

Project Stress Index

Weekly Report: August 14th, 2023



Overview

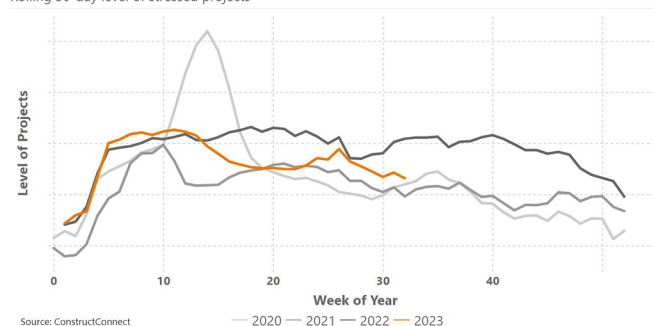
Stress readings in the week ending August 12th provided further encouraging news for the industry. Delayed and On hold project levels both fell during the latest week. Historically the third quarter of the year marks the seasonal apex in on hold and abandoned project levels; however, 2023 levels thus far are on track to be their lowest since 2020. These encouraging results have come notwithstanding rising bank standards for CRE loans and higher financing costs.

Delayed Bid Date Projects:

Week-on-week delayed bid date project levels continue to decline since reaching a localized high in late June. Current levels are well below the levels of a year ago. The cyclical behavior of past years suggest that project levels will continue to fall during the second half of the year.

Project Stress Indicator: Bid Date Delayed

Rolling 30-day level of stressed projects



Source: ConstructConnect

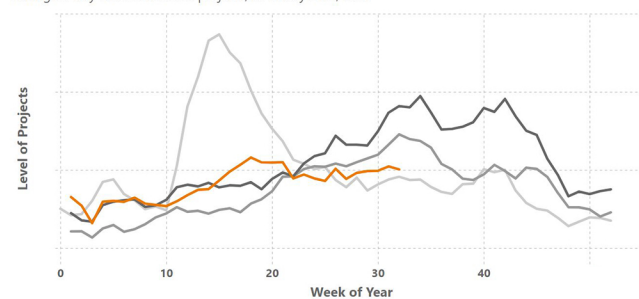
— 2020 — 2021 — 2022 — 2023

On Hold Projects:

The level of on hold projects has remained flat to slightly increasing since late-May. Recent months of near unchanging results contrasts with the series' historical cyclical behavior. Historically on hold project levels accelerate and climax during the third quarter.

Project Stress Indicator: On Hold Levels

Rolling 30-day level of stressed projects, as of July 24th, 2023



Source: ConstructConnect

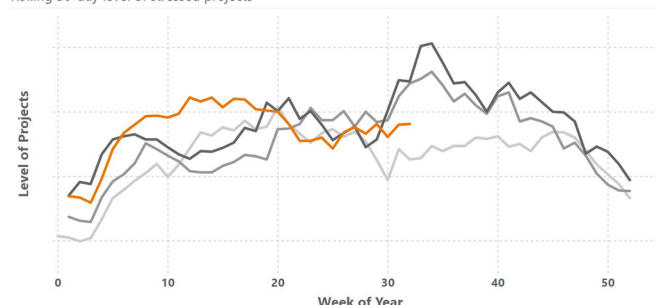
— 2020 — 2021 — 2022 — 2023

Abandoned Projects:

Abandoned project levels have remained largely unchanged in the second half of 2023. Similar to the recent behavior on hold levels, abandoned project levels cyclically climax in the third quarter; however, the latest results have not expressed such behavior.

Project Stress Indicator: Abandoned Levels

Rolling 30-day level of stressed projects



Source: ConstructConnect

— 2020 — 2021 — 2022 — 2023