

STATE OF CONSTRUCTION: BY THE NUMBERS

BASED ON FORECASTS FROM THE MAY 7 CONSTRUCTCONNECT WEBINAR WITH KEN SIMONSON, CHIEF ECONOMIST OF AGC OF AMERICA, KERMIT BAKER, CHIEF ECONOMIST OF AIA, AND ALEX CARRICK, CHIEF ECONOMIST, CONSTRUCTCONNECT.

THE AIA REVISED ITS CONSENSUS FORECAST IN THE WAKE OF COVID-19



33.3 ABI

THE ARCHITECTURAL BILLINGS INDEX TOOK A HISTORIC DROP IN MARCH, REACHING 33.3 (THE ABI'S BASELINE IS 50).

"THIS IS THE STEEPEST 1 MONTH DECLINE WE'VE SEEN," SAYS AIA'S KERMIT BAKER.

-11%
Total
nonresidential
construction
starts

-14%
Commercial
starts

-7%
Institutional
starts



CONSTRUCTION EMPLOYMENT FELL BY 975,000 JOBS IN APRIL. ACCORDING TO AGC OF AMERICA, THE UNEMPLOYMENT RATE IN CONSTRUCTION JUMPED FROM 4.7 PERCENT IN APRIL 2019 TO 16.6 PERCENT.

975,000

GOING INTO 2020, THE PROJECTED FORECAST FOR TOTAL NONRESIDENTIAL WAS 15% GROWTH, .6% FOR COMMERCIAL AND 2.9% FOR INSTITUTIONAL.

67%

67 PERCENT OF CONSTRUCTION FIRMS REPORT HAVING A PROJECT **CANCELED** OR **DELAYED** SINCE THE COVID-19 OUTBREAK IN MARCH, ACCORDING TO THE LATEST AGC SURVEY OF MORE THAN 800 CONSTRUCTION FIRMS.

LOOKING AHEAD



IN THE SHORT TERM, "THERE WILL BE ALMOST NO NEW PRIVATE [CONSTRUCTION] STARTS EXCEPT FOR AREAS OF IMPROVING HOME DELIVERY AND CONNECTIVITY," SAYS AGC'S SIMONSON. LOOKING AT THE MID- AND LONGER-TERM OUTLOOK, "AS THE ECONOMY OPENS BACK UP, OTHER INDUSTRIES WILL BE WAY AHEAD OF CONSTRUCTION. MANY FIRMS ARE GOING TO FIND CUSTOMERS THEY HAVE BEEN COUNTING ON HAVE CLOSED UP SHOP. THEY NO LONGER SEE THE NEED TO OPEN UP A NEW RESTAURANT. STATES WILL SEE THEY HAVE REVENUE WAY DOWN AND MAY PUT OFF BUILDING THAT NEW LIBRARY OR SCHOOL. ... BY AND LARGE, CONSTRUCTION WILL BE A LOT SLOWER COMING BACK"