Project Stress Index: 123.0, +4.9%

Weekly Report: November, 20 2023
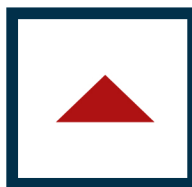
Composite Overview

The project stress index composite represents an equal-weight measure of the seasonally adjusted level of pre-construction projects that have experienced a delayed bid date, have been placed on hold, or have been abandoned in the last 30-days. For the week ending November 20th, 2023, the Index registered 123.0, indicating that last week's project stress conditions were 23% above their 2021 average level. The Index increased by 4.9% week over week, bringing it to its highest level since April 2023. The latest reading was driven higher by a 9.0% and 7.9% increase in on hold and abandoned project activity respectively compared to a week ago. The level of bid date delayed projects decreased by 2% in the latest result. Similar to the first quarter of 2023, abandoned project activity is once again substantially leading the Index higher over a sustained multi-month period.
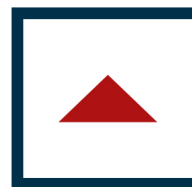
Components Monitor

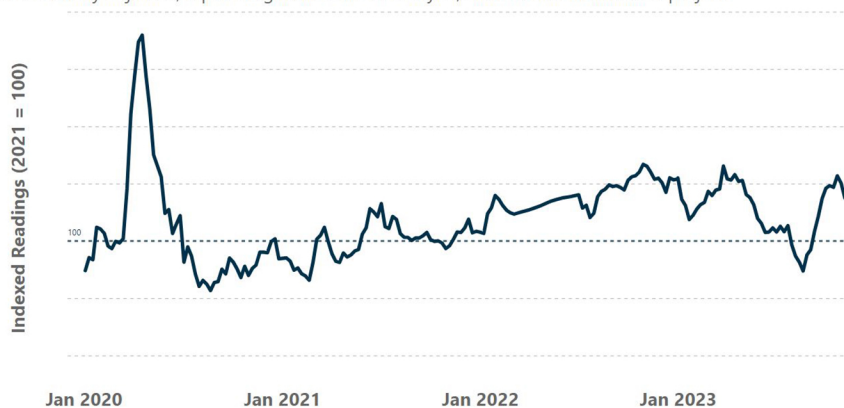| Delayed Bid Date	On Hold	Abandoned

Project Stress Index Composite
A seasonally adjusted, equal weight measure of delayed, on hold and abandoned projects

Source: ConstructConnect

Sector Status Update

Public and private sector project stress results can trend independently of one another in part due to their different funding mechanisms. There have been several notable trends in recent project stress data by sector. Third quarter levels of public projects put on hold have slowly trended lower which is directionally in keeping with its past years of seasonal cyclical movement. However, this year's third quarter rate of decline is far shallower compared to past years suggesting greater industry stress. Further, private and public abandoned project readings in the last two weeks have diverged significantly with week-on-week declines in public levels, but rising private levels which are once again nearing 1-year highs. This late-year surge in abandoned private projects is well outside of cyclical expectations. In contrast to current results, comparable abandoned private project levels during each of the last two years were much lower as they