



US Data Centers and Their Manufacturing Opportunities

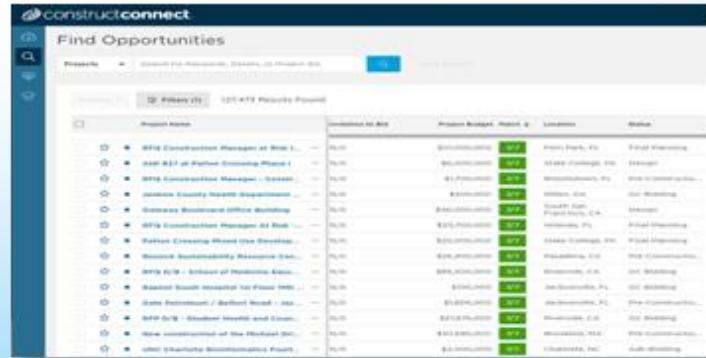
Michael Guckes
Chief Economist

October 2026



About ConstructConnect

Project Data



Identify the best opportunities for your business and understand the competition.

A SaaS tool that helps you find construction projects, keep track of bids, and stay on top of new opportunities. It includes trusted data on non-residential projects and leads, along with insights into market activity and future construction trends.

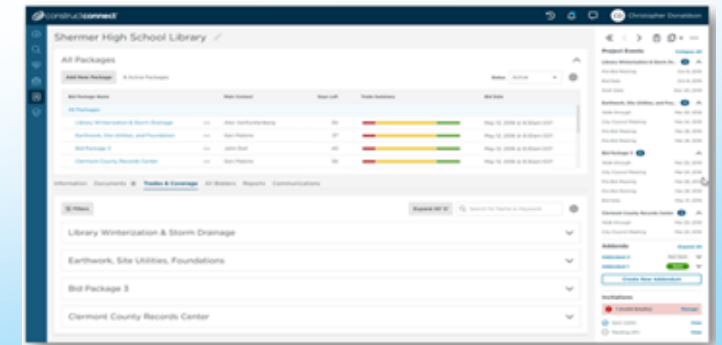
Takeoff + Estimating



Create an accurate, digital takeoff and estimate to put your best bid forward.

Software to scope material and labor needed for a project to create the foundation for a bid. AI-assisted takeoff for interior finishes, walls, and areas.

Bid + Risk Management



Find the right subcontractors to hire for a project.

Software to connect with qualified subcontractors and invite them to bid on upcoming projects.

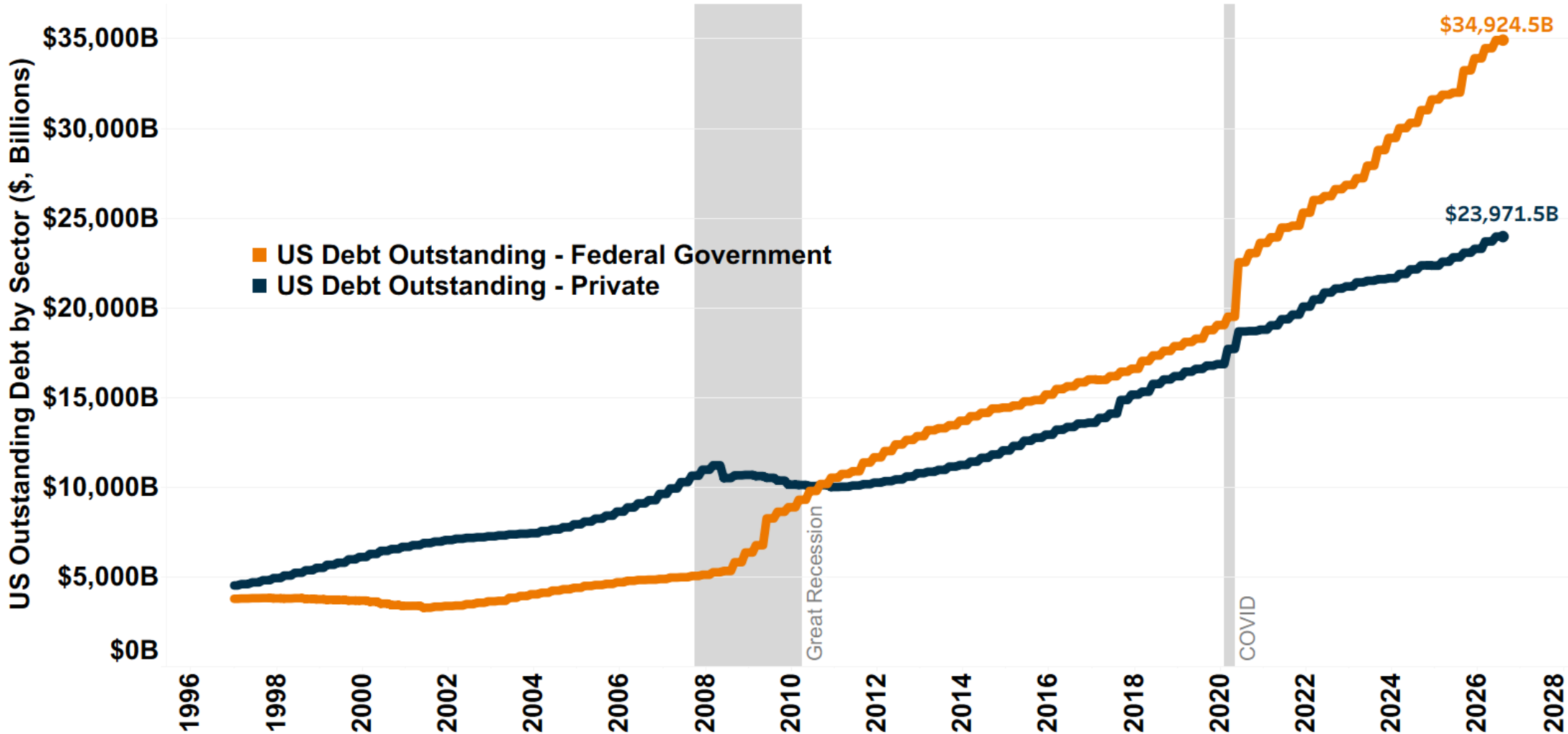
5-Year Macroeconomic Forecast

Summary forecasts								
(Annual percentage changes unless specified otherwise)								
	2023	2024	2025	2026	2027	2028	2029	2030
US								
Macro variables								
GDP	2.9%	2.8%	2.1%	2.3%	2.7%	2.6%	2.5%	2.6%
Population growth	0.8%	0.9%	0.6%	0.2%	0.2%	0.2%	0.3%	0.3%
Unemployment rate (%)	3.6%	4.0%	4.3%	4.3%	4.3%	4.2%	4.2%	4.2%
Real disposable income	5.7%	2.9%	1.7%	0.9%	3.0%	2.7%	2.9%	3.0%
Central bank rate (%)	5.1%	5.2%	4.2%	3.6%	3.5%	3.1%	3.1%	3.1%
10-year government yield (%)	4.0%	4.2%	4.3%	4.3%	4.2%	4.2%	4.2%	4.2%

Source: Oxford Economics, August 2026

Debt "Demand" in Both Sectors is Driving Interest Rates Higher

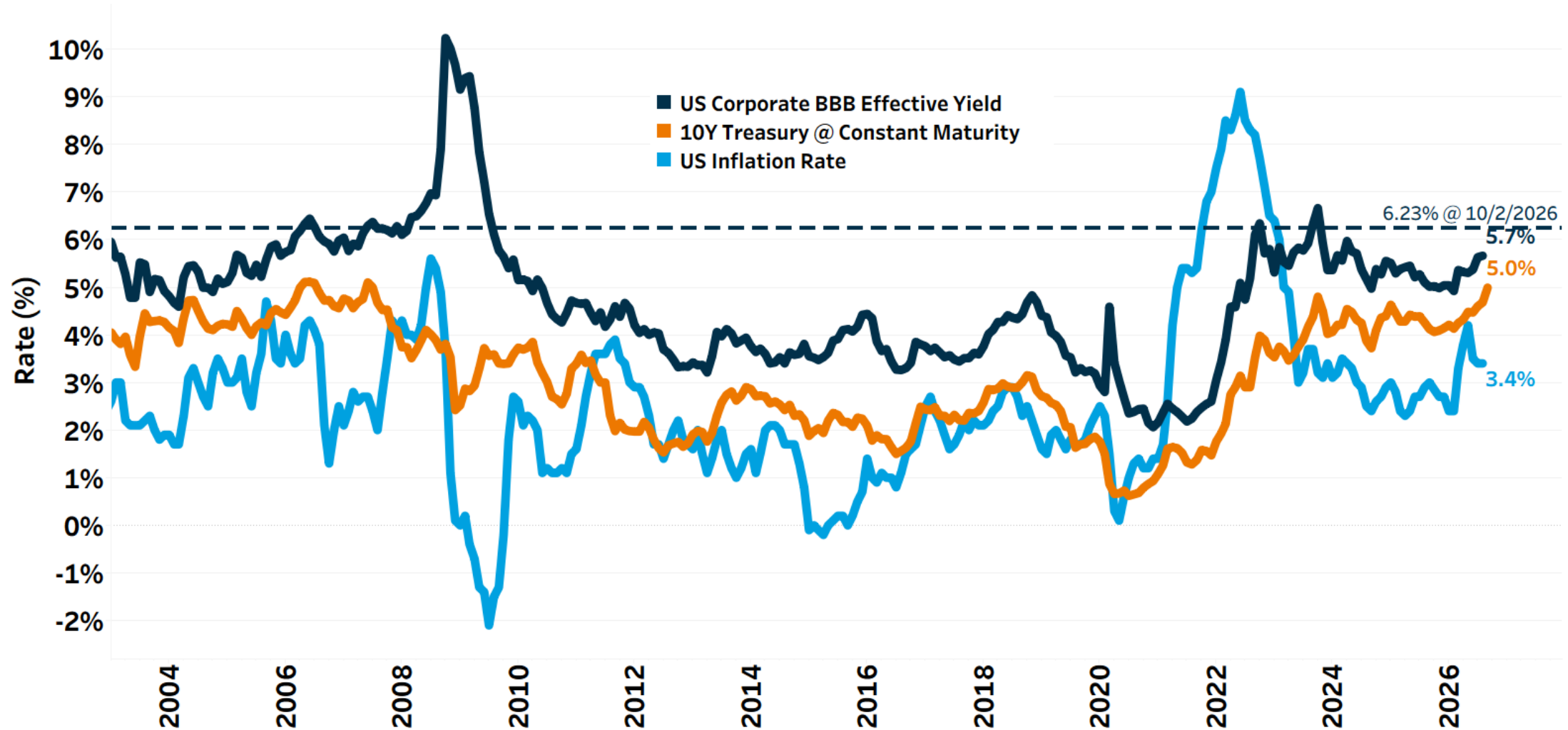
This is made worse by pre-existing inflation expectations, Total Debt in (\$, Billions)



Sources: Federal Debt, Federal Reserve; Private Debt, Federal Reserve
Government debt shown excludes obligations the government owes to itself, (~\$5 billion)

Capital Costs Are Unlikely to Fall Without Improvements to Inflation

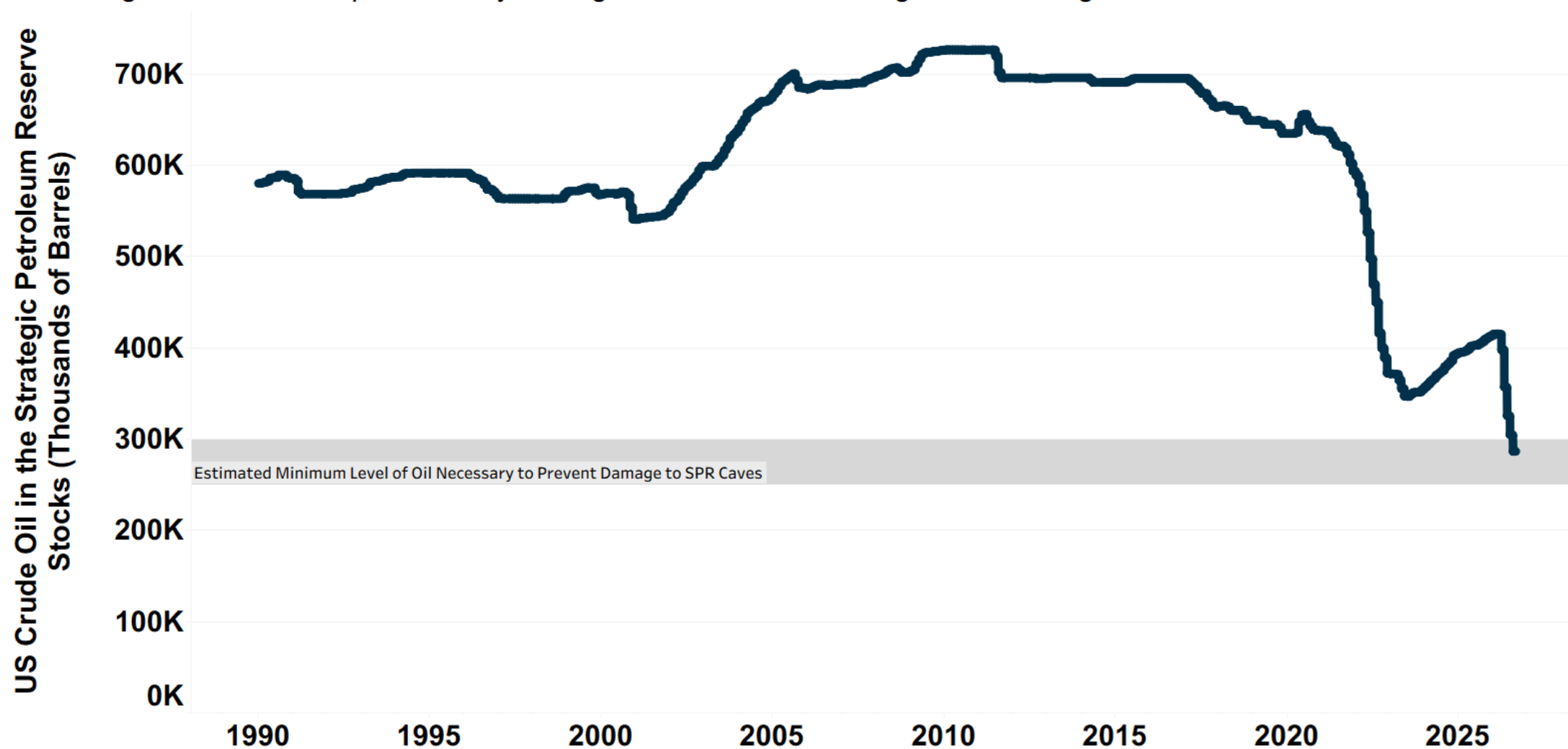
Inflation acts as a floor to debt rates



Sources: U.S. Federal Reserve

The US Strategic Petroleum Reserve is at Historic Lows

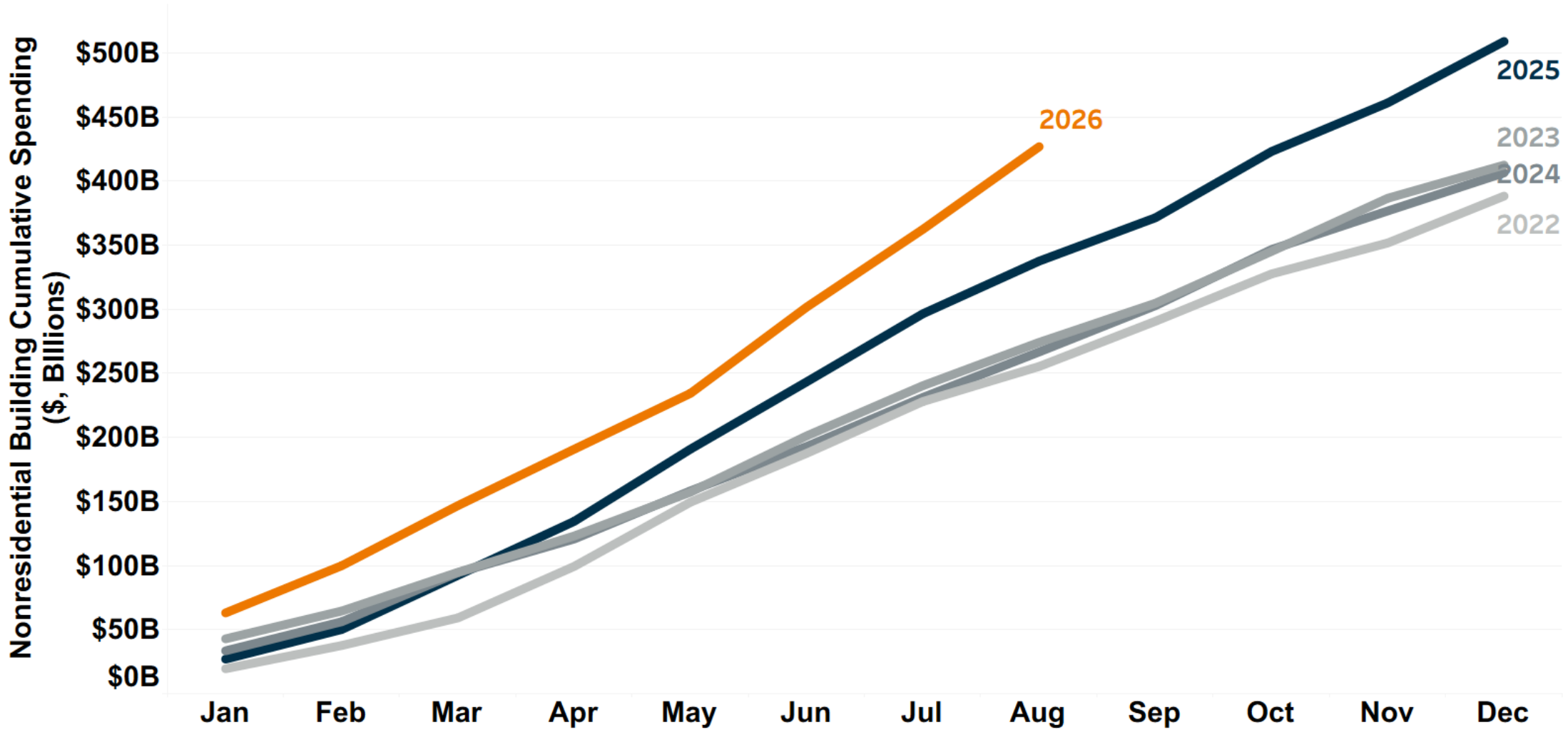
Removing further oil could permanently damage the salt caves holding the remaining oil.



Source: U.S. Energy Information Administration, Weekly Petroleum Status Report

Nonresidential Building Cumulative Spending by Year

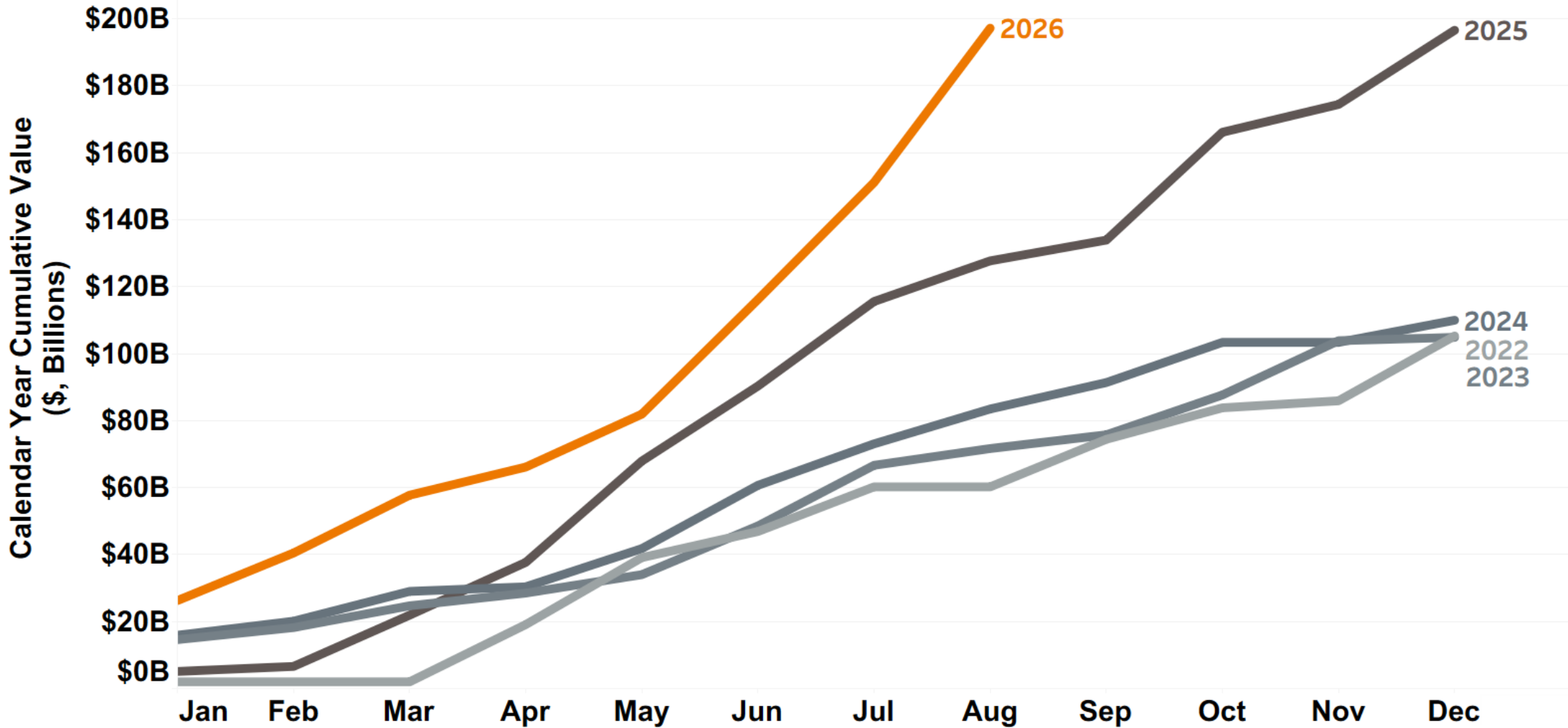
Monthly starts compared to year-ago levels have collapsed once again (YoY, %)



Source: ConstructConnect, Industry Snapshot

Megaprojects Are Reshaping The Construction Landscape

YTD 2026 "megaprojects" (all projects over \$1 billion in value) are running at double the pace of 2024



Source: ConstructConnect

The Impact of Megaprojects Starts is Tremendous

- Prior 12-month total of \$266B, or \$22.2B/mo (12-MMA)
- More than one-quarter of all NR spending

YTD Top 5 Verticals

Commercial (45%)

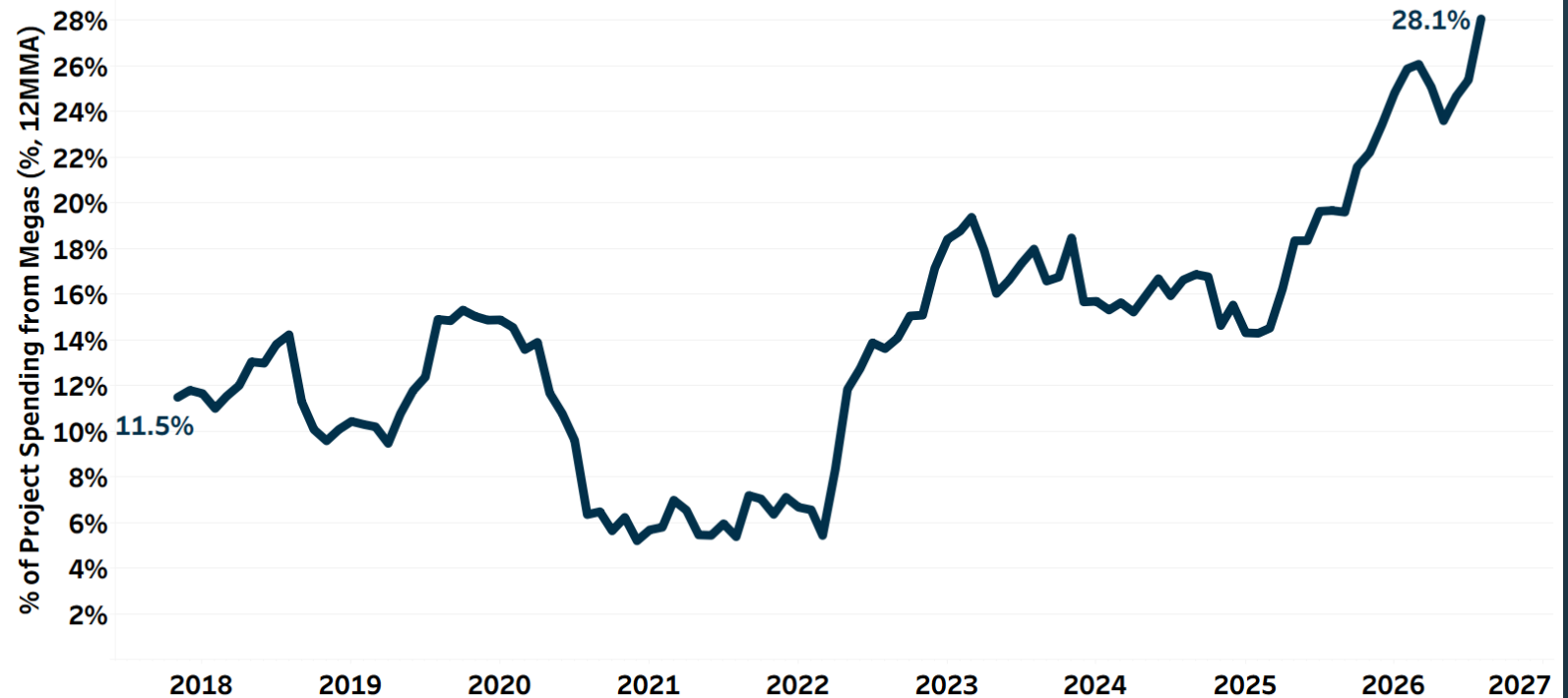
Industrial (26%)

Civil (21%)

Institutional (5%)

Other (2%)

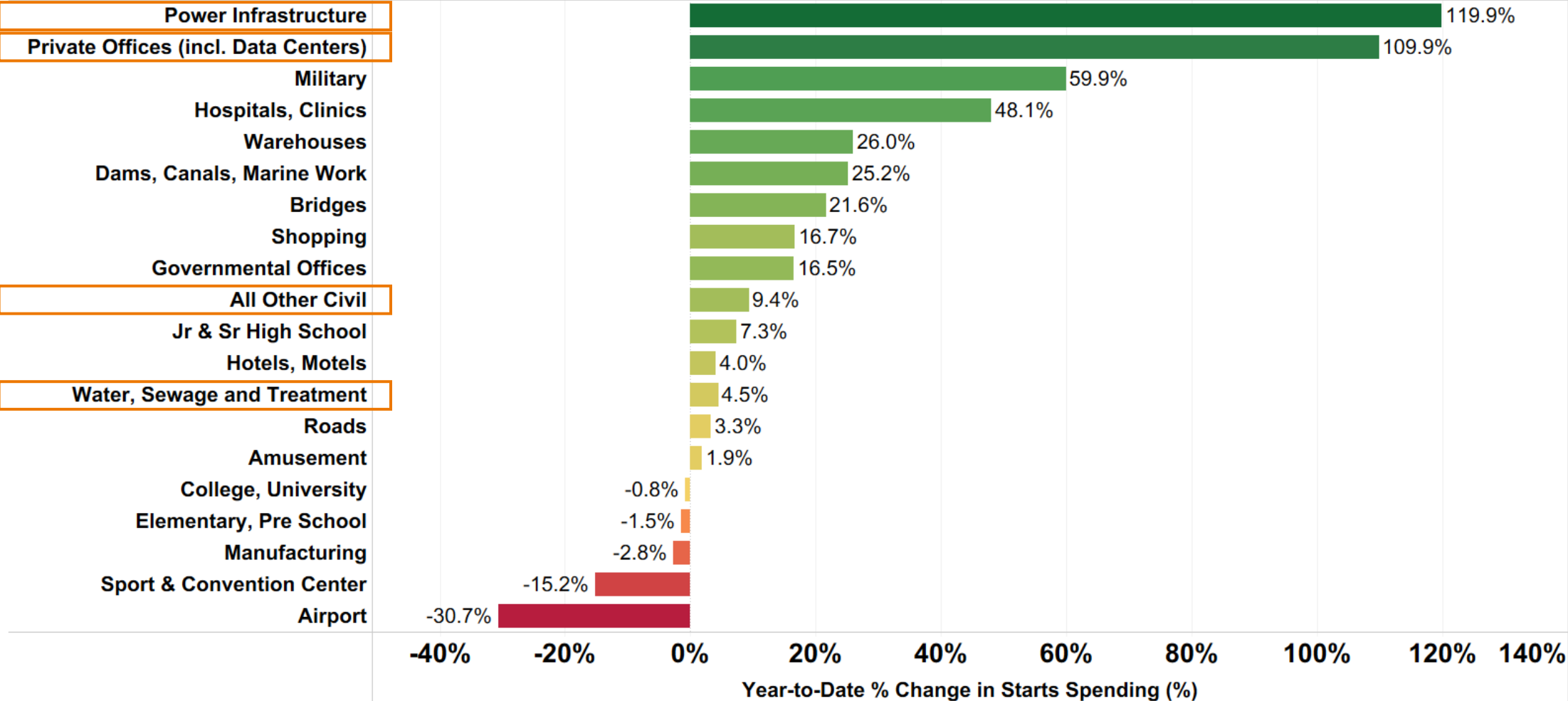
Megaprojects As a Percentage of All Nonresidential Spending Hit Record High
Spending as a percentage of all nonresidential starts (% Rolling 12-Months)



Source: ConstructConnect CCPI

2026 Year-to-Date US Construction Starts For The Top-20 Subcategories

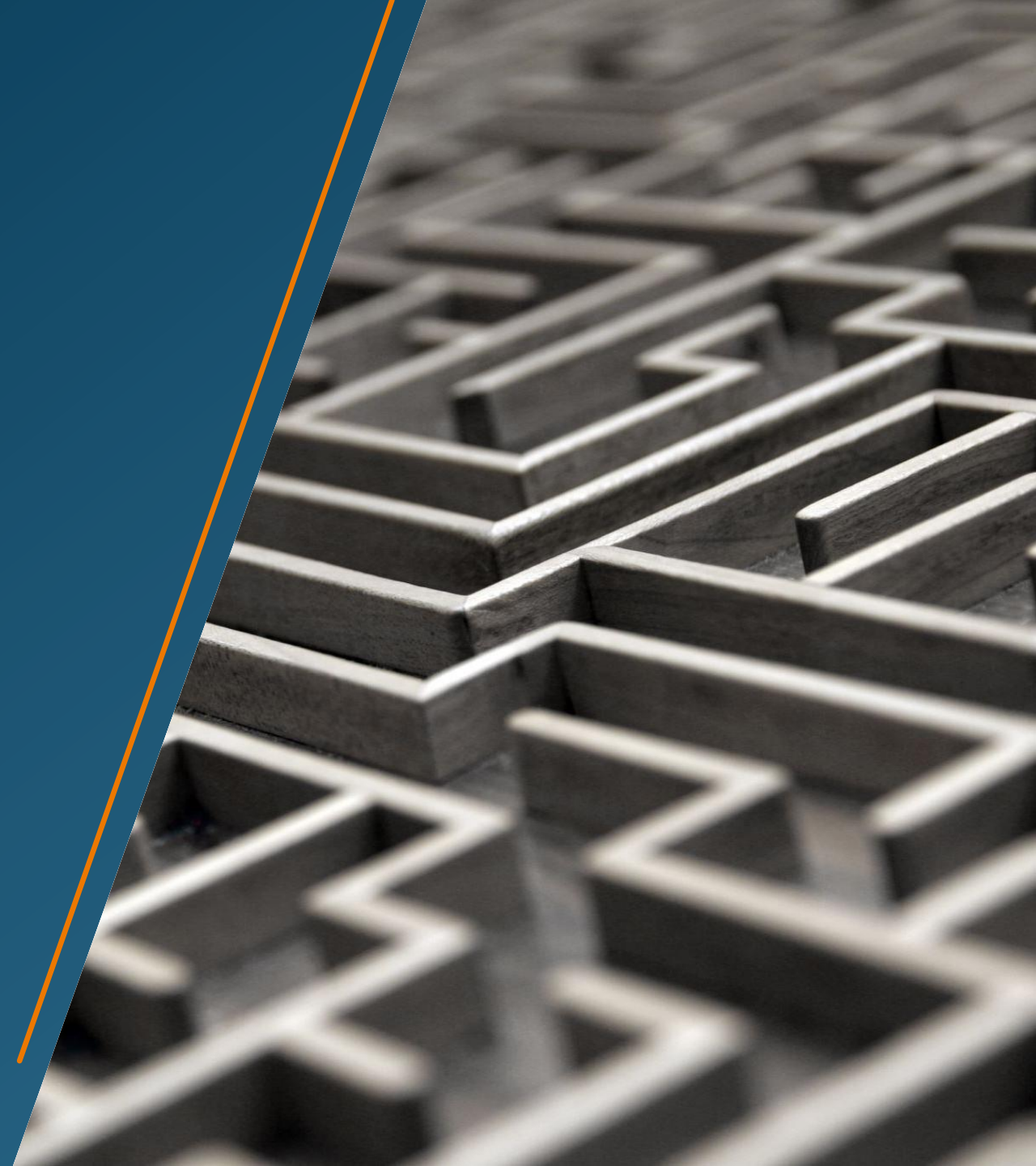
Top-20 ranked by total starts spending over the prior two calendar years



Source: ConstructConnect Industry Snapshot, Top-20 ranked by total spending in past two calendar years.



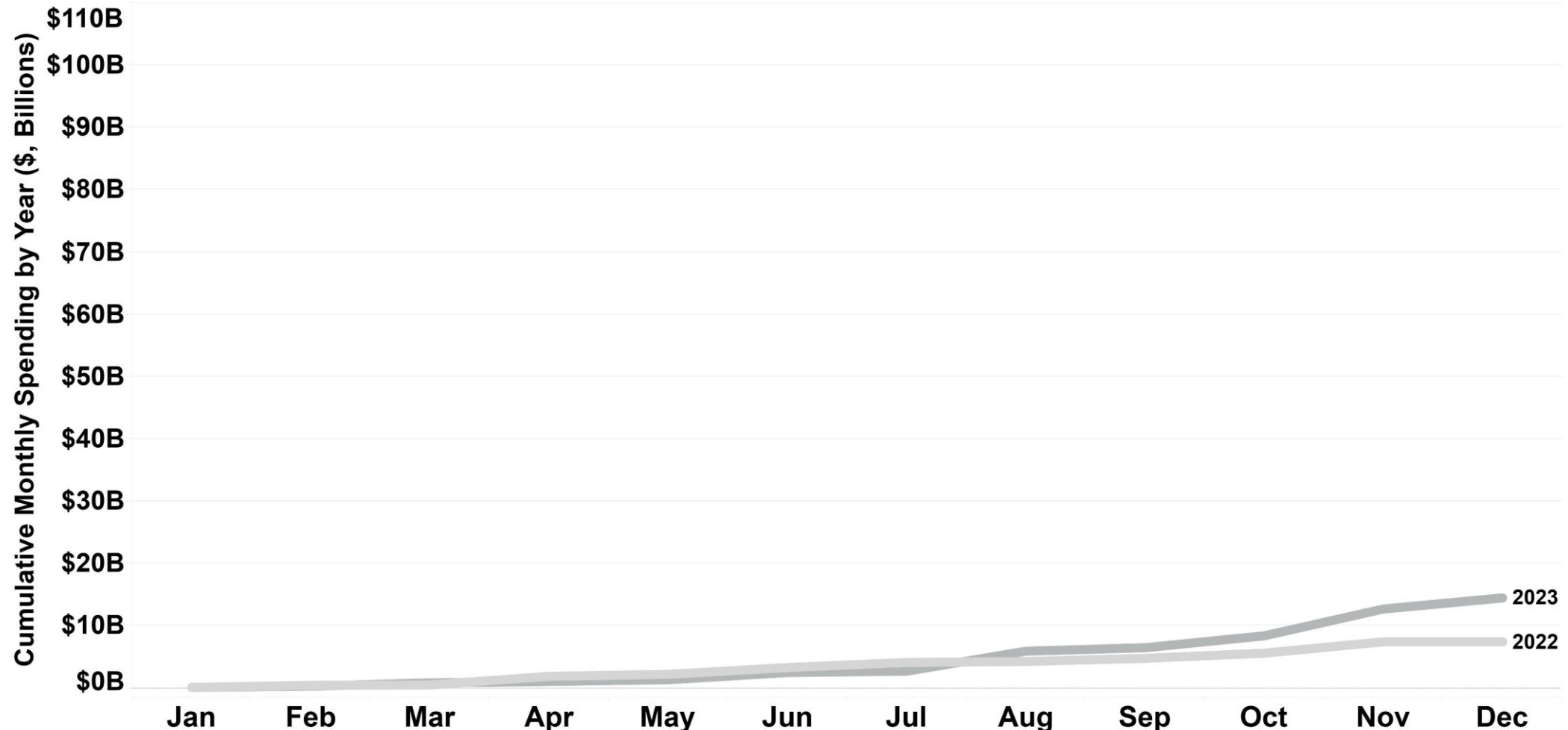
A Primer on Data Center Construction



Data Center Activity Has Exploded In Just The Last Two Years

Cumulative Datacenter Starts Spending by Year

Year-to-date 2026 spending trend leaves last year's blockbuster results in the dust (\$, Billions)

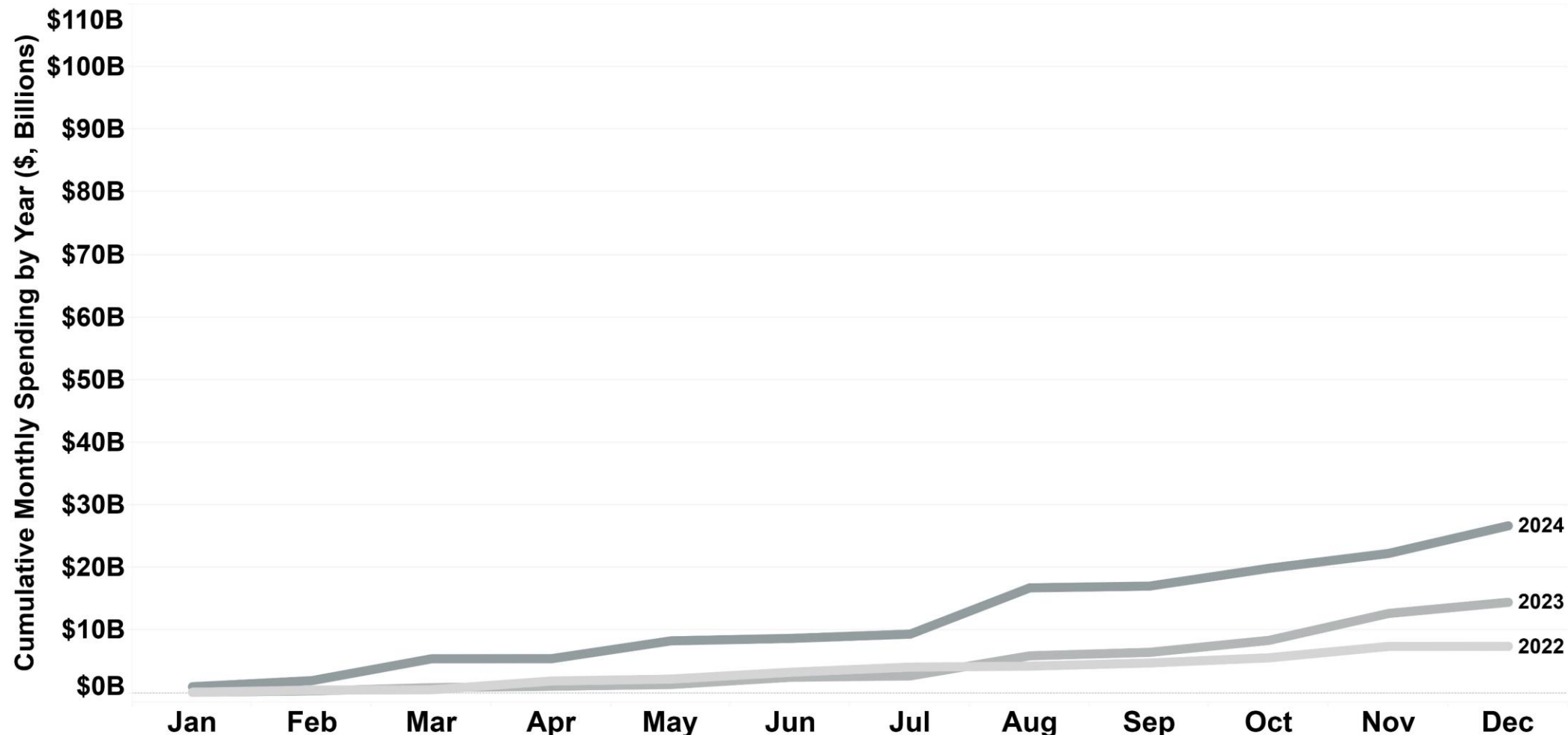


Source: ConstructConnect Project Intelligence

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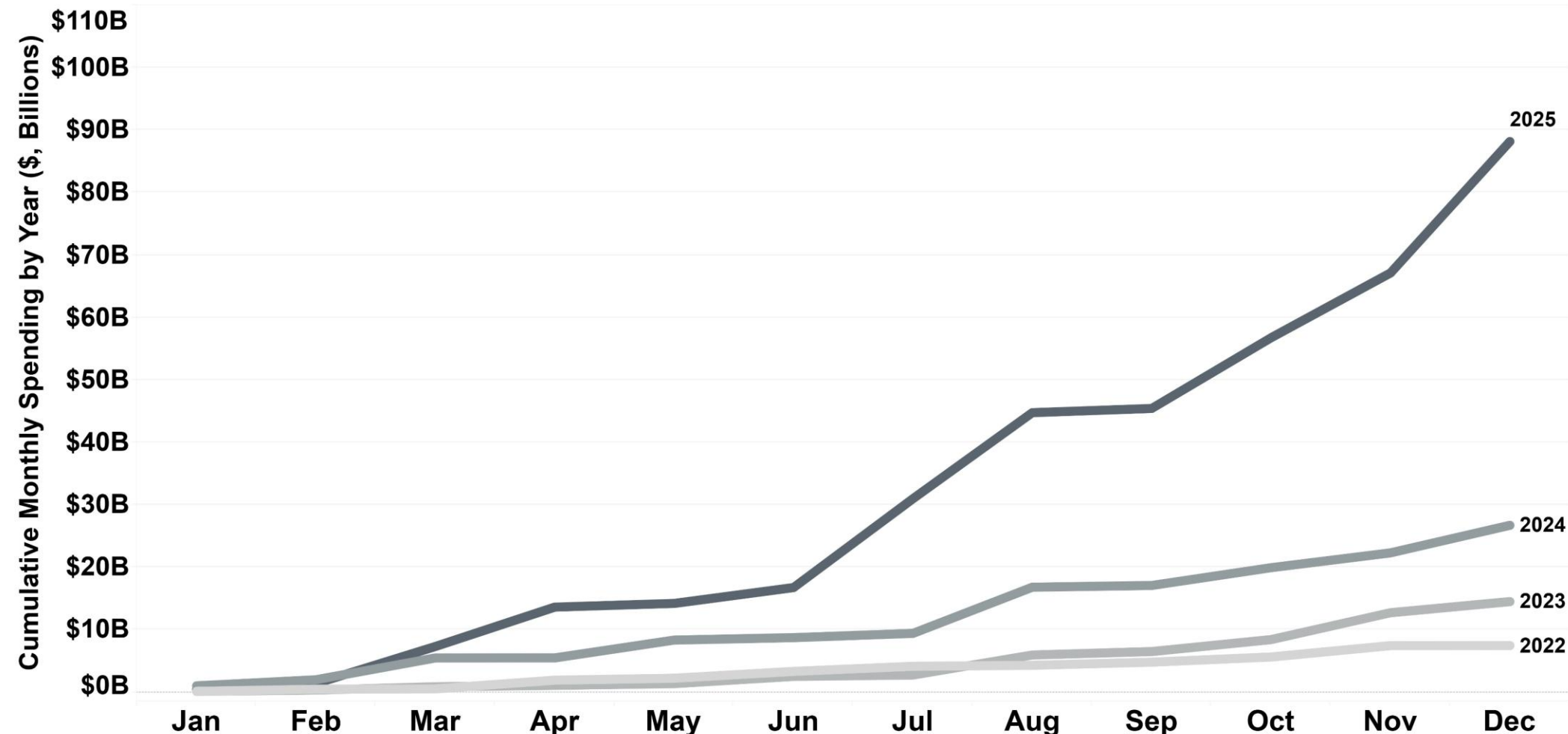


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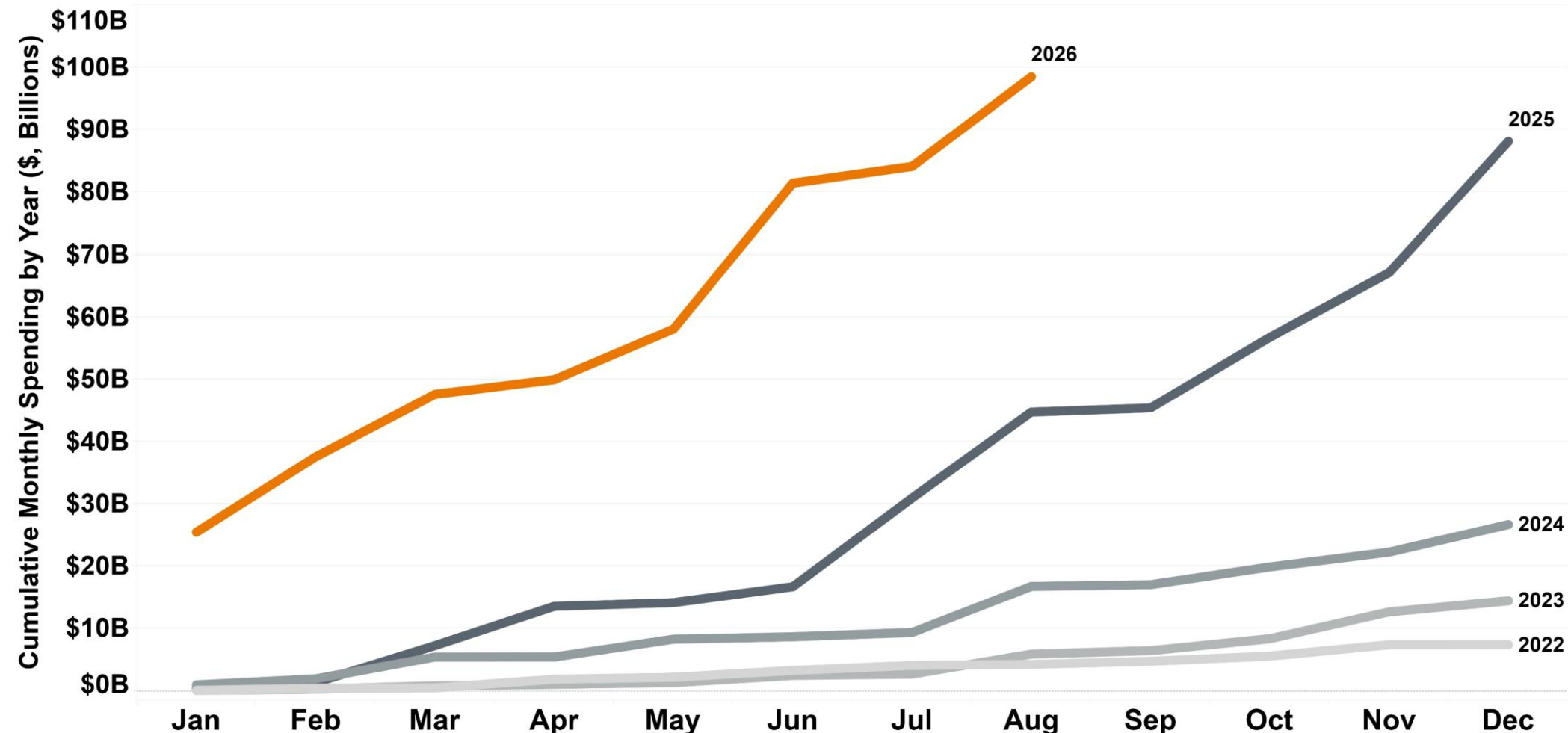


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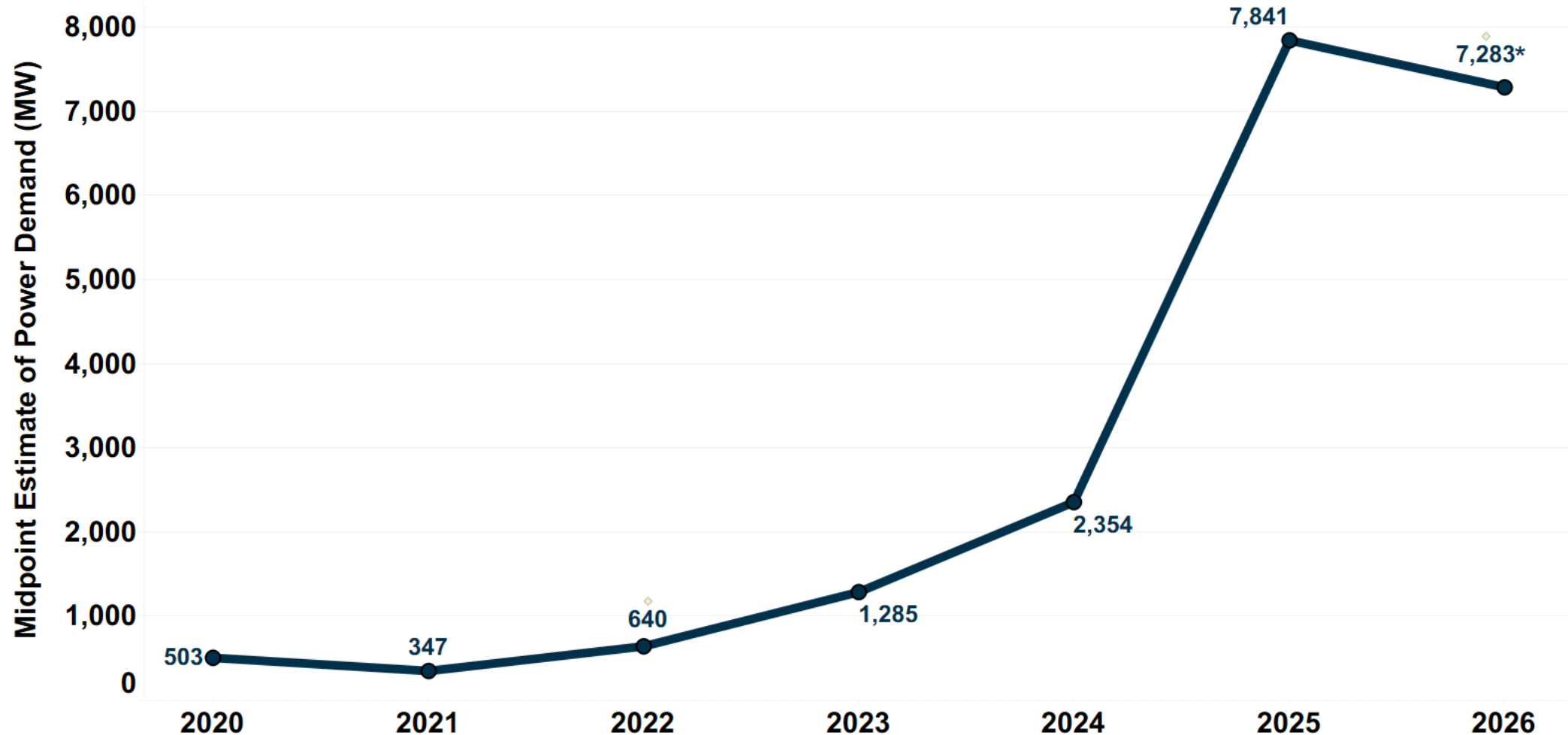


Source: ConstructConnect Project Intelligence

Annual New Power Demand Exceeds 7GW/Yr and Rising

Estimated Power Consumption of New Data Centers Breaking Ground by Year

(Mipoint estimate in megawatts, *2026 value YTD)

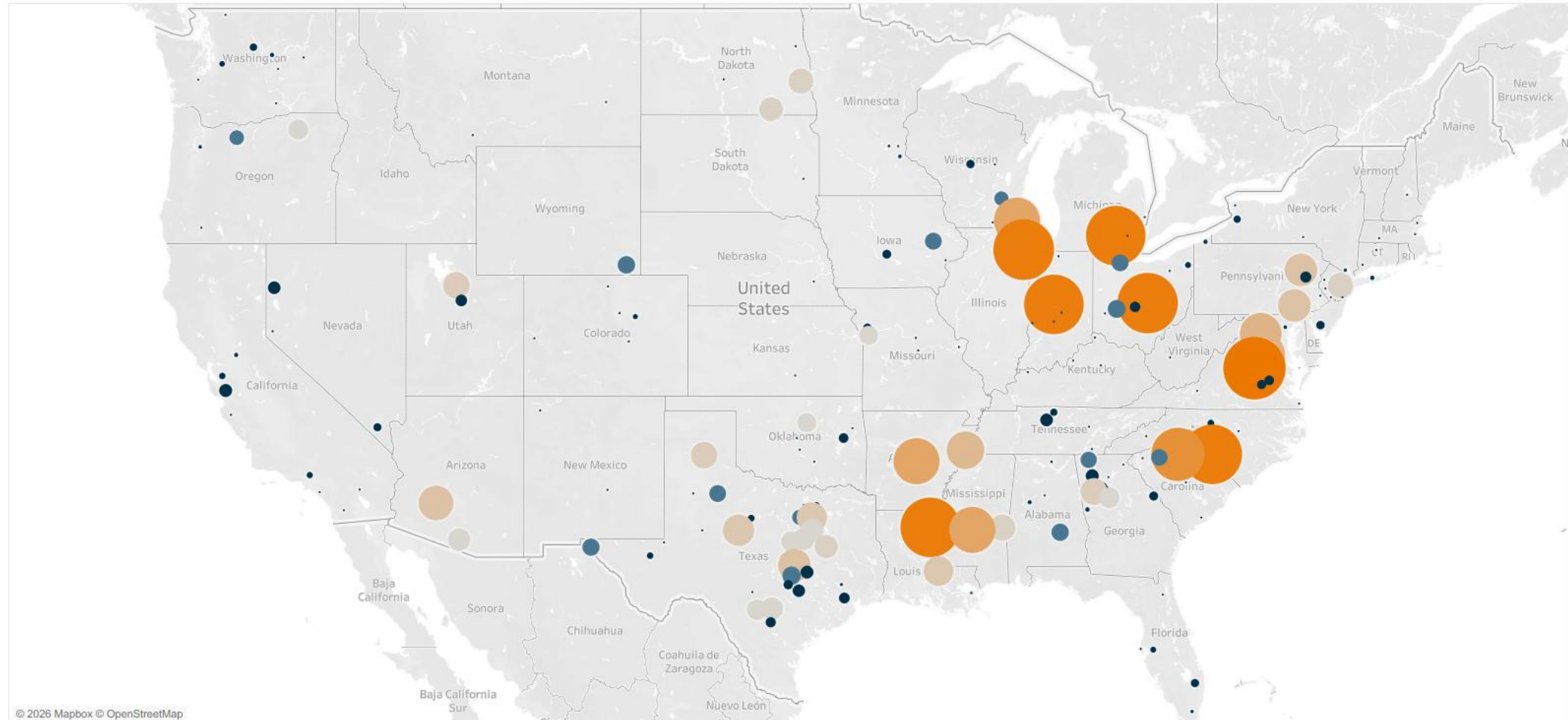


Source: ConstructConnect, Author's calculations

Construction is Not Geographically Uniform

Value of Datacenter Ground Breakings Since 2025

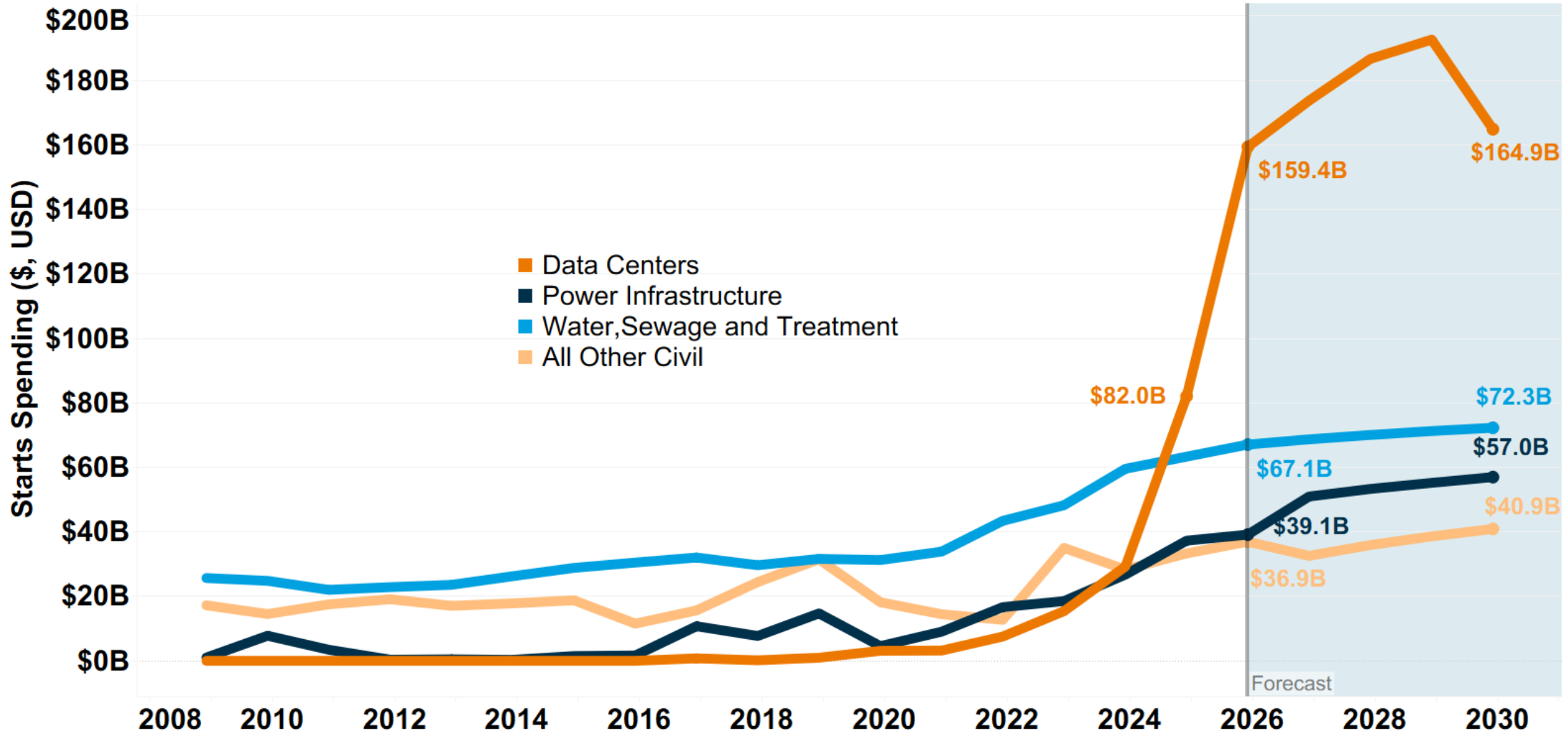
Size represents total starts value by county



Source: ConstructConnect

The "Data Center Story": Office, Power and Water

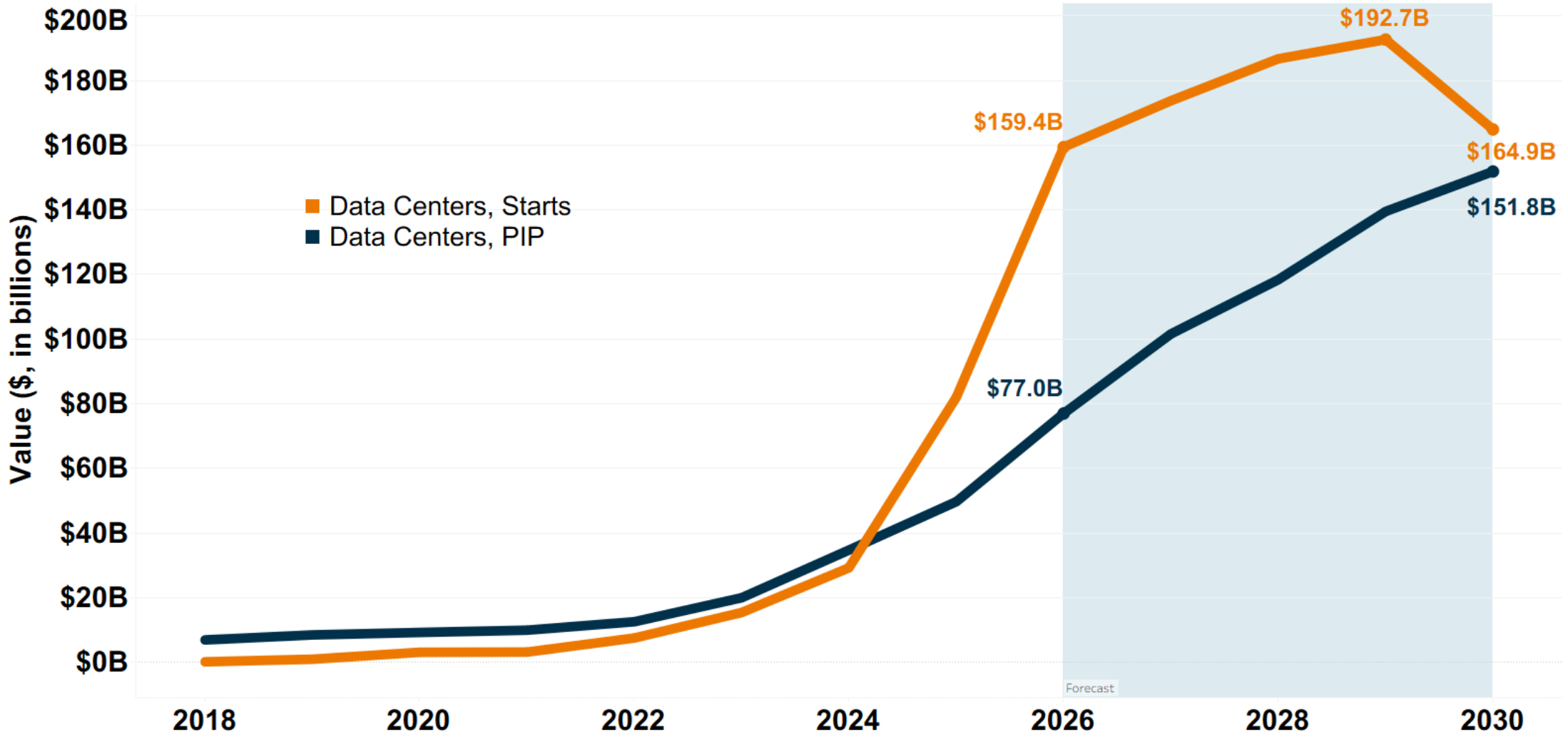
Billions of \$ USD not seasonally adjusted and YoY% change



Source: ConstructConnect Starts Forecast, 3Q2026 Release. Forecasts: Oxford Economics and ConstructConnect / Charts: ConstructConnect

U.S. Data Centers Starts and Put-in-Place Forecast

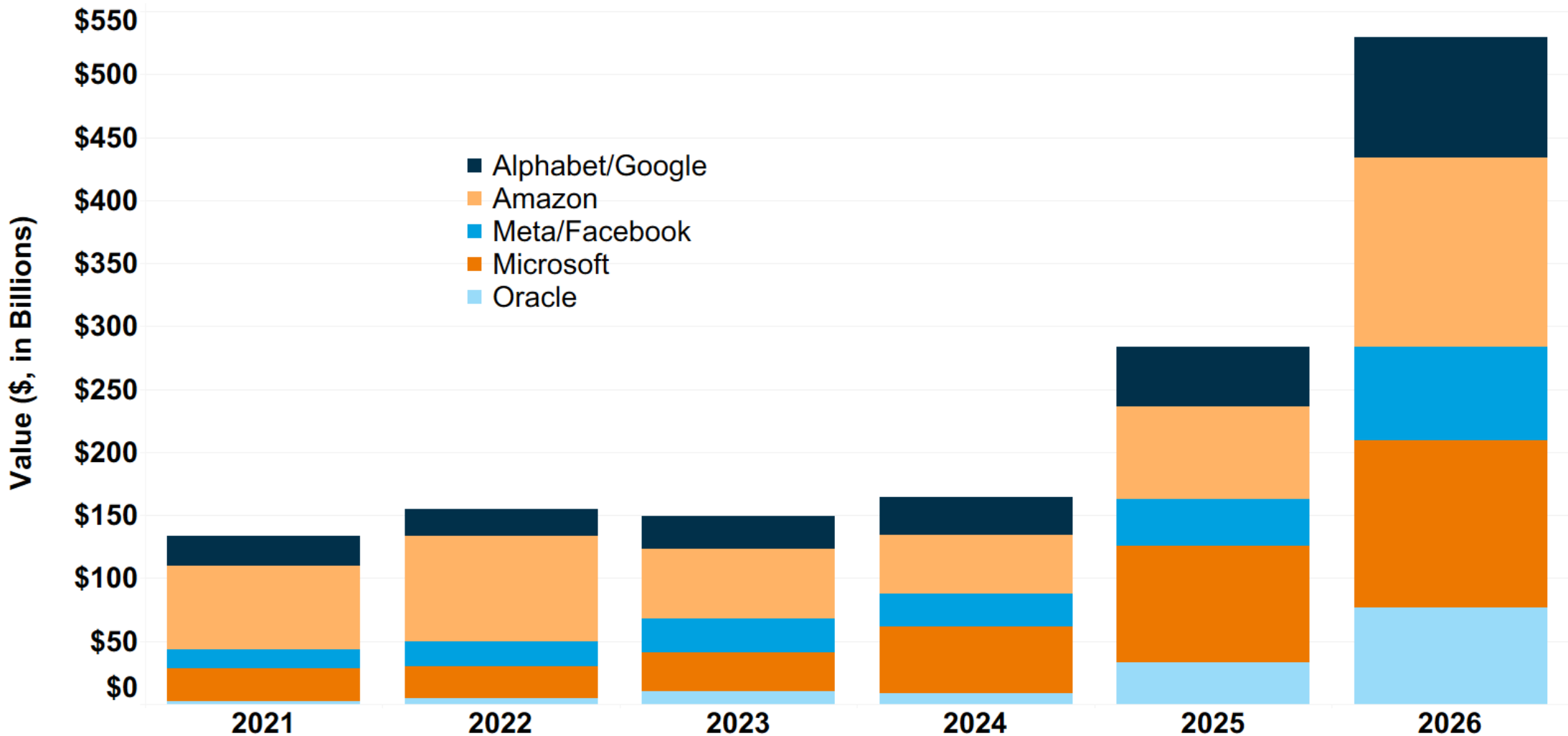
Physical construction spending will need years to catch up with the surge of current and forecasted data center starts



Source: 3Q2026 ConstructConnect Starts Forecast, 3Q2026 ConstructConnect Put-in-Place Forecast

Change in Select Hyperscalers Annual PP&E Spending

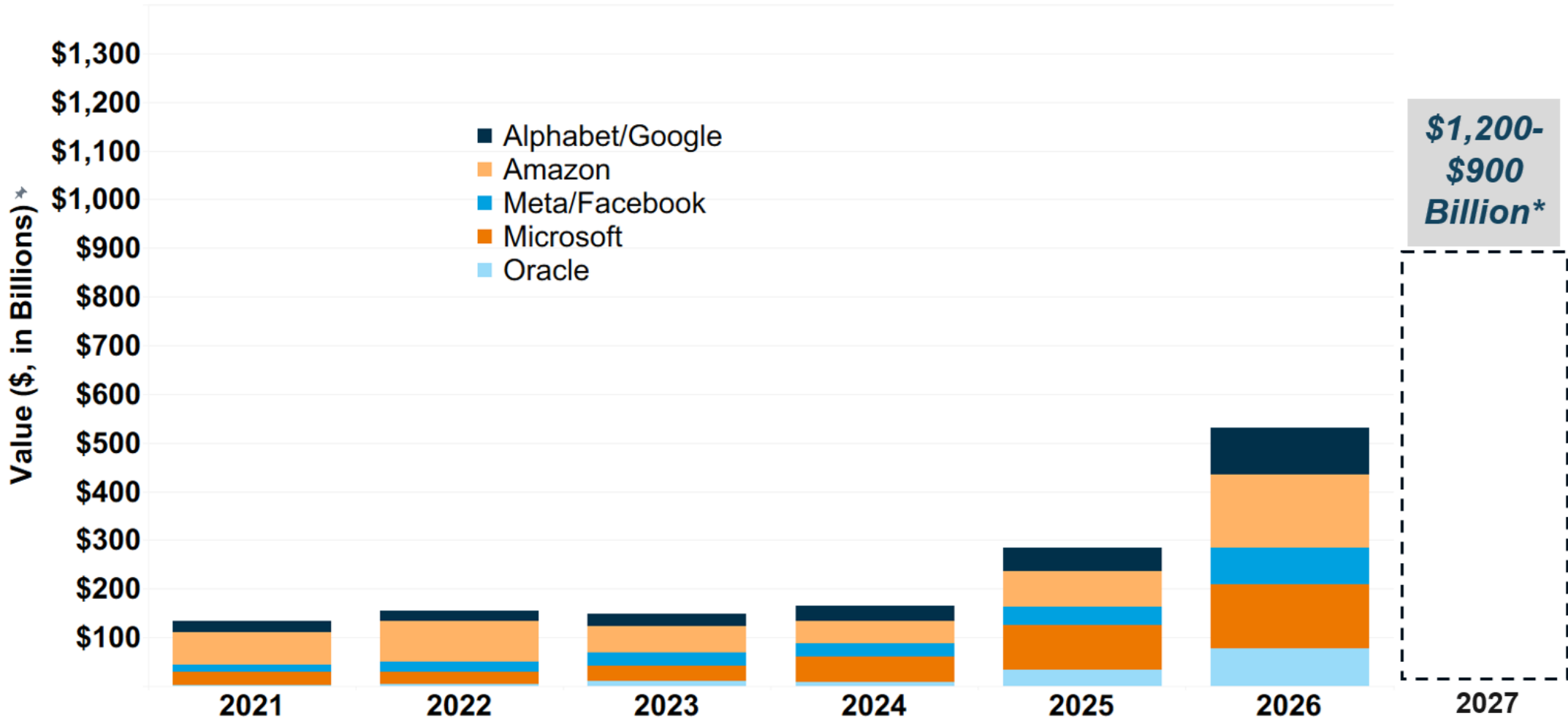
The annual change in gross plant, property & equipment (PP&E) offers insights to new infrastructure spending



Source: As reported in YCharts on September 4th, 2026, 2026 data are annualized values from 2Q2026 reporting.

Change in Select Hyperscalers Annual PP&E Spending

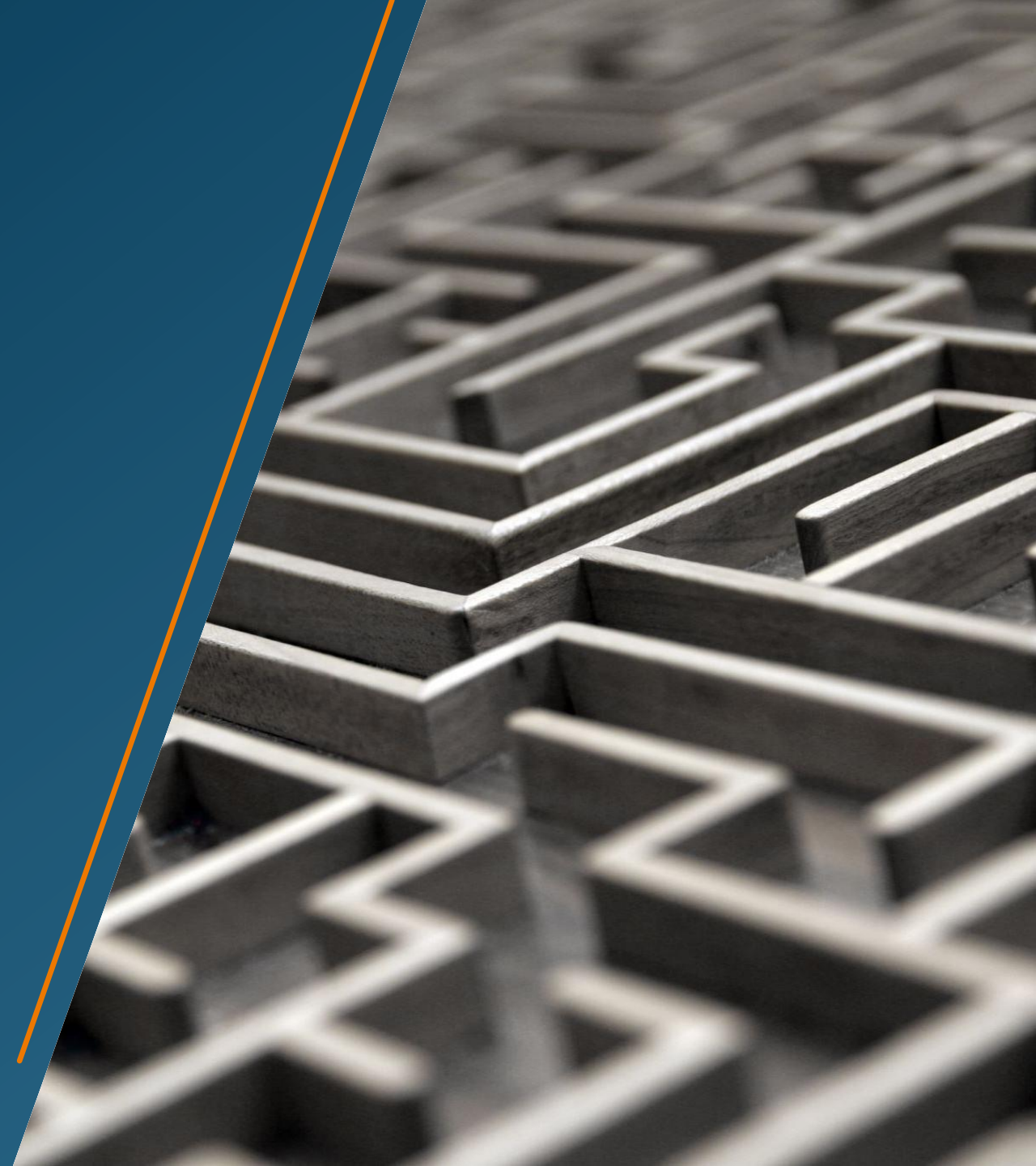
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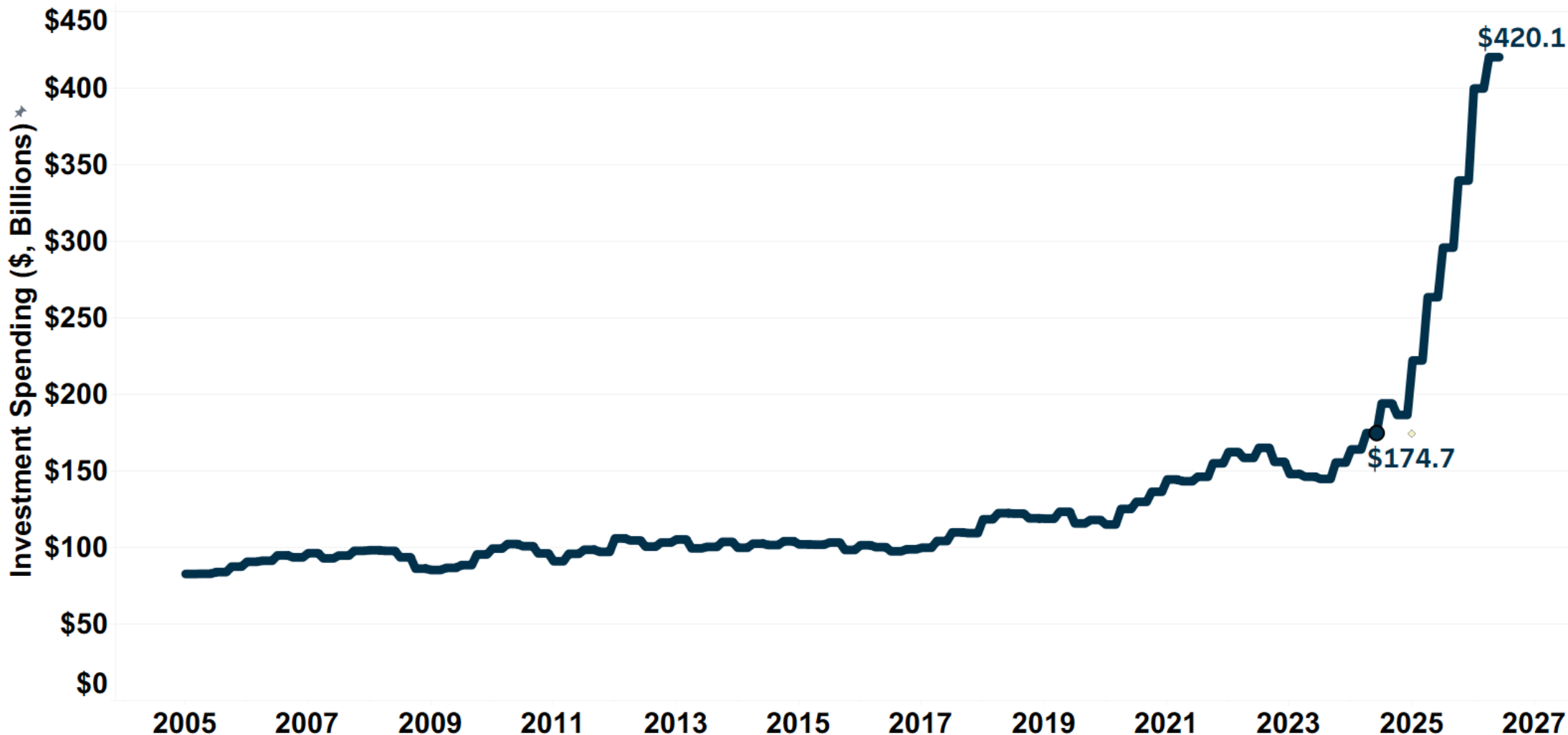


Manufacturing Opportunities in The Data Center Ecosystem



Computers and Periphery Equipment Totaled \$340B in 2025

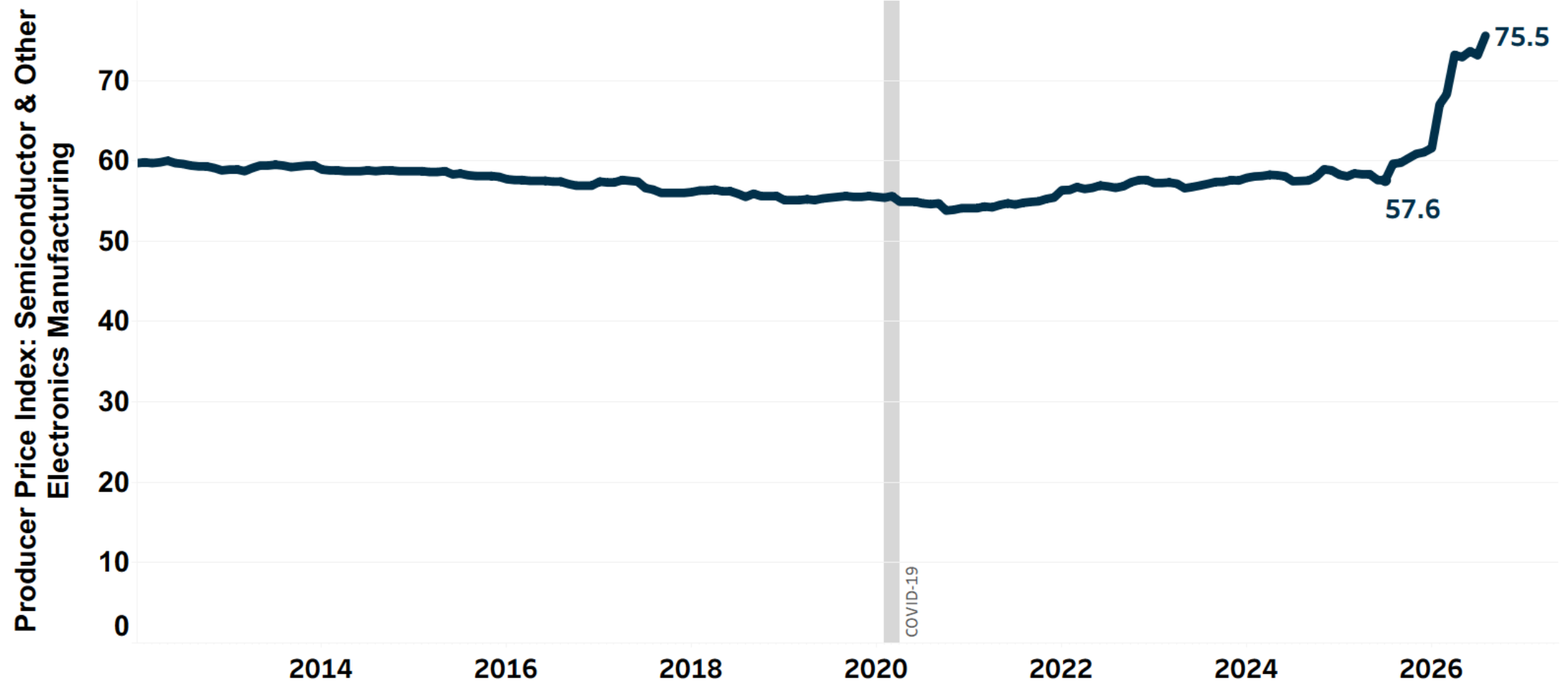
Mid-year 2026 annualized results exceed \$400B, (\$, in billions at SAAR)



Source: Bureau of Economic Analysis, Private fixed investment: Nonresidential: Information processing equipment and software: Computers and peripheral equipment

Semiconductors Prices Have Increased >25% in a Year

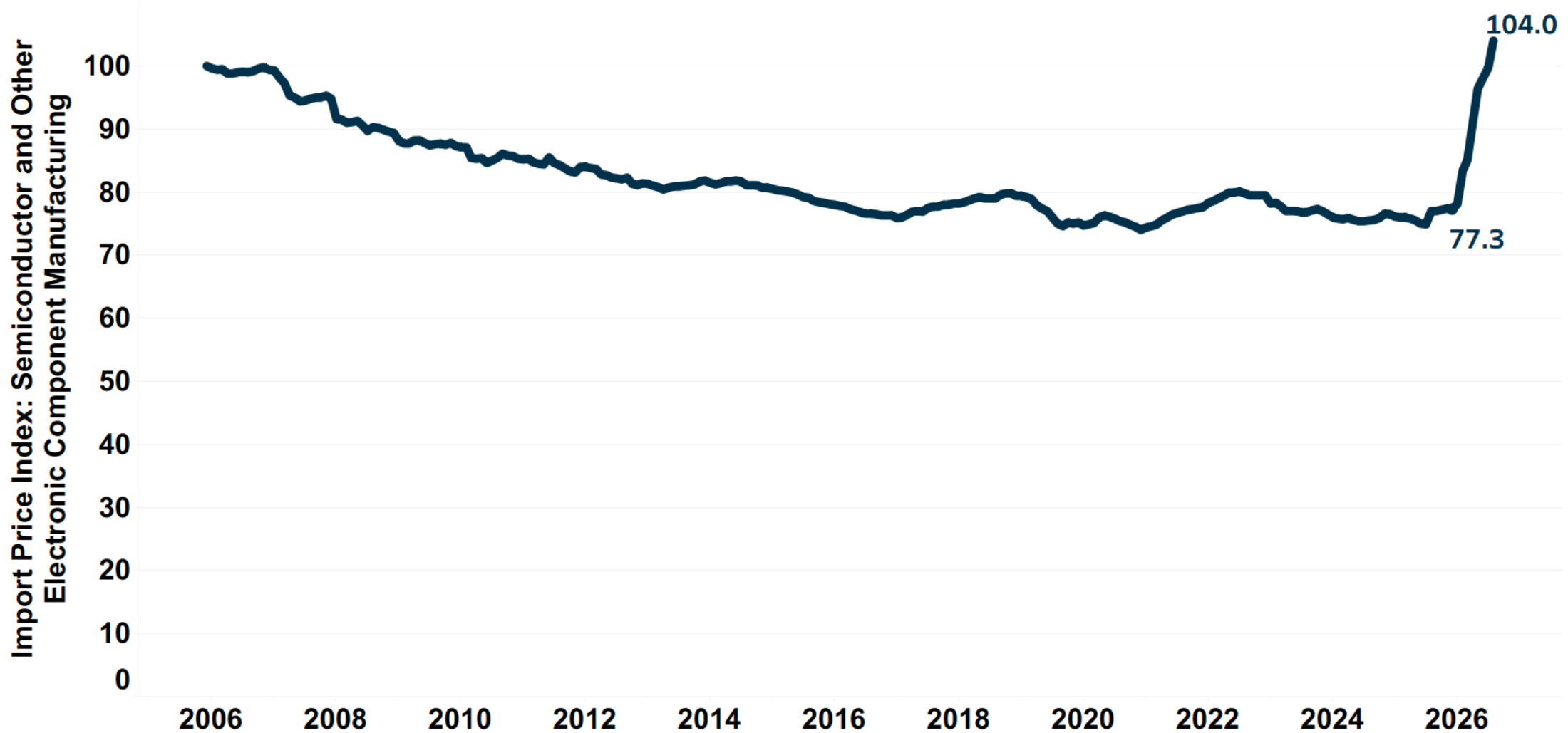
Producer Price Indexes (PPI) measure the average change of time in the selling prices received by domestic producers for their output (1984 = 100)



Source: Bureau of Labor Statistics

Import Prices Have Surged >33% in 2026

Prices are up nearly 25% since the start of the year, (Indexed, Dec2025 = 100)



Source: U.S. Bureau of Labor Statistics

What Is Manufacturing's Cut of the Pie?

\$ Share (%)	Segment
40%-45%	Electrical power systems: transformers, generators, MV/LV switchgear, UPS, PDUs, busway, switchboards
15%-20%	Mechanical and cooling systems: chillers, CRAH/CRAC units, cooling towers, pumps, heat exchangers, liquid cooling
15%-20%	Structural shell and envelope: steel, foundations, slabs, joists, decking, insulated panels, roofing
20%-30% (Combined)	Interiors, fire protection, controls, security, and support spaces

& Power Infrastructure: +\$2T

And now....



GRAND
PRIZE



The Biggest Winner In Manufacturing Will Be...

1.) Solves The Time-to-Delivery Problem:

- This is arguably the greatest challenge. We are at capacity in many key areas with future product already spoken for years out.

Generators	Switchgear	UPS	Chillers	A/C units
60-100 Wks	38-63 weeks	36-42 weeks	28-32 weeks	18-30 weeks

2.) Standardizes high-volume equipment production

- Too little discussion around the 2-5 year chip replacement cycle along with its related equipment.

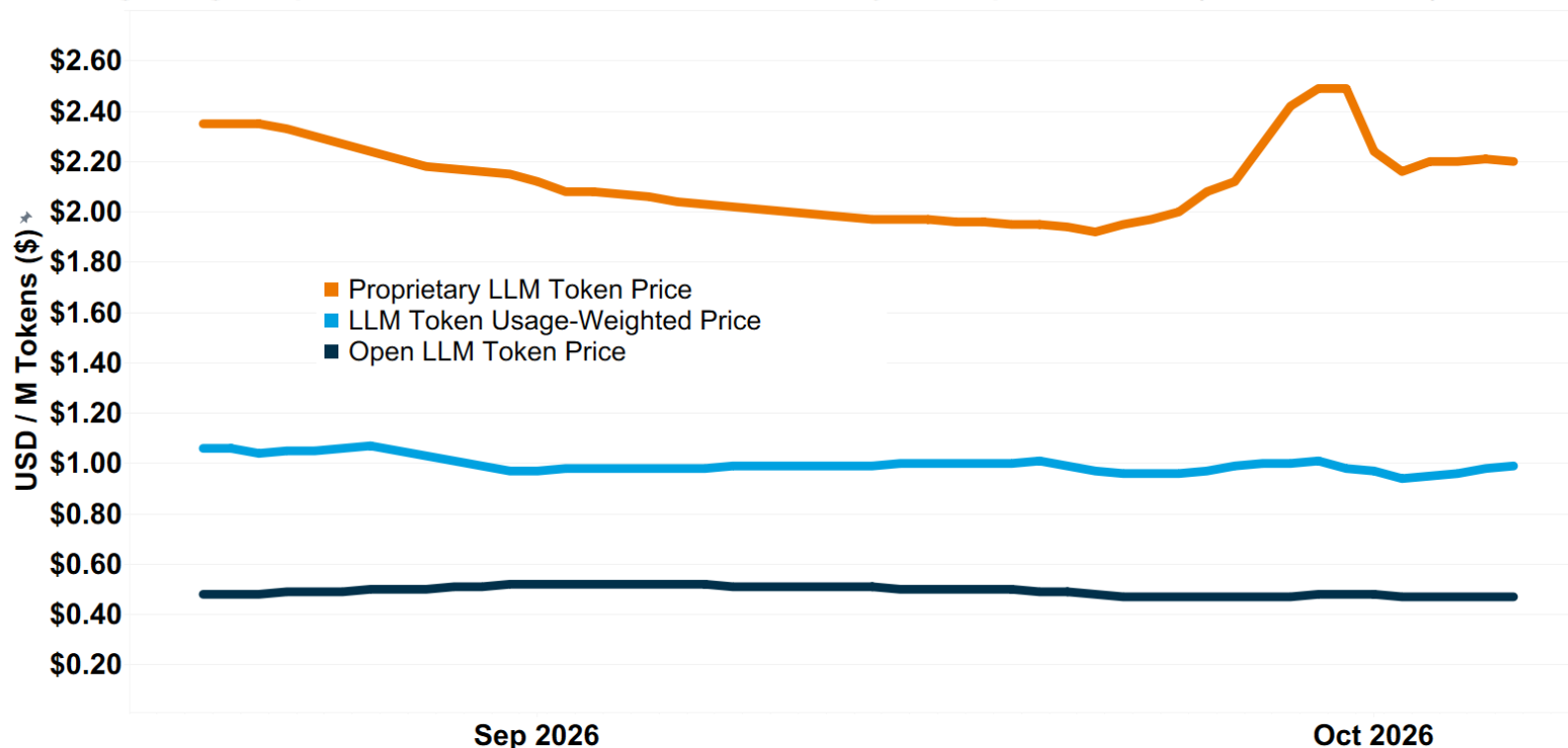
Is This Too Good to Be True?



Certain things must go right for the AI boom to persist:

LLM Token Prices Have Fallen Dramatically This Year

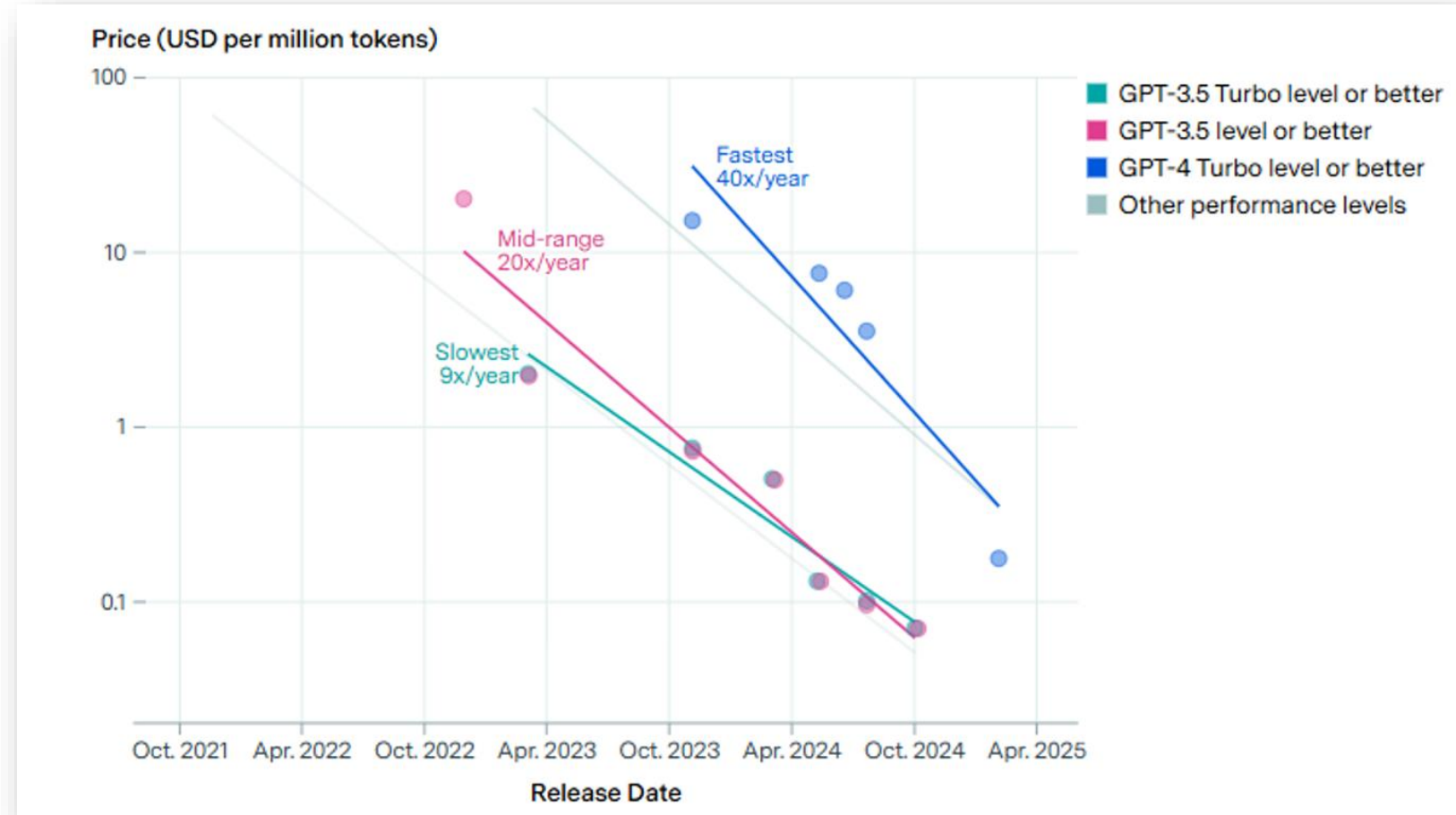
The usage-weighted price fell from \$2.07 to <\$1.00 between May and September 2026. (\$/Million Tokens)



Source: Silicon Data, LLM token expenditure trend (SDLLMTK), frontier segment

Is This Too Good to Be True?

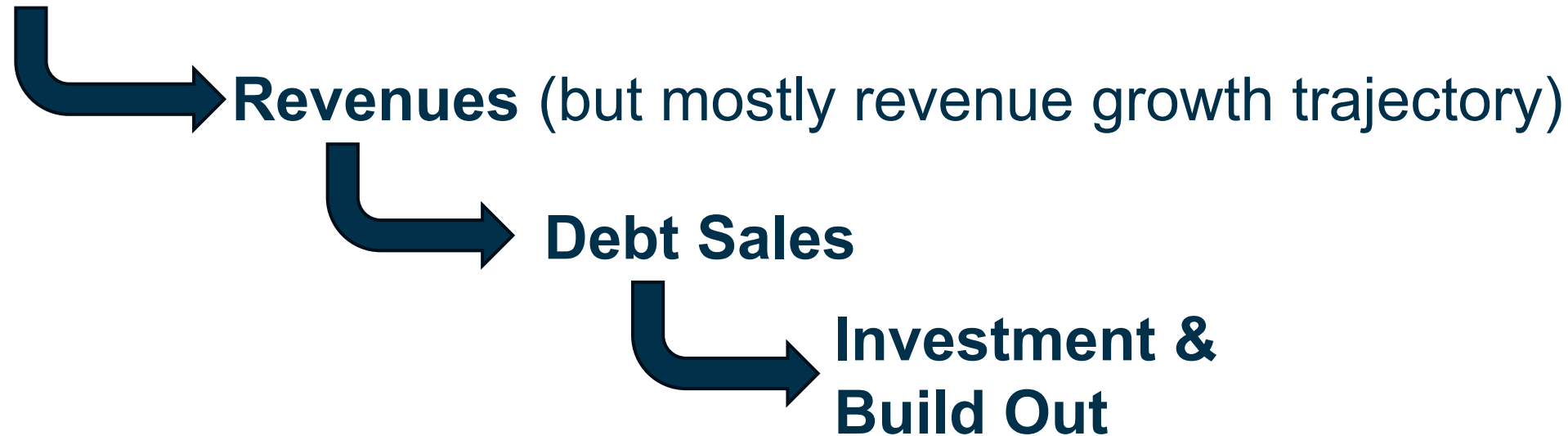
Cheap models are rapidly gaining capability as yesterday's premium model becomes today's discount models



Source: <https://epoch.ai/data-insights/llm-inference-price-trends>

How to Monitor AI's Trajectory

Token prices... but there's a catch



A break anywhere along the chain could result in big changes to those in the final investment & build out.



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