44%	6%	-20%	-4%	5%	3%	6%	2%
Multifamily	13%	8%	20%	9%	4%	3%	-3%	3%	5%	4%
Improvements*	1%	3%	28%	9%	-7%	9%	2%	3%	5%	3%
Total Residential	**1%**	**5%**	**28%**	**8%**	**-6%**	**5%**	**1%**	**3%**	**5%**	**3%**
NONRESIDENTIAL BUILDINGS										
Lodging	-1%	-7%	3%	29%	-1%	-1%	-2%	4%	7%	2%
Office	12%	3%	-8%	6%	6%	-4%	-2%	2%	2%	5%
Commercial	15%	-7%	3%	29%	-1%	-1%	-3%	6%	5%	3%
Health Care	1%	8%	10%	13%	8%	21%	5%	6%	-1%	-2%
Educational	-12%	3%	14%	5%	6%	0%	7%	2%	1%	-4%
Religious	16%	-7%	-24%	-2%	15%	17%	5%	-7%	-7%	-4%
Public Safety	36%	3%	-8%	6%	6%	2%	9%	3%	6%	-3%
Amusement and Recreation	-6%	6%	-8%	22%	31%	10%	-1%	3%	3%	3%
Transportation	15%	1%	12%	-5%	26%	11%	7%	8%	5%	4%
Communication	0%	15%	6%	2%	9%	5%	7%	5%	2%	-1%
Manufacturing	15%	-10%	5%	29%	22%	10%	15%	6%	-3%	3%
Total Nonresidential Buildings	**9%**	**-1%**	**3%**	**16%**	**12%**	**6%**	**6%**	**5%**	**1%**	**2%**
NONBUILDING STRUCTURES										
Power	-5%	-23%	13%	26%	5%	2%	8%	9%	3%	6%
Highway and Street	-7%	3%	0%	14%	18%	5%	9%	7%	4%	6%
Sewage and Waste Disposal	21%	5%	-1%	9%	3%	6%	3%	6%	3%	3%
Water Supply	-5%	-7%	-5%	16%	3%	2%	13%	3%	0%	-1%
Conservation and Development	-28%	-45%	-40%	94%	-48%	6%	31%	21%	15%	-3%
Total Nonbuilding Structures	**-5%**	**-14%**	**7%**	**21%**	**8%**	**3%**	**8%**	**8%**	**3%**	**5%**
Total Put in Place	**2%**	**-2%**	**16%**	**13%**	**2%**	**5%**	**4%**	**5%**	**3%**	**3%**

*Improvements includes additions, alterations and major replacements. It does not include maintenance and repairs.

APPENDIX

FORECAST ASSUMPTIONS

Base-case assumptions for our forecast include ongoing recessionary forces though 2025, primarily highlighted by rising unemployment. These expectations are based on a range of predictive economic indicators, but especially the recently un-inverted yield curve alongside ongoing weakness in the labor data. We believe the Federal Reserve's aggressive start to a rate-cutting cycle further supports these expectations. The depth and duration of the economic cycle will depend on policy response, but as with historical cycles, impact on the construction industry will likely be longer lasting.

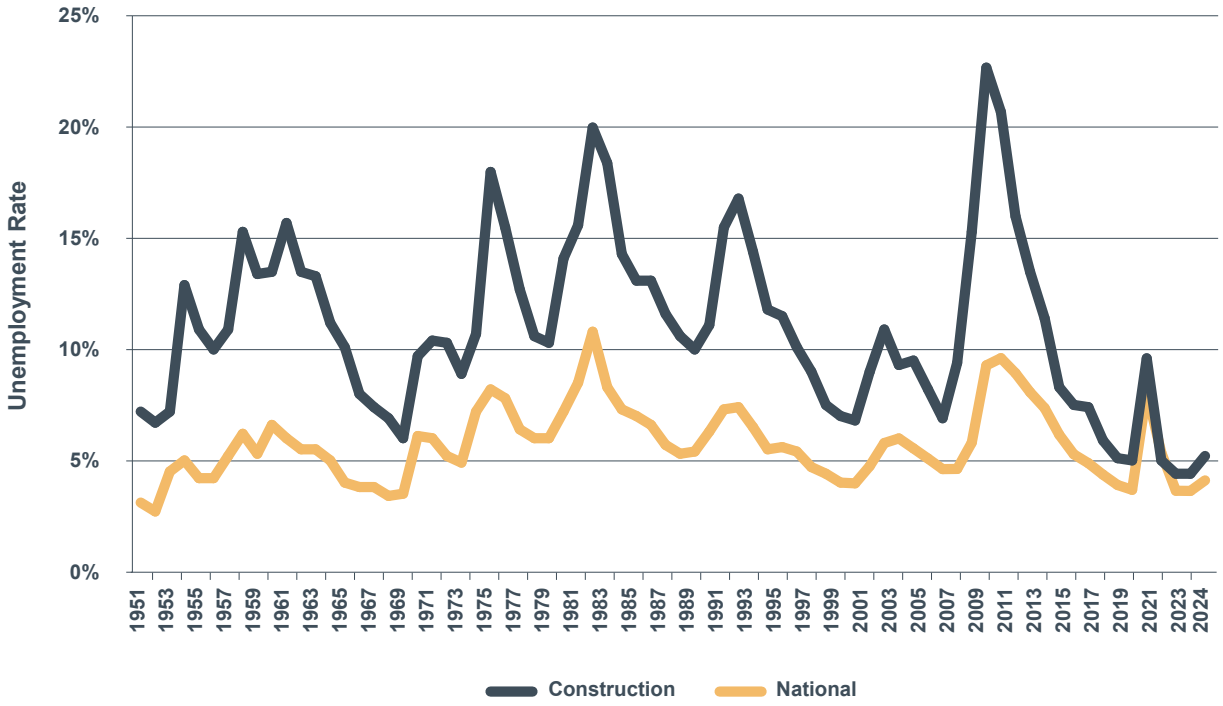
Recent economic factors influencing this forecast include weakness in labor data, movement in short- and longer-term Treasury bond yields, commodity and energy prices, the Chinese and global economy, and the valuation of the U.S. dollar. These factors are met with ongoing tightness of private credit, shortages of labor and materials in key industries, constraints on global logistics infrastructure, and volatility in asset and real estate valuations.

Inflationary pressures continued to ease in 2024 but appear to have stabilized above target levels, primarily due to housing services (e.g., insurance). Lasting inflationary pressures were highlighted as a concern by the Federal Reserve in its recent policy decision statements, as those decisions set the stage for fewer rate cuts in 2025 and 2026.

Over the past year, labor force participation has leveled off, the unemployment rate has slowly trended higher and more than 1 million U.S. employees transitioned from full-time to part-time jobs. Asset prices will remain a point of concern in 2025, particularly equities and real estate as the market adjusts to elevated rate conditions and expectations.

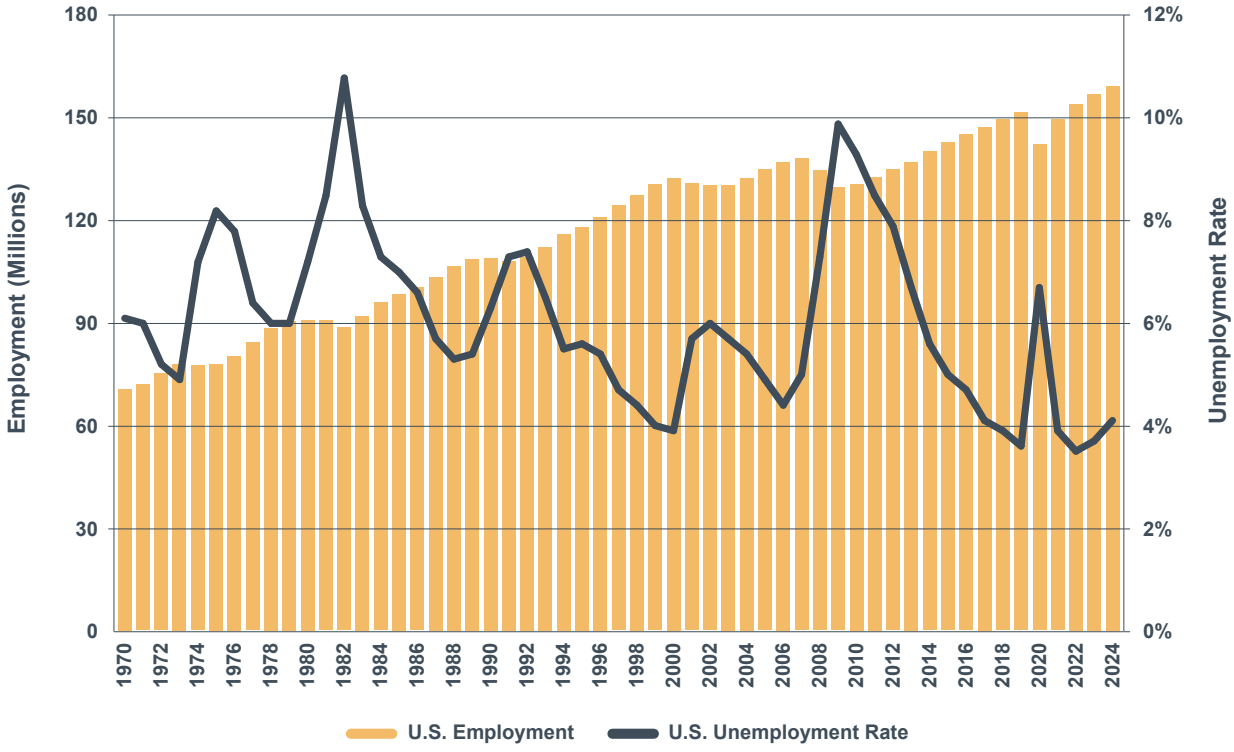
We also considered policy uncertainty tied to outcomes in the election cycle (e.g., potential of tariffs and reduced government employment), the influence of AI and other technological advancements, and wartime and economic turmoil in various countries (e.g., Russia, Ukraine, Israel/Middle East, China) adding to strain and influence on each of the items listed above.

CONSTRUCTION UNEMPLOYMENT VS. NATIONAL UNEMPLOYMENT



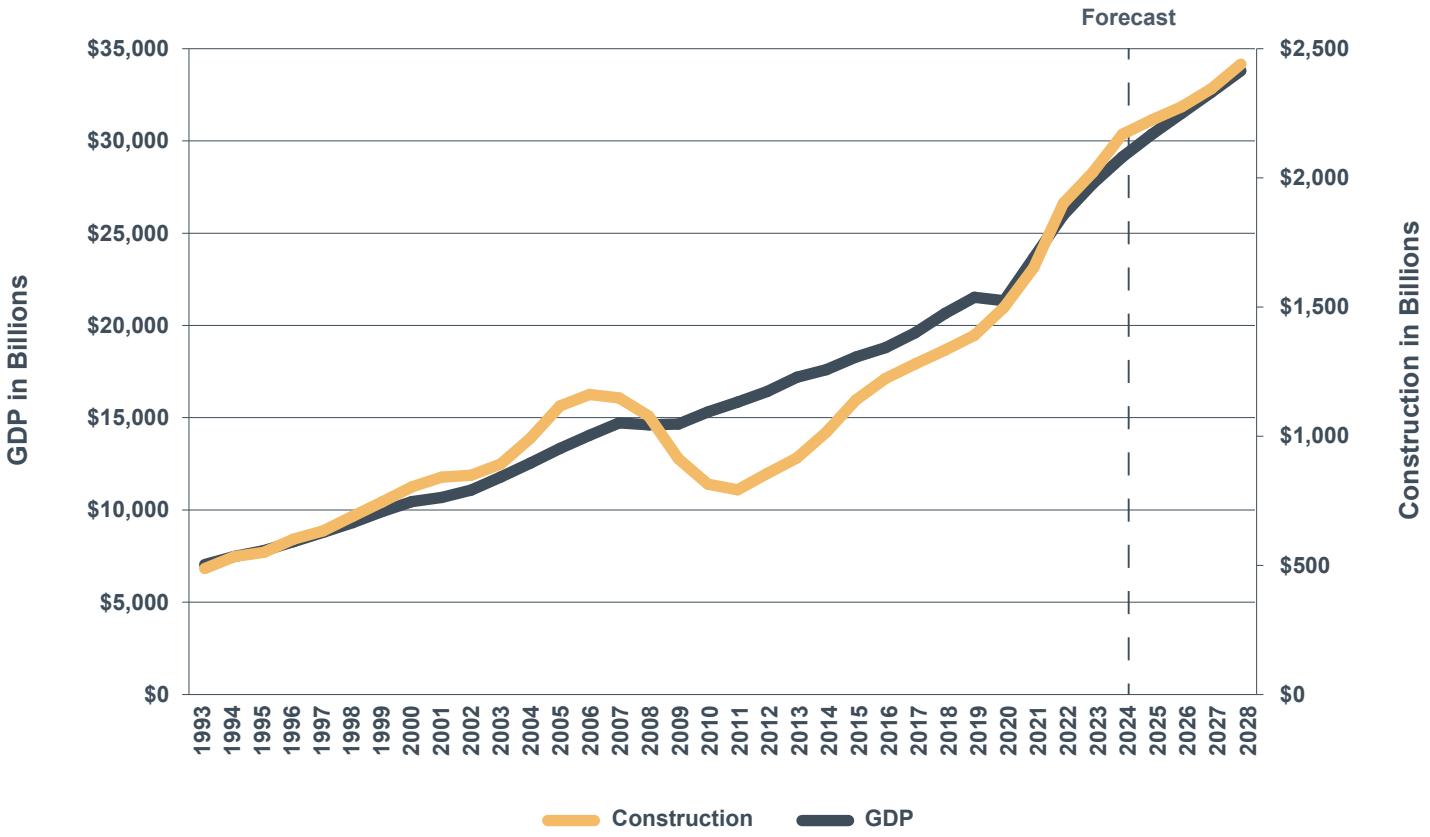
SOURCE: U.S. DEPARTMENT OF LABOR | ANNUAL–END PERIOD

EMPLOYMENT AND UNEMPLOYMENT RATE COMPARISON



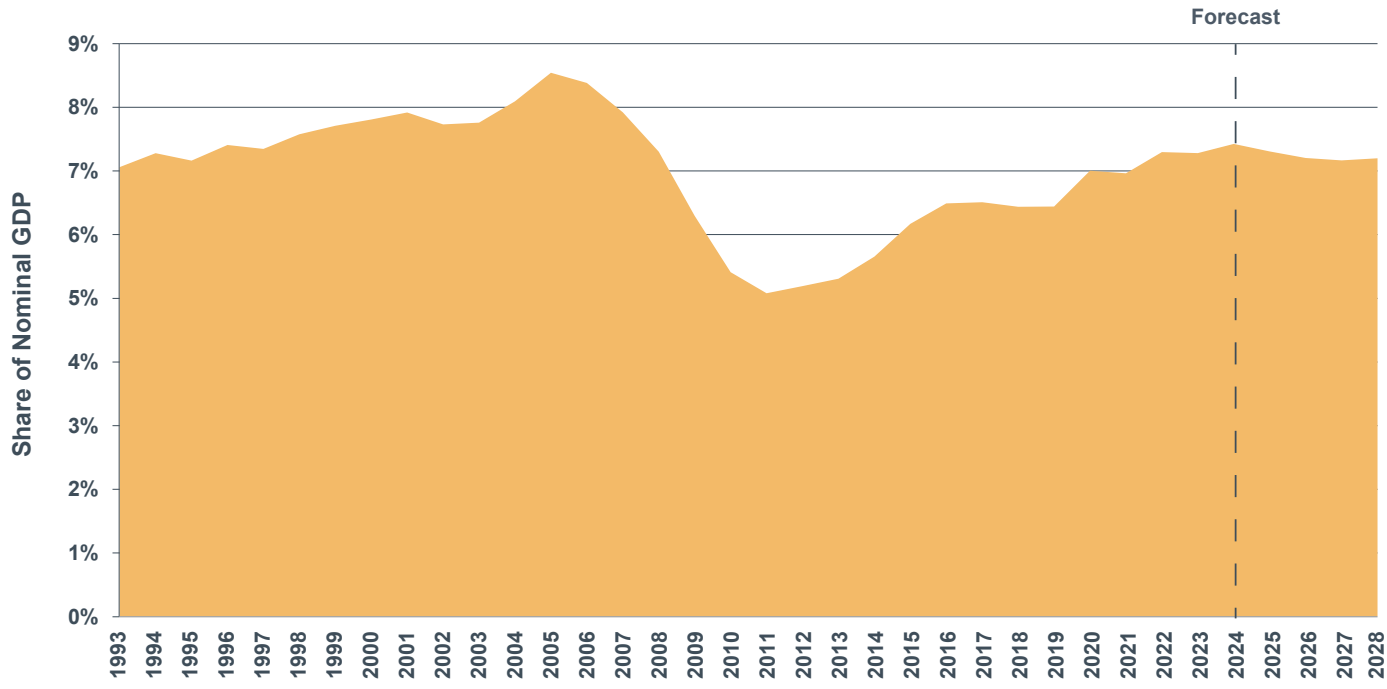
SOURCE: U.S. DEPARTMENT OF LABOR | ANNUAL–END PERIOD

CONSTRUCTION SPENDING AND NOMINAL GROSS DOMESTIC PRODUCT (GDP)



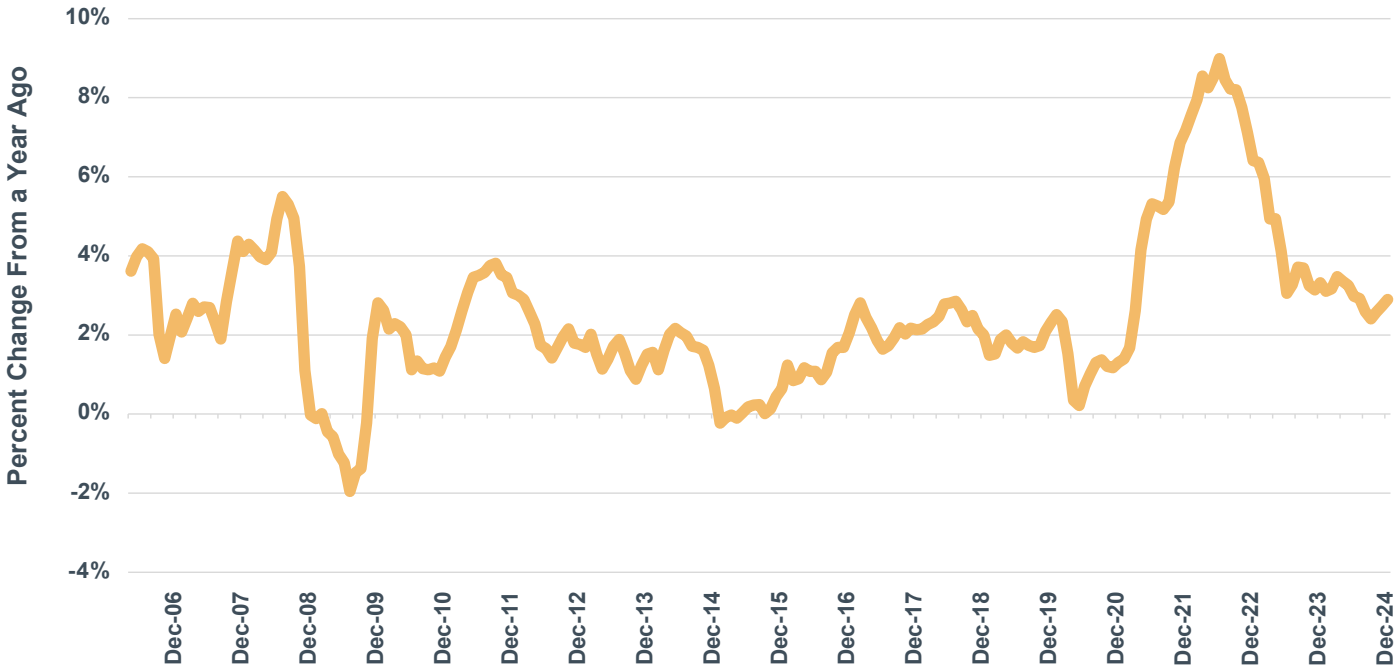
SOURCE: FMI, CONGRESSIONAL BUDGET OFFICE

CONSTRUCTION AS A PERCENTAGE OF GDP



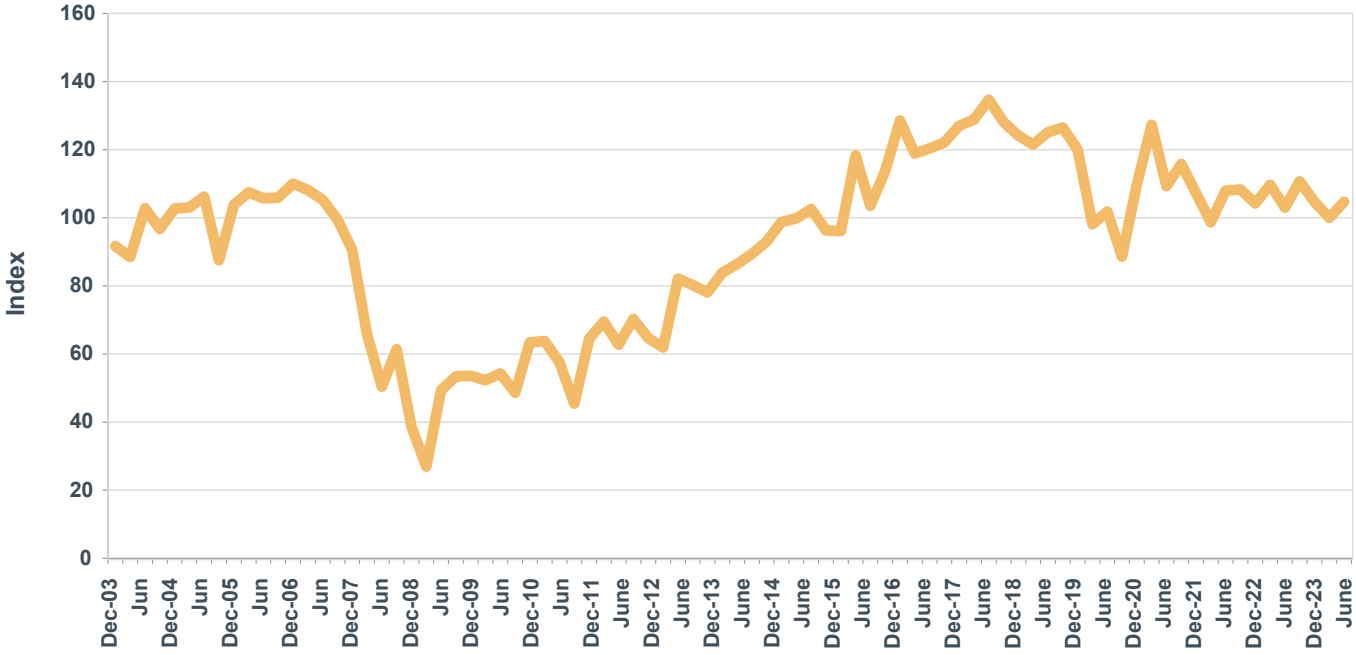
SOURCE: FMI, CONGRESSIONAL BUDGET OFFICE

CONSUMER PRICE INDEX
ALL URBAN CONSUMER, 12-MONTH PERCENT CHANGE



SOURCE: BUREAU OF LABOR STATISTICS

CONFERENCE BOARD CONSUMER CONFIDENCE INDEX



SOURCE: THE CONFERENCE BOARD–CONSUMER CONFIDENCE SURVEY

AUTHORS

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Special thanks to contributing authors Eberechi Chimezie, Joseph Choo, Russell Clark, Patrick Dennehy, Will Gruy, Andrew Henderson, Savannah Hines, William Hofheinz, Tim Huckaby, Matt Kennedy, Luke Liscio, Jackson Mathis, Nathan Menken, Brie Owens and Tyler Paré.

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