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

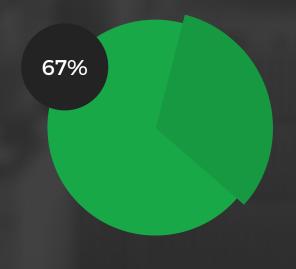


CONSTRUCTION
EMPLOYMENT FELL BY 975,000
JOBS IN APRIL: ACCORDING TO
AGC OF AMERICA, THE
UNEMPLOYMENT RATE IN
CONSTRUCTION JUMPED
FROM 4.7 PERCENT IN APRIL
2019 TO 16.6
PERCENT.

975.000

-7%
Institutional starts

GOING INTO 2020, THE PROJECTED FORECAST FOR TOTAL NONRESIDENTIAL WAS 1.5% GROWTH, .6% FOR COMMERCIAL AND 2.9% FOR INSTITUTIONAL.



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."