



## US Construction Outlook 2022

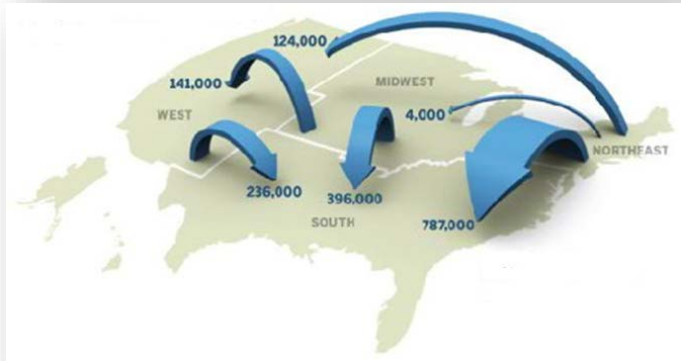
[fmiconsulting.com](https://fmiconsulting.com)

# TWO CHARACTERISTICS OF CONSTRUCTION OVER THE NEXT FIVE YEARS



## New Economy vs. Old Economy

Where can we expect continued demand regardless of market performance?

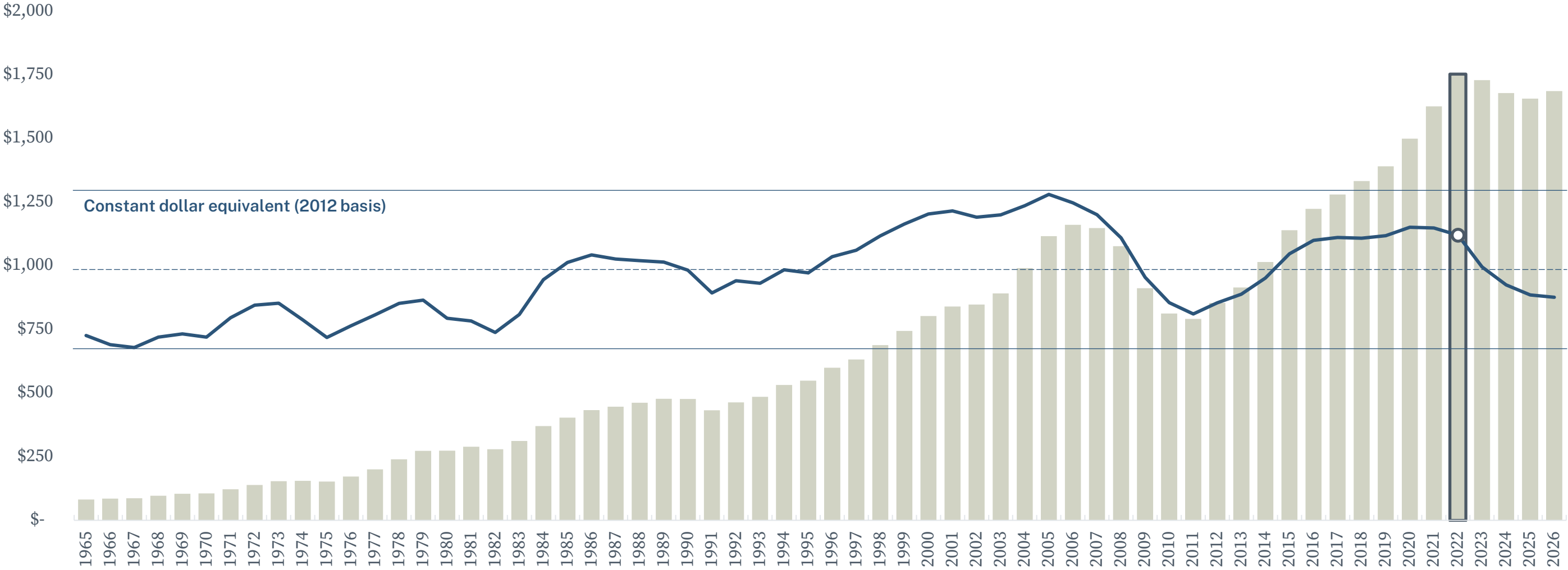


## Location, Location, Location

Does geography become a primary determinant of growth?

# LESS FOR MORE

Total Construction Spending Put in Place (US)  
Billions of current dollars



# CONFIDENCE IS LOW

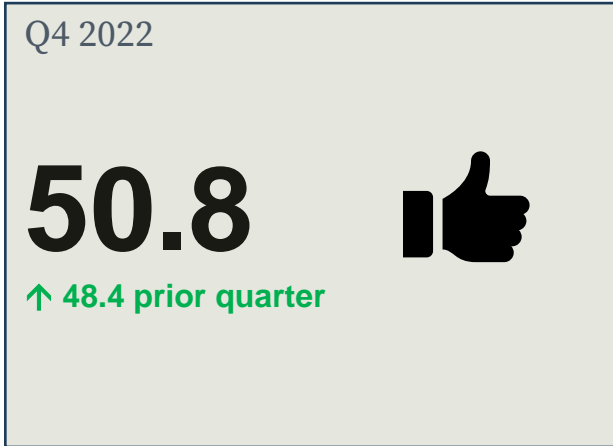
## AEC Sentiment Indices



Architectural Billings Index (ABI)



Nonresidential Construction Index (NRCI)



Heavy Civil Construction Index (HCCI)

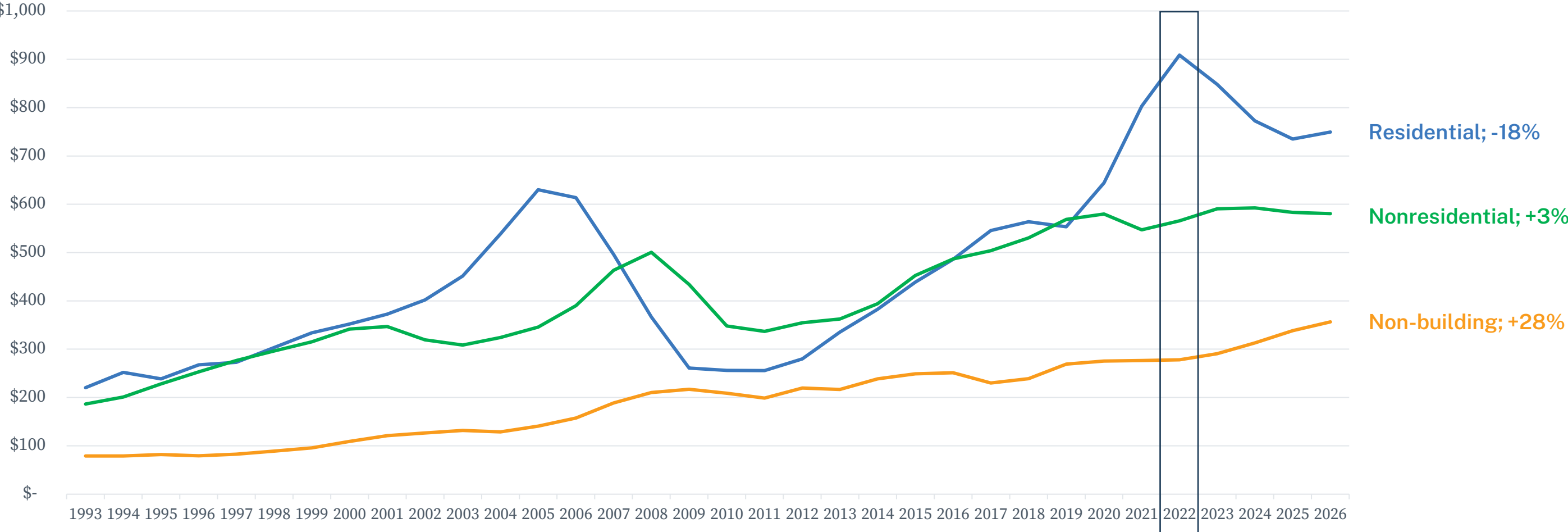


Construction Industry Round Table

CIRT Sentiment Index

# BULLS & BEARS COEXIST AT ALL TIMES

Total Construction Spending Put in Place (US)  
Billions of current dollars



# NEW VS. OLD

## New Economy...

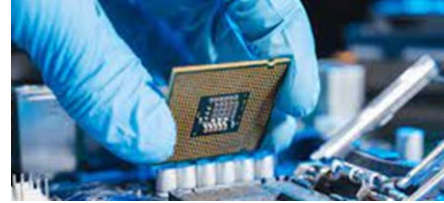
Life Sciences



Data Centers



Semiconductor Fabrication



Food & Beverage Manufacturing



Logistics



Intelligent Transportation Systems



Urban Mass Transit



New Energy



## Old Economy...

Lodging



Shopping Centers/ Malls



Automotive



Movie Theaters



Office



Sports/ Recreation



Amusement Parks



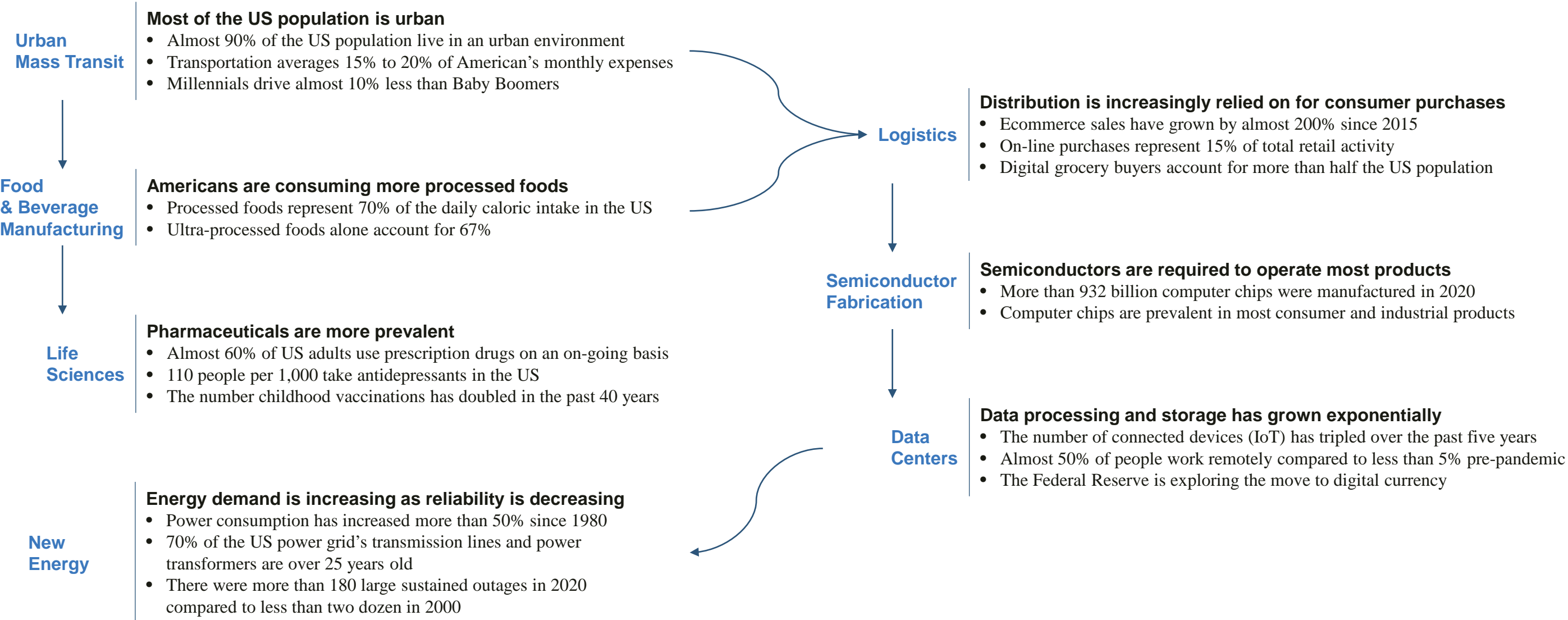
Banks



# THE DIRECTIONAL ARROW OF PROGRESS



# NEW ECONOMY TREND LINE





# PRIVATE INVESTMENT DRIVEN SEGMENTS SUFFER

## Largest Spending

Multifamily



Power



Manufacturing



Highway & Street



## Highest Growth

Transportation



Highway & Street



Conservation & Development



Water Supply



Segment	2022- 2026 Average Construction Spending (Billions)	2022- 2026 Forecast Growth (CAGR)
Multifamily	127	-4%
Lodging	16	-3%
Office	76	-6%
Commercial	92	-7%
Health Care	53	2%
Educational	101	3%
Religious	3	0%
Public Safety	12	4%
Amusement and Recreation	26	-3%
Transportation	69	10%
Communication	29	8%
Manufacturing	106	3%
Power	114	2%
Highway and Street	128	10%
Sewage and Waste Disposal	37	9%
Water Supply	26	8%
Conservation and Development	10	8%

Nonresidential Buildings

Heavy Civil

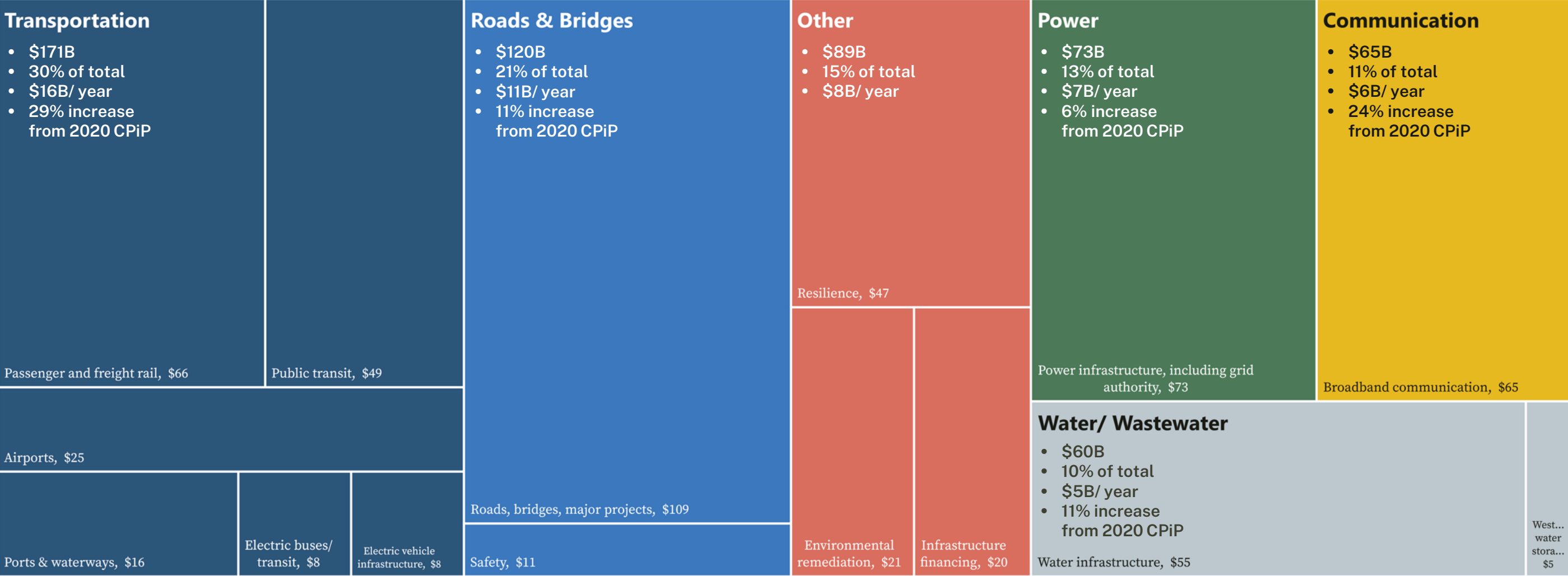
Data centers represent approximately **20% of the Office** segment, and spending is forecast to **increase by more than 50% over the next five years.**

**Warehouse represented more than 50% of the Commercial** segment in 2021. Construction spending on warehouses **increased by 35% from 2019-2021** compared to a 15% decline in all other commercial buildings.

Over the past decade, **food & beverage, chemical, computer & electronics, and transportation equipment** has led the manufacturing construction segment.

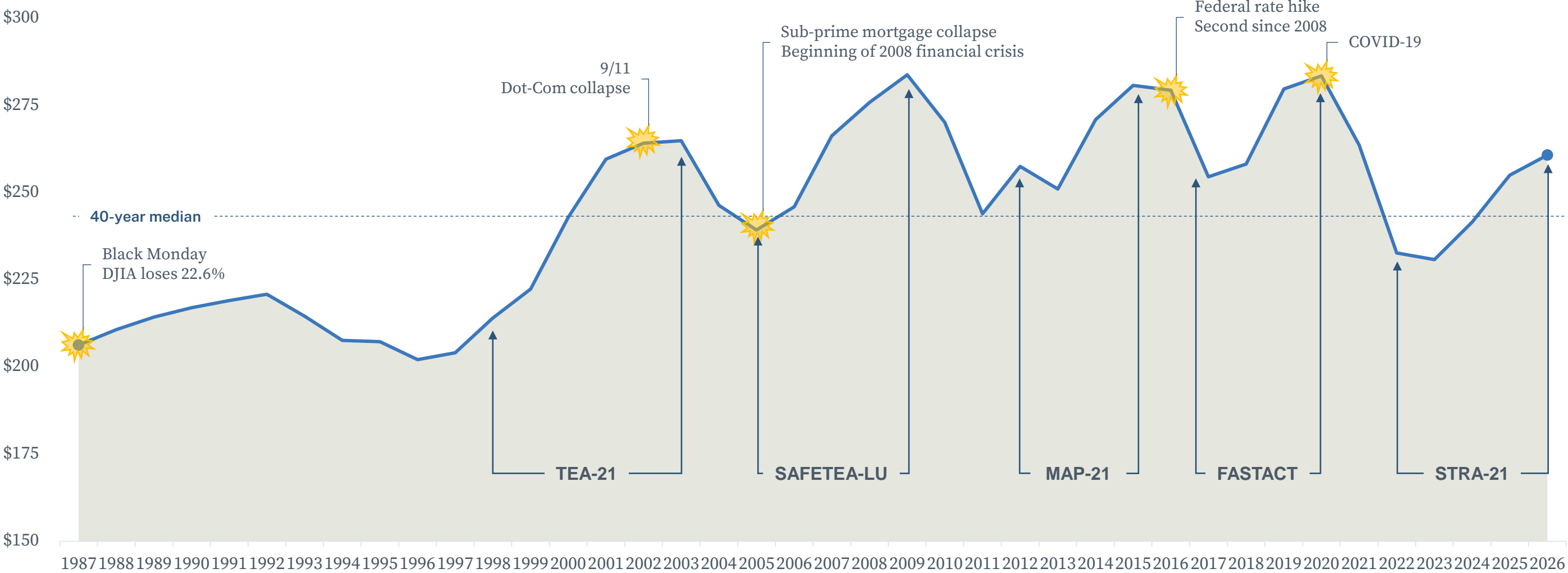
# MORE THAN \$500 BILLION IN NEW FUNDING

Bipartisan Infrastructure Framework  
Billions of current dollars



# ENTERING A FIVE-YEAR PERIOD OF EXPANSION

Inflation Adjusted Nonbuilding Structures and Transportation Buildings Construction Spending Put in Place (US)  
Billions of 2012 dollars

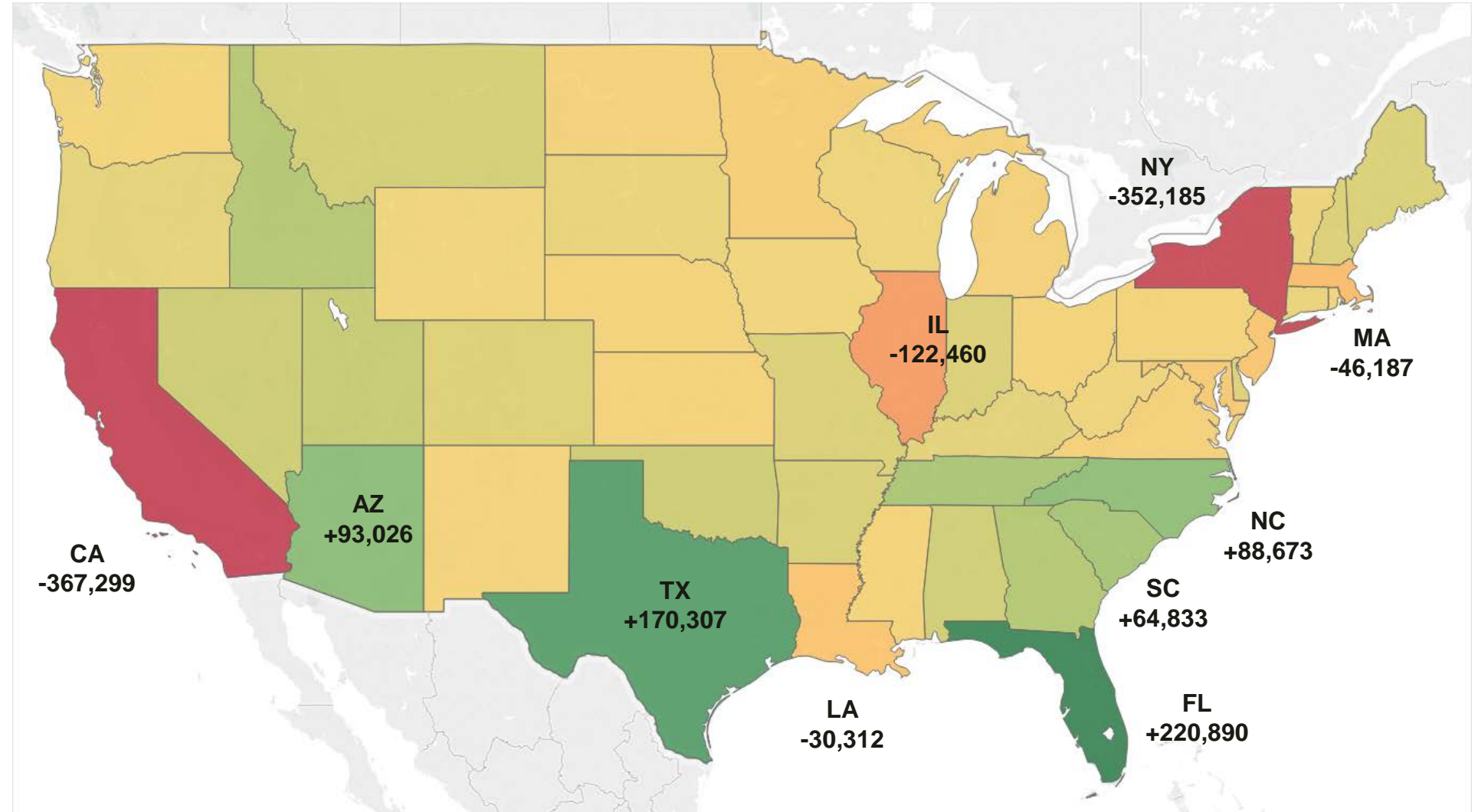


# FOLLOW THE PEOPLE

## Population Movement by State

Total net migration (2000- 2021 color; 2020- 2021 number)

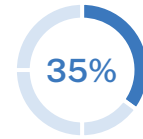
- **Five of the top 10 largest-gaining counties in 2021, were in Texas.** Collin, Fort Bend, Williamson, Denton and Montgomery counties gained a combined 145,663 residents.
- **Los Angeles County, California experienced the largest population loss** of any county, losing 159,621 residents in 2021.
- Seventy-one percent of counties (2,218) experienced positive net international migration.
- Four counties crossed the threshold of 100,000 residents in 2021—Cleveland County, North Carolina (100,359), Lancaster County, South Carolina (100,336), Bastrop County, Texas (102,058), and Grant County, Washington (100,297).
- Los Angeles County, California (9,829,544) and Cook County, Illinois (5,173,146), had more than 5 million residents in 2021, making them the top two most populous counties in the nation.



# MORE THAN ONE-IN-THREE CONSTRUCTION DOLLARS ARE SPENT IN JUST 12 MARKETS

Total Construction Spending Put in Place  
Metropolitan Statistical Area (MSA); 2022-2026 sum

- Concentration of spending continues in fewer markets
- Old markets move down, and new markets move up
- Megapolitans can equal or rival metropolitans



1. New York



2. Los Angeles



3. Dallas



4. Houston



5. Phoenix



6. Atlanta



7. Seattle



8. Washington, DC



9. San Francisco



10. Miami



11. Chicago



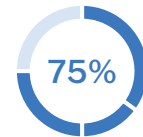
12. Riverside



- 13. Denver
- 14. Austin
- 15. Boston
- 16. Philadelphia

- 17. Orlando
- 18. Tampa
- 19. Minneapolis
- 20. Charlotte

- 21. San Diego
- 22. Portland



- 24. Sacramento
- 25. San Jose
- 26. Las Vegas
- 27. Nashville
- 28. Jacksonville
- 29. Salt Lake City
- 30. Detroit
- 31. Raleigh

- 32. San Antonio
- 33. Baltimore
- 34. Indianapolis
- 35. St. Louis
- 36. Sarasota
- 37. Kansas City
- 38. Columbus
- 39. Boise

- 40. Provo
- 41. Cincinnati
- 42. Fort Myers
- 43. Virginia Beach
- 44. Pittsburgh
- 45. Richmond
- 46. Ogden
- 47. Charleston

- 48. Cleveland
- 49. Oklahoma City
- 50. Tucson
- 51. Memphis
- 52. Colorado Springs
- 53. Lakeland
- 54. Milwaukee
- 55. Greenville

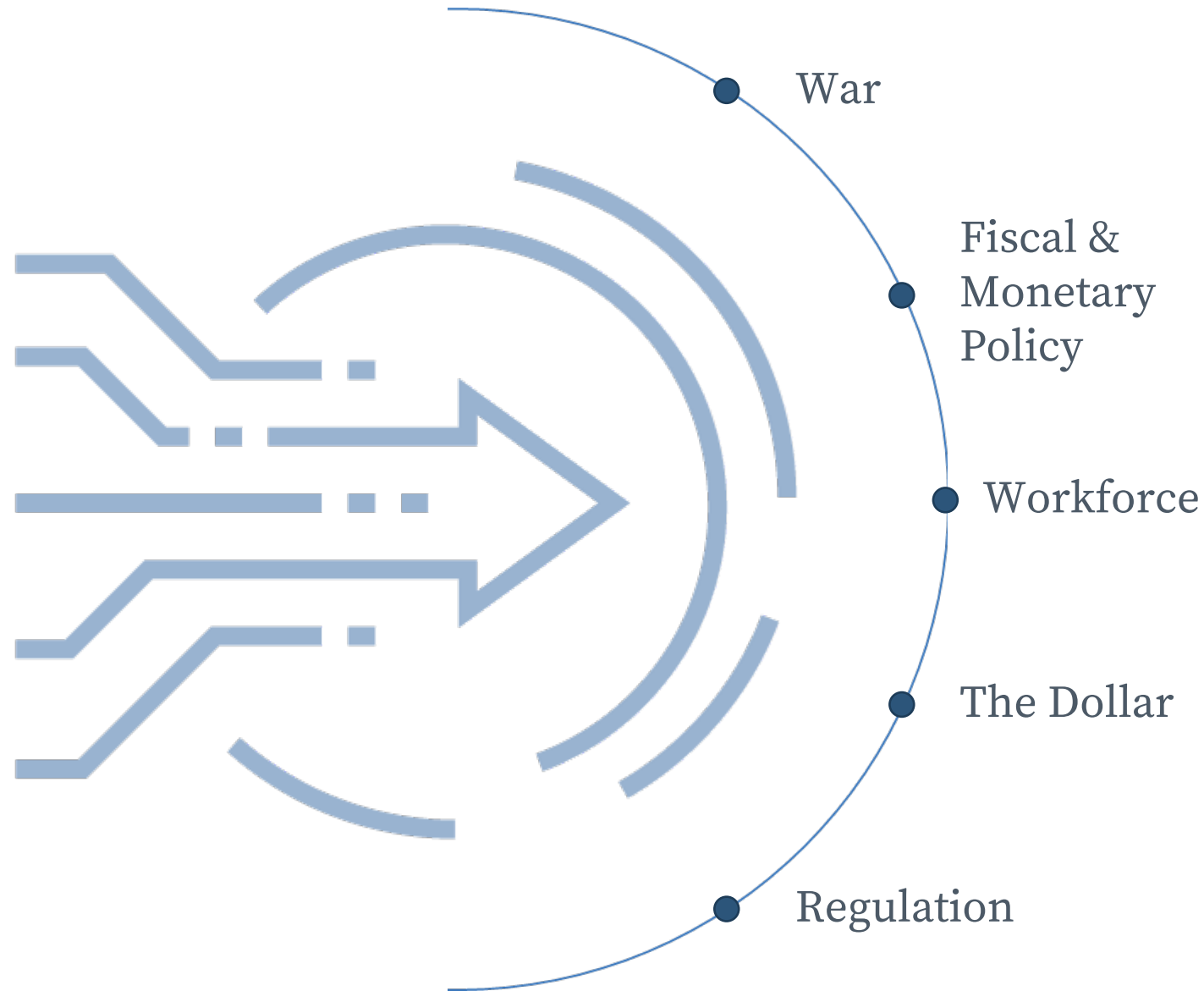
- 56. Honolulu
- 57. Naples
- 58. Providence
- 59. Louisville
- 60. Stockton
- 61. Myrtle Beach
- 62. Columbia
- 63. Daytona Beach

- 64. Grand Rapids
- 65. Knoxville
- 66. Fresno
- 67. Durham
- 68. Reno
- 69. Birmingham
- 70. Melbourne



71. New Orleans	90. El Paso	109. Savannah	128. Manchester	147. Corpus Christi	166. Medford	185. Shreveport	204. Yakima	223. Napa	242. Longview	261. El Centro	280. Muskegon	299. Saginaw	318. Goldsboro	337. Lewiston	356. Watertown	375. Fairbanks
72. Port St. Lucie	91. Bridgeport	110. New Haven	129. Eugene	148. Punta Gorda	167. Gulfport	186. Idaho Falls	205. Canton	224. Pueblo	243. Odessa	262. Racine	281. Hammond	300. Sierra Vista	319. Grants Pass	338. Hattiesburg	357. Bloomsburg	376. Lawton
73. Omaha	92. Winston-Salem	111. Fort Walton Beach	130. Modesto	149. Trenton	168. College Station	187. Waco	206. Appleton	225. Jacksonville	244. Erie	263. Santa Fe	282. Cheyenne	301. Charleston	320. Pittsfield	339. Fond du Lac	358. Carbondale	377. Bay City
74. Tulsa	93. Portland	112. Killeen	131. Tallahassee	150. Daphne	169. Santa Cruz	188. Panama City	207. St. Cloud	226. Tuscaloosa	245. Yuba City	264. Champaign	283. New Bern	302. Jefferson City	321. Texarkana	340. Rome	359. Farmington	378. Beckley
75. Rochester	94. McAllen	113. Wilmington	132. Springfield	151. Hickory	170. Beaumont	189. Elkhart	208. Kingsport	227. Las Cruces	246. Redding	265. Dalton	284. California	303. Bangor	322. Corvallis	341. Hinesville	360. Springfield	379. Weirton
76. Oxnard	95. Allentown	114. Salem	133. Akron	152. Brownsville	171. Kahului	190. Hagerstown	209. Dover	228. Norwich	247. Lake Charles	266. Abilene	285. Brunswick	304. Dothan AL	323. Alexandria	342. Victoria	361. Lima	380. Parkersburg
77. Hartford	96. Boulder	115. Bend	134. Visalia	153. Coeur d'Alene	172. Laredo	191. Billings	210. Duluth	229. Auburn	248. Winchester	267. Topeka	286. Chambersburg	305. Lebanon	324. Decatur	343. Great Falls	362. Michigan City	381. Pine Bluff
78. Greensboro	97. Santa Rosa	116. Vallejo	135. San Luis Obispo	154. Ann Arbor	173. Logan	192. Youngstown	211. Lynchburg	230. Greenville	249. Madera	268. Waterloo	287. Hanford	306. Itasca	325. Grand Forks	344. Walla Walla	363. Kankakee	382. Danville
79. Bakersfield	98. Asheville	117. Lexington	136. Sioux Falls	155. York	174. Lake Havasu City	193. Chico	212. Atlantic City	231. Rapid City	250. Harrisonburg	269. Blacksburg	288. Rocky Mount	307. Albany	326. Florence	345. Lawrence	364. Anneton	
80. Worcester	99. Fort Collins	118. Dayton	137. Salinas	156. Green Bay	175. Charlottesville	194. Grand Junction	213. South Bend	232. Columbia	251. Oshkosh	270. Longview	289. Morristown	308. Bloomington	327. Owensboro	346. Lewiston	365. Wheeling	
81. Des Moines	100. Augusta	119. Spartanburg	138. Toledo	157. Gainesville	176. Fayetteville	195. Davenport	214. Yuma	233. Utica	252. Bismarck	271. Binghamton	290. Ocean City	309. Dubuque	328. Columbus	347. Carson City	366. Decatur	
82. Spokane	101. Pensacola	120. Wichita	139. Jackson	158. Fargo	177. Rochester	196. Cedar Rapids	215. Homosassa Springs	234. Flint	253. Valdosta	272. Janesville	291. Monroe	310. Sheboygan	329. Niles	348. Ames	367. Manhattan	
83. Albuquerque	102. St. George	121. Lancaster	140. Fort Wayne	159. Lafayette	178. Lansing	197. Evansville	216. Warner Robins	235. Fort Smith	254. Huntington	273. Wausau	292. Mankato	311. Vineland	330. Casper	349. Battle Creek	368. Muncie	
84. Fayetteville	103. Ocala	122. Springfield	141. Prescott	160. Clarksville	179. Reading	198. Columbus	217. Burlington	236. Lafayette	255. Albany	274. Cleveland	293. Springfield	312. Glens Falls	331. Gettysburg	350. Morgantown	369. Kokomo	
85. Albany	104. Chattanooga	123. Bremerton	142. Bellingham	161. Gainesville	180. Midland	199. Burlington	218. Rockford	237. Wenatchee	256. Houma	275. La Crosse	294. San Angelo	313. Monroe	332. St. Joseph	351. Grand Island	370. Gadsden	
86. Buffalo	105. Salisbury	124. The Villages	143. Scranton	162. Lubbock	181. Montgomery	200. Barnstable Town	219. Flagstaff	238. Iowa City	257. Joplin	276. Bloomington	295. State College	314. Pocatello	333. Terre Haute	352. Cape Girardeau	371. Elmira	
87. Madison	106. Huntsville	125. Syracuse	144. Kennewick	163. Lincoln	182. Roanoke	201. Tyler	220. Missoula	239. Macon (Home)	258. Bowling Green	277. Jackson	296. Kingston	315. East Stroudsburg	334. Altoona	353. Williamsport	372. Cumberland	
88. Baton Rouge	107. Little Rock	126. Santa Barbara	145. Anchorage	164. Mobile	183. Amarillo	202. Athens (Go Dawgs)	221. Mount Vernon	240. Johnson City	278. Sherman	297. Elizabethtown	316. Jackson	335. Sebring	354. Mansfield	373. Hot Springs		
89. Greeley	108. Harrisburg	127. Olympia	146. Hilton Head Island	165. Vero Beach	184. Merced	203. Kalamazoo	222. Peoria	241. Florence	260. Eau Claire	279. Jonesboro	298. Staunton	317. Wichita Falls	336. Sumter	355. Johnstown	374. Midland	

# INDUSTRY HEADWINDS



- Supply disruptions
- Cyber attacks



- Inflation
- Interest rate increases
- Asset price corrections



- Residential bust
- Asset price corrections










- Export reductions
- World reserve currency status



- Compliance
- Environmental

# WHAT ELSE SHOULD WE BE CONSIDERING?

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-  1 Understand the customer
-  2 Recruit the people you have
-  3 Leverage your strengths to overcome obstacles
-  4 Develop scenarios based on sustained 10% to 15% increase in cost
-  5 Build your network
-  6 Remember what's not going change in the next five to 10 years
-  7 Focus on the WIN – “What’s Important Now?”

# CONNECT WITH ME...



Feel free to connect with me on LinkedIn or reach out to me directly with any questions.

**Industries & Sectors:**

- Construction
- Construction Managers & General Contractors
- Specialty Trades
- Materials Producers
- Construction Technology Firms
- Construction Industry Associations

**Capabilities:**

- Market Research & Segmentation
- Customer Buying Practices
- Competitor Analysis
- Strategy Development
- Market Strategy



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**Other Articles and Thought Leadership:**

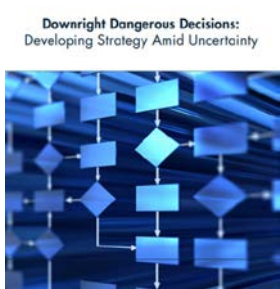
The Changing Game of Strategy



The Last Normal Day



Downright Dangerous Decisions



Our Latest Construction Outlook



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