

Project Stress Index: - 9.3%

Weekly Report: July 1, 2023



ConstructConnect's Project Stress Index for the 30-day period ending July 1, 2023, finished 9.3% lower than its year-ago level, and 2.6% higher than a week ago. Compared to a week ago, the level of projects that were abandoned or had their bid date delayed increased, while the level of projects on hold declined. In the final week of the second quarter, only the level of projects on hold is significantly different from year-ago results, with a substantial 24% decrease. This contrasts markedly with the minimal year-on-year difference measured in the Index's two other stress series.

Project Stress Index: US Civil and Building Projects

Level of civil and building construction projects that are delayed, on hold, and abandoned



Source: ConstructConnect, data through July 1, 2023

SUBCOMPONENT INDEXES OF THE PSI

	Year Ago	Week Ago	Latest	% Changes Latest Versus	
				Year Ago	Week Ago
Bid Date Delayed	127.3	114.1	122.1	-4.1%	7.0%
On Hold	139.0	112.2	105.8	-23.8%	-5.7%
Abandoned	104.8	101.6	108.7	3.7%	6.9%
TOTAL	123.7	109.3	112.2	-9.3%	2.6%

Projects with Delayed Bid Dates: The level of delayed bid projects—the most common but also the lowest form of measured project stress—increased by 7% in the latest week, narrowing its year-on-year change to just -4%. While it is worth noting that delayed bid levels, especially during the first quarter of the year, witnessed a sustained lull compared to a year ago, recent months of rising readings have only returned the series to near year-ago levels.

Projects On Hold: The level of projects on hold fell for a second week, extending a declining trend that began in late May. At the end of the second quarter, the series had fallen by nearly 24% from its year-ago levels, making it the only series that remains substantially different based on year-ago comparisons.

Projects Abandoned: Although a relatively small proportion of all stressed projects, abandoned projects represent the highest form of project stress. The downward trajectory of weekly abandoned project levels since April has diverged from cyclical expectations, which anticipate increasing counts through the third quarter. Declining numbers of abandoned projects in today's rising interest-rate environment may be an indicator of the industry's strength and of the resilient demand for construction work.