



Construction Outlook for 2025 and Beyond

2025 AHR Expo

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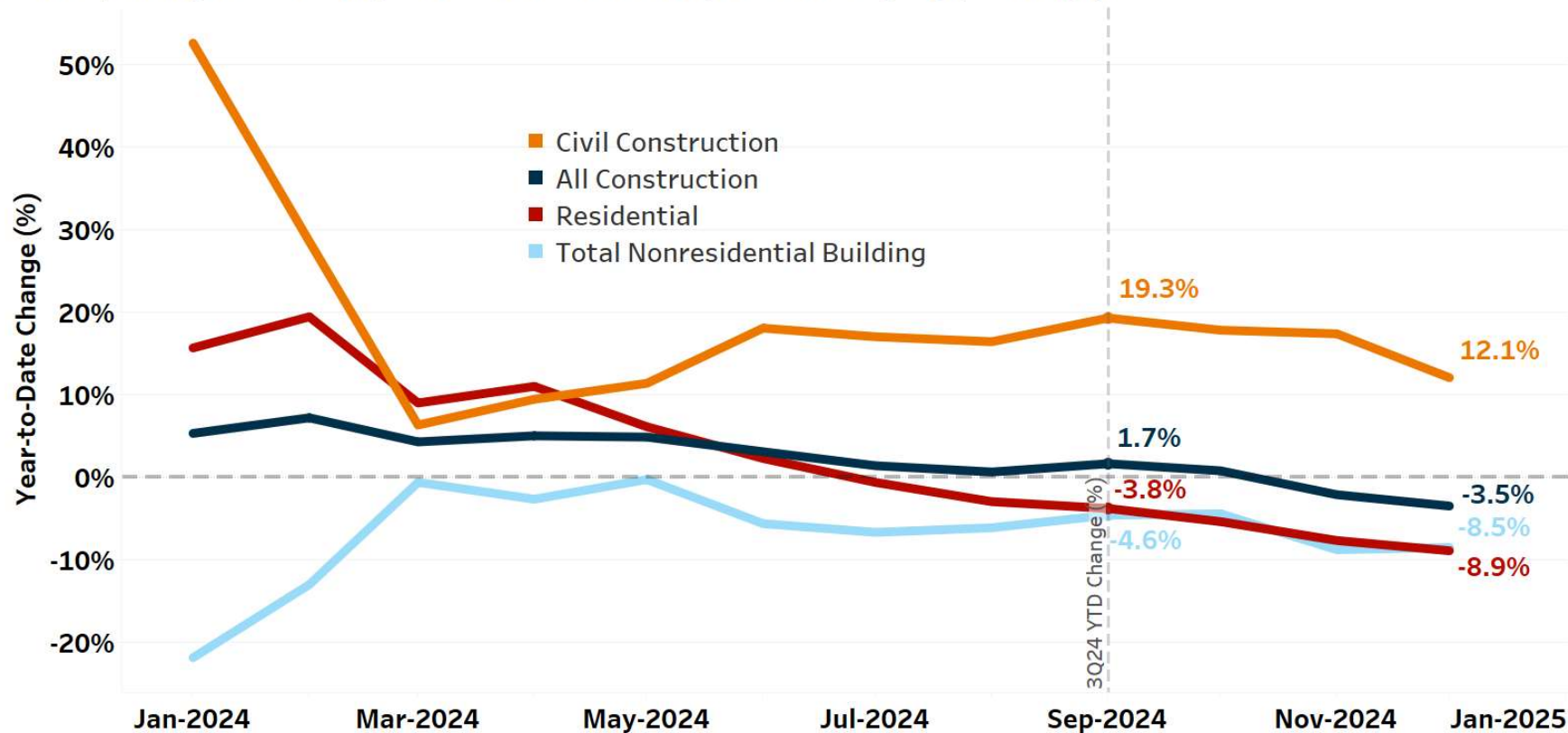
Summary Forecast

(Annual percentage change unless specified otherwise)

	2025	2026	2027	2028
US Macroeconomic Measures				
GDP	2.6	2.7	2.7	1.9
Population Growth	0.6	0.5	0.4	0.4
Unemployment Rate (%)	4.2	4.0	3.8	3.9
Real Disposable Income	2.4	3.3	3.4	2.3
10Y Govt. Bond Yield (%)	4.0	3.3	3.1	3.1

Year-to-Date Construction Starts Spending

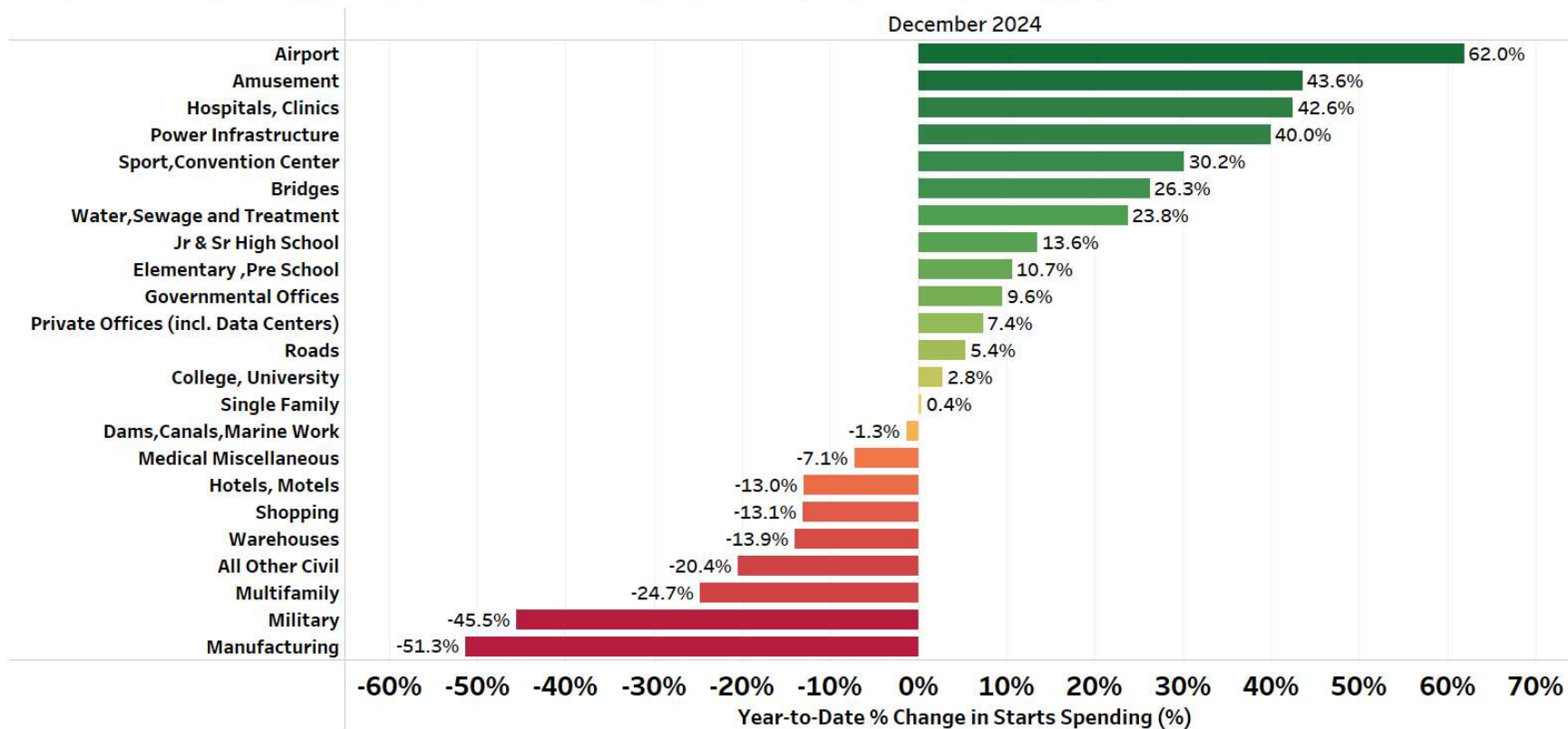
Starts spending eroded during the second half of 2024. (YTD vs YTD 1-yr ago, % change)



Source: ConstructConnect Industry Snapshot

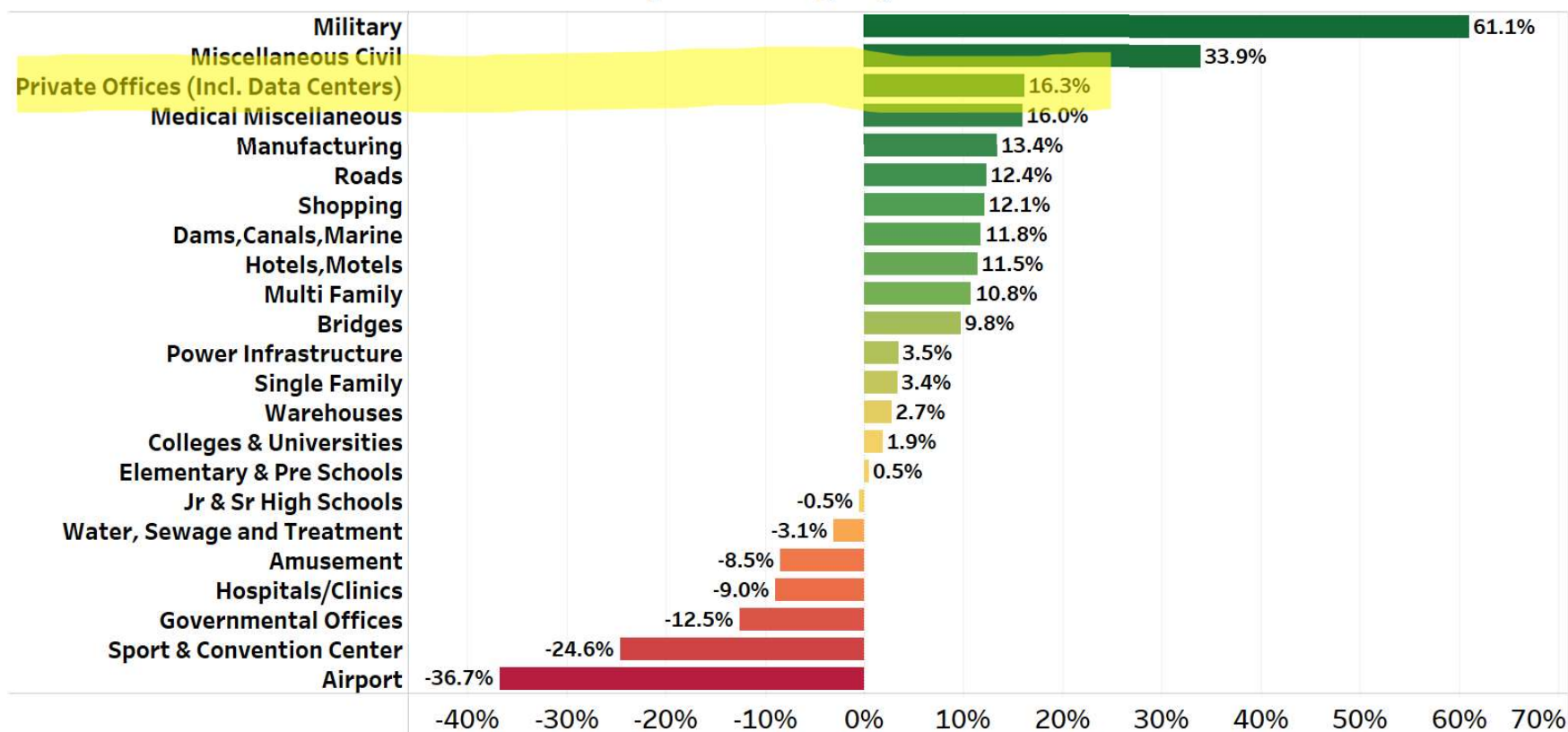
Year-to-Date Construction Starts Spending Varies Widely By Category

Full year 2024 spending results for select subcategories, change in dollar spending (%)



Source: ConstructConnect Industry Snapshot

US 2025 Full Year Forecast Outlook by SubCategory

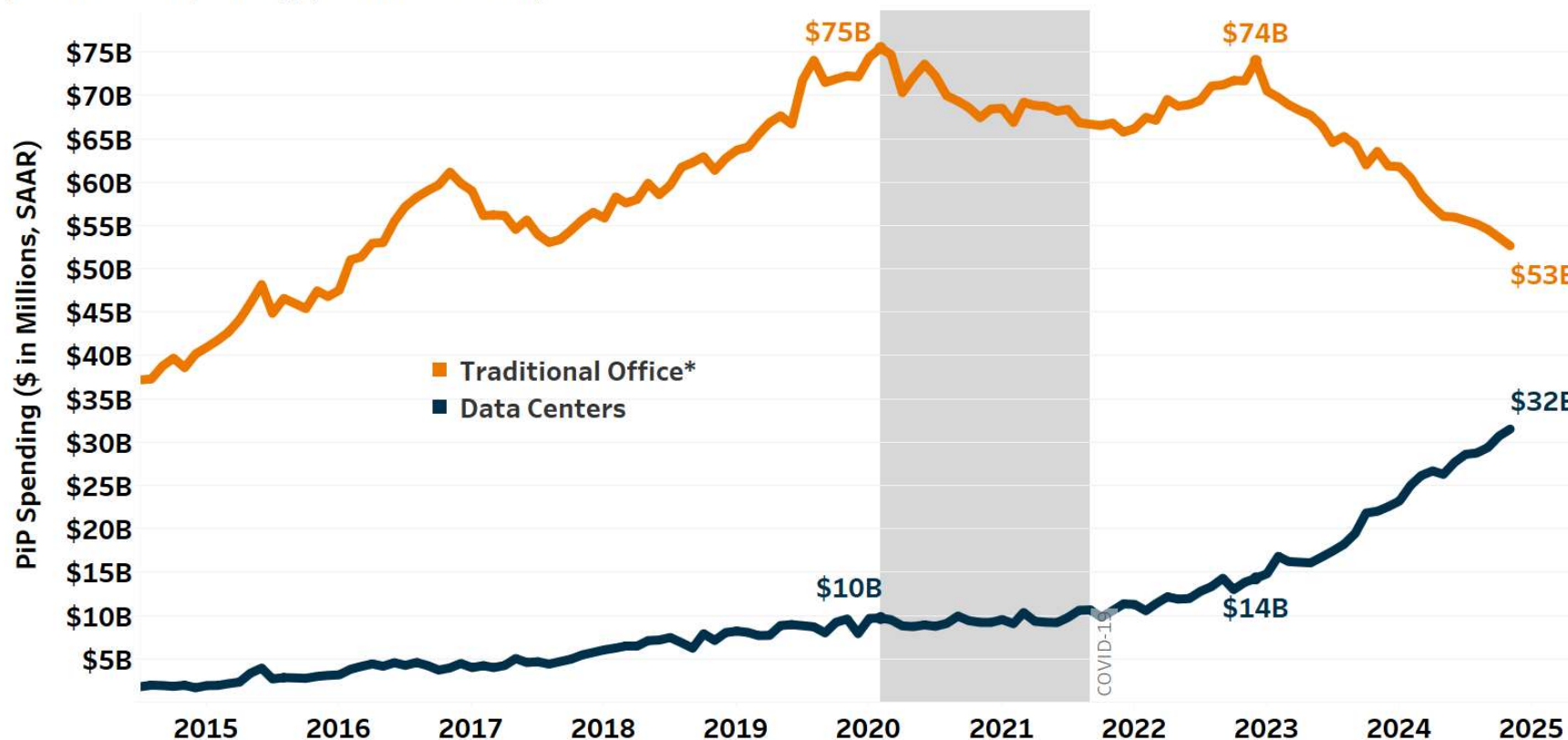


Source: 1Q2025 Starts forecast, ConstructConnect

Note: Miscellaneous Civil includes includes Parks, Landscaping, Railroad & Subway, Sidewalks, Curbs, Gutters, Military Non Building, Athletic Fields & Courts, Swimming Pools, Demolition (Civil), Electrical Work (Civil), Fencing, Machinery & Supplies, Pavement Markers, Tunnels, Miscellaneous (Civil), Sitework, Oil and Gas Pipelines in addition to power infrastructure
Medical Miscellaneous includes Medical Offices, Outpatient Surgery Centers, Imaging Centers

Data Centers Spending has Blunted Contracting True Office Construction

(Put-in-Place Spending, \$ in Millions SAAR)

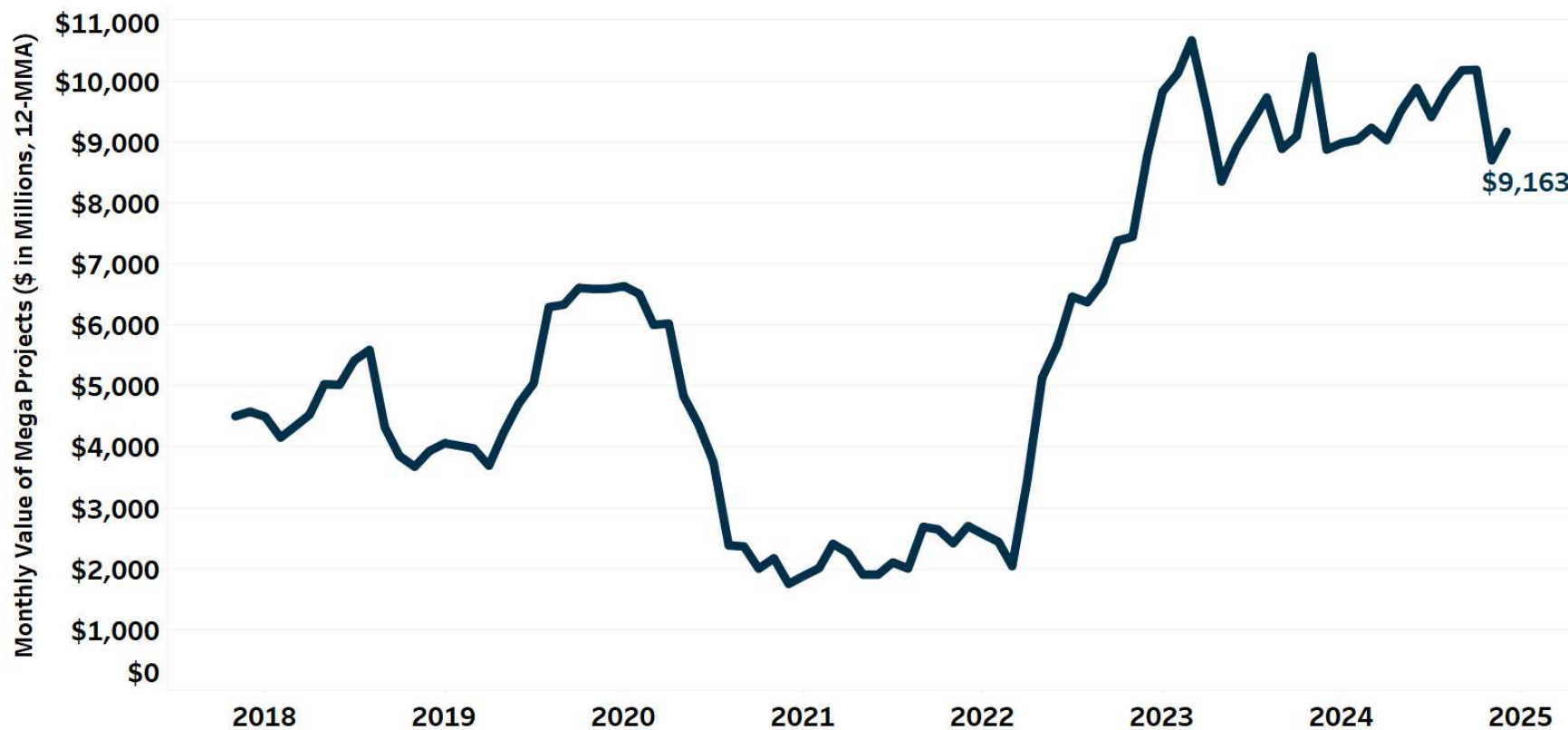


Source: Census Bureau, PiP Private Spending Monthly Tables

Note: "Traditional Office" is calculated as "Total Office" Less "Data Center" spending

U.S. Mega Projects Are Providing Substantial Support to the Industry

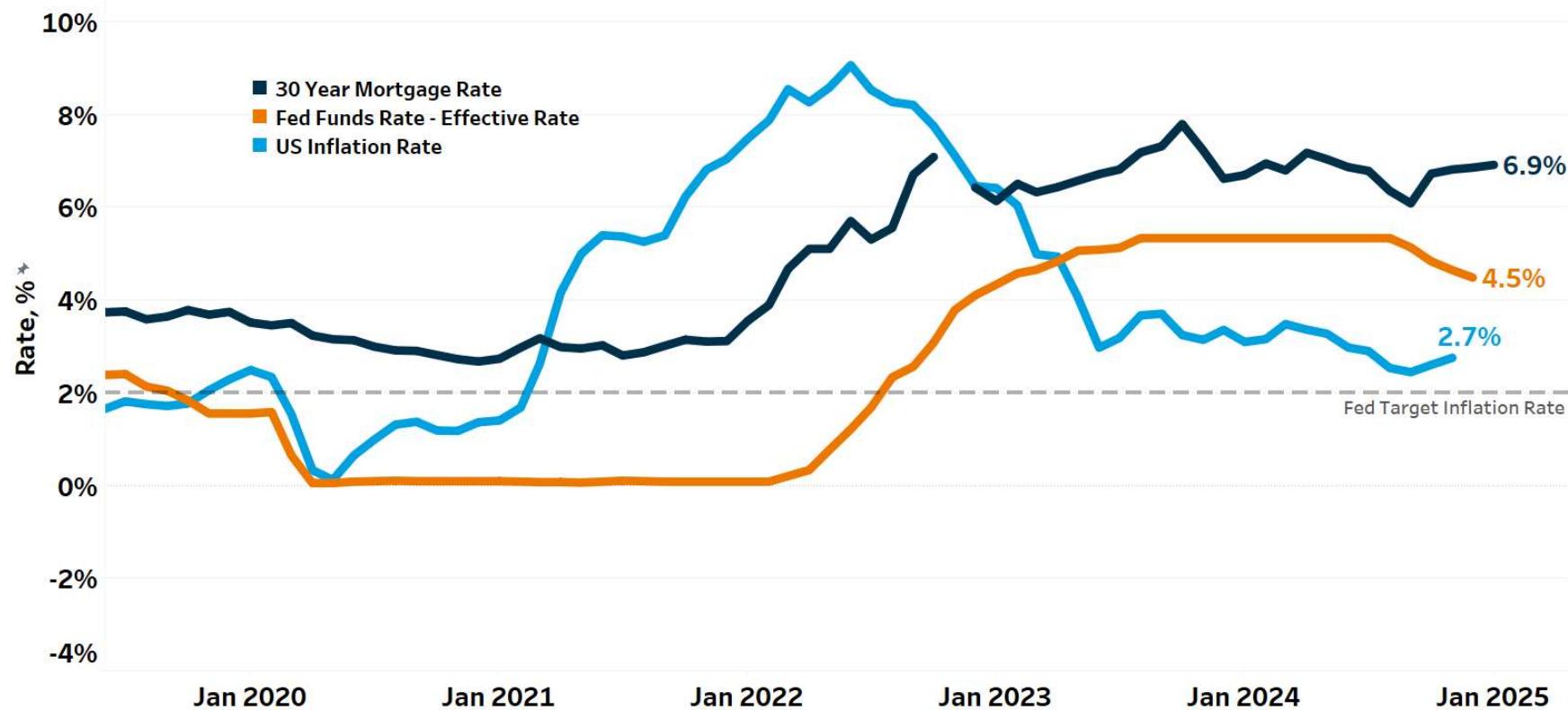
Average monthly value of \$1-billion and greater "mega" projects, (\$ in millions, 12-month moving average)



Source: ConstructConnect Project Intelligence / Construct Connect Insight Leads

Stubborn Inflation Will Lead To Higher Borrowing Costs for Longer

The Federal Funds Rate and inflation both influence mortgage and C&I rates



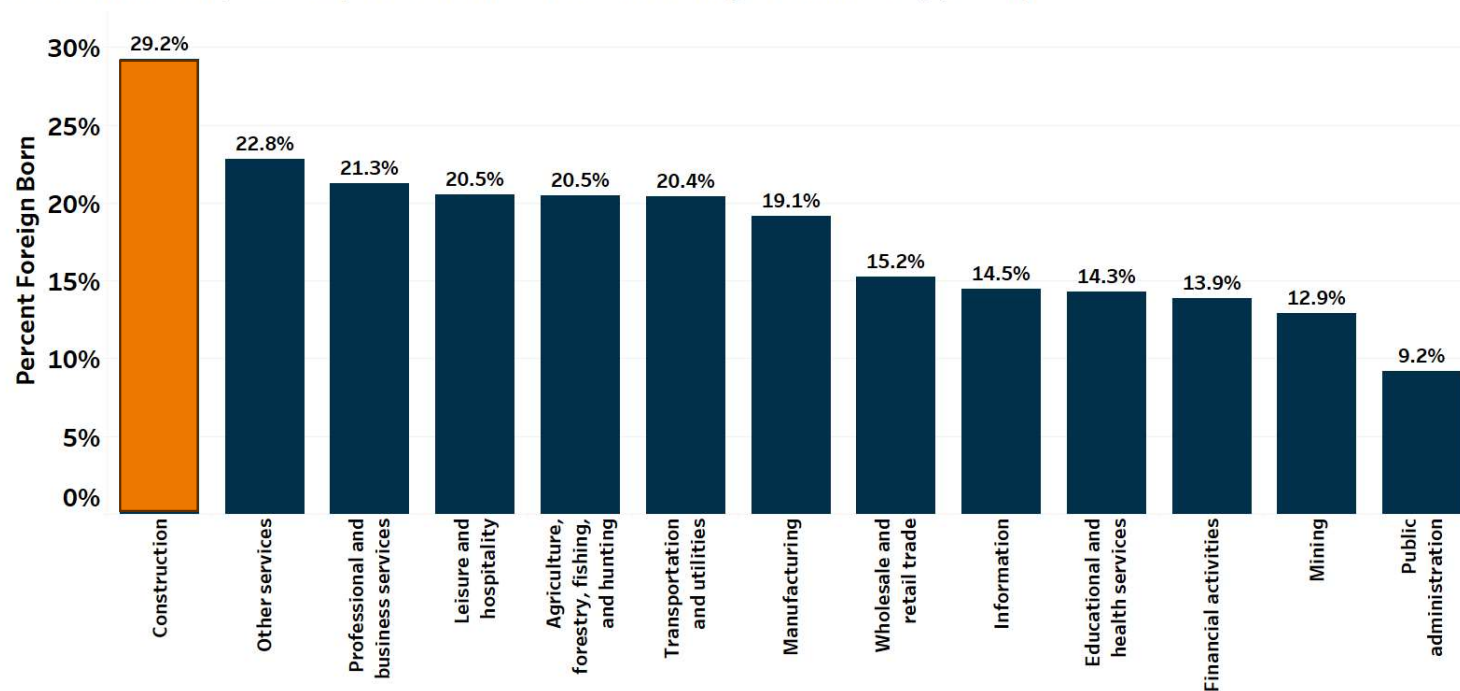
Sources: Fed Funds Rate, U.S. Federal Reserve; 30-Year Mortgage, Freddie Mac; Inflation, Bureau of Labor Statistics

Foreign-born Workers by US Industry

- By percentage of the workforce, construction would feel a greater impact than any other industry.
- Following behind are six industries all with about 1/5th of their workforce being foreign-born.

Number of Foreign Born Workers By Industry

Over 28M workers, or 14.7%, of the U.S. labor force was foreign born in 2022 (#, count)



Source: Census Bureau

Connect & Send your questions



To learn more visit:
<https://www.constructconnect.com/economic-resources>



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