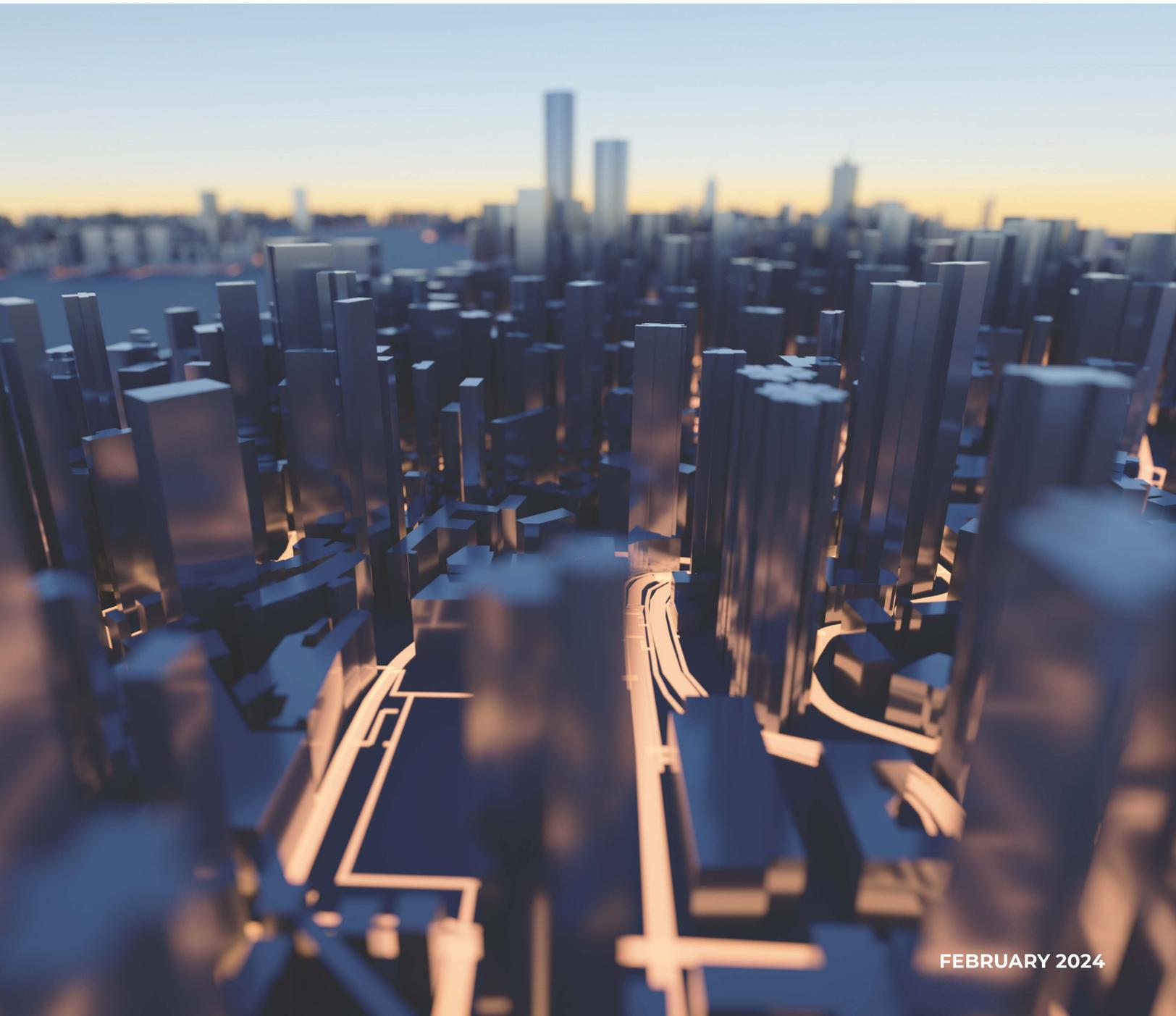




FIRST
QUARTER
EDITION

2024 NORTH AMERICAN ENGINEERING AND CONSTRUCTION INDUSTRY

OVERVIEW



FEBRUARY 2024

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BUILDING A RESILIENT, FUTURE-READY BUSINESS

By Chris Daum, President and Chief Executive Officer

Being resilient means various things to different people, but at its core, it's about being able to withstand or recover from adversity. And one thing is certain, the built environment experienced its share of challenging conditions in the past three years, making resiliency more important than ever. While historically being resilient meant focusing on the fundamentals, internal operations and other variables within our control, that definition is now evolving to also mean being flexible, innovative and adaptable.

The operating environment during the past three years amplified labor challenges, demonstrated constraints in the supply chain and altered the types of projects that are getting funded and built. The growth in project sizes and overall funding for both civil and social infrastructure is shifting the entire industry, causing constraints in some areas and excess capacity in others. Therefore, understanding market dynamics and project economics where you operate will be even more critical in 2024 and beyond.

Although inflation cooled during 2023, it continues to be top of mind for regulators, business leaders, builders

and consumers, as it ticked up to [3.4% in December](#). In addition to rising costs of goods and services, many are struggling with financing as interest rates remain high. As the Federal Reserve considers interest rate cuts, it must be careful to [avoid a return to inflation](#) brought on by being too aggressive too soon as well as potential increases in government spending.

Banks are continuing to be more selective about the projects they finance across the built environment. This means companies will need to demonstrate they can manage risk and efficiently execute projects to get the working capital needed.

Despite the economic uncertainty, total engineering and construction (E&C) spending for the U.S. is forecast to end 2023 up 10%, a slightly slower pace than 12% in 2022. Significant investments in nonresidential building and nonbuilding structures led 2023's spending, a trend we expect to continue as the residential market remains under pressure.

Looking to 2024, FMI forecasts only a 2% increase in E&C spending levels compared to 2023. This means

“The companies that are going to sit back and say, ‘Well, hey, this is how we’ve always done things,’ are the ones that are going to struggle the most with resiliency.”

— RAMIN CHERAFAT, CEO
MCCOWNGORDON
CONSTRUCTION

companies will need to have clear strategies, best-in-class operations and inspired leaders to capitalize on current industry conditions and create resilient firms.

“Resiliency is all about being adaptive and innovative,” said Ramin Cherifat, CEO at [McCownGordon Construction](#), an employee-owned construction company in Kansas City, Missouri. “The companies that are going to sit back and say, ‘well, hey, this is how we’ve always done things’ are the ones that are going to struggle the most with resiliency.”

HARNESS INNOVATION TO SOLVE BUSINESS CHALLENGES

Creating a resilient business will mean finding innovative solutions to tackle everything from labor shortages and productivity inefficiencies to developing the right talent to lead firms into the future. Executives across sectors and geographies in the built

environment continue to look for ways to capitalize on their current opportunities and differentiate themselves from the competition.

Given the current operating environment, many are watching geopolitical developments such as the wars in Israel and Ukraine, China’s economic uncertainty and global real-estate volatility for indications about the direction of the U.S. economy. Add in domestic factors such as supply chain issues, election-year uncertainty and continued high cost and limitations of financing, and more of the bigger picture begins to take shape. Understanding how these global and domestic factors affect the markets where you operate will dictate strategic decisions and help your business adapt to various operating conditions.

We recommend being informed and then focusing on what is within your control. The best firms will do the work to become destination employers, drive operational improvements, create data- and research-based strategic plans, and develop leaders to build the foundations for future success.



“We work to keep our focus on those things we can control and try to avoid spending too much time and energy on the things we can’t. There can be a lot of ups and downs in this business, resiliency includes not getting caught up in the highs or the lows...there is also a clear connection between resiliency in business and diversity. Such as diversity in our thinking, diversity in work types, diversity in vertical markets, geographic diversity and diversity in our customer base. We believe you can’t be all things to all people, but you also can’t be one thing to one person.”

— NATE KOETJE, CEO
FEYEN ZYLSTRA (FZ)

And while many of these challenges aren't new, companies will need to look to innovative solutions, implement new technologies and adapt to the evolving E&C business environment to be successful. One example of this, according to Les Snyder, president of the [Associated General Contractors of America](#) (AGC), is getting creative when thinking about labor and how to attract the next generation of more diverse talent to the industry.

"I couldn't be more pleased with the younger generations entering this business," Snyder said. "We have the pipeline open and we're being more convincing. Younger generations are enthusiastic, diverse, share their thoughts and have a mastery of technology."

The trick will be keeping these individuals engaged, transferring knowledge to them from those with more experience, and giving them the right tools and technology to be successful, Snyder said. One of the areas where he is most optimistic is innovation and problem solving that he sees from younger generations. They're working to develop tools and solutions to many of the industry's challenges, something that will help create more resilient organizations and drive future growth.

As construction technology evolves to better solve business problems, including productivity, communication and labor issues, it's important to carefully evaluate your options and the desired outcomes of implementing new tools. Developing a clear strategy for how to utilize tools and then giving people the necessary information to act helps drive long-term success.

For Rob Strobel, CEO of [Lithko Contracting](#), one of the largest concrete

contractors in the U.S., information technology processes are helping to engage employees by quickly getting the right information to those who need it, allowing staff across projects to make better decisions. By getting the information into the right hands, employees can quickly make decisions and know the scope of their roles, helping them to have more ownership.

"We don't think about engagement via foosball tables and Keurigs," Stroble said. "We're talking engagement through providing information to track and adjust outcomes of *their plans*."

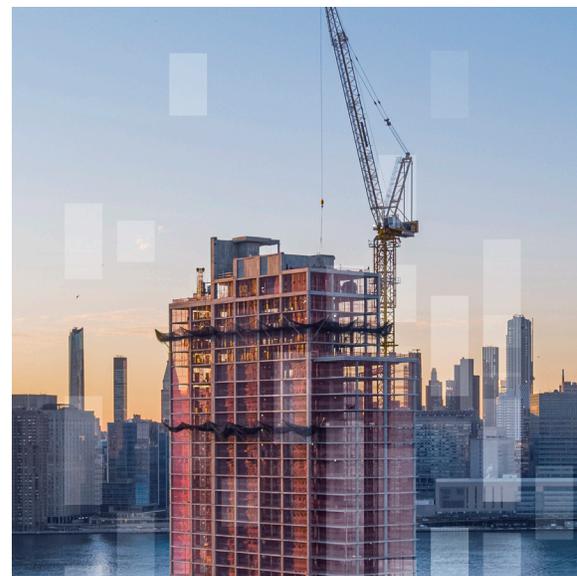
LEVERAGE PRODUCTIVITY IMPROVEMENTS TO SOLVE TALENT ISSUES

Labor productivity is the central economic engine that drives profitability for labor-intensive, self-performing contractors and is at historically low levels relative to construction spending. Our [2023 Labor Productivity Study](#) found that contractors lost approximately \$30 billion to \$40 billion to labor inefficiencies in 2022. These labor productivity deficits translate to significant project and enterprise margin erosion industrywide.

Almost half of 2023 survey respondents (45%) saw declining labor productivity, with 79% of contractors indicating they could improve productivity by 6% or more with better management practices. So not only will this help solve labor constraints, but it also creates an organization that is more resilient through better processes, operations and management.

"I couldn't be more pleased with the younger generations entering this business. Younger generations are enthusiastic, diverse, share their thoughts and have a mastery of technology."

— LES SNYDER,
PRESIDENT
AGC



“It always comes down to the fundamentals of budget and schedule and safety and quality.”

— MATTHEW CONSIGLI,
PRESIDENT
CONSIGLI
CONSTRUCTION CO.

By getting a handle on productivity, giving workers the tools needed to be successful and diligently planning for jobs, companies can improve margins and profitability. In an industry where one bad job can make or break a company, harnessing the power of your biggest asset — your people — will ensure you continue to successfully operate and thrive.

For Matthew Consigli, president at [Consigli Construction Co.](#), an employee-owned construction manager in the Northeast and Mid-Atlantic, creating a resilient business means always focusing on the fundamentals of building backlogs of quality work, superior execution of jobs, and hiring and retaining the right people who fit the company culture.

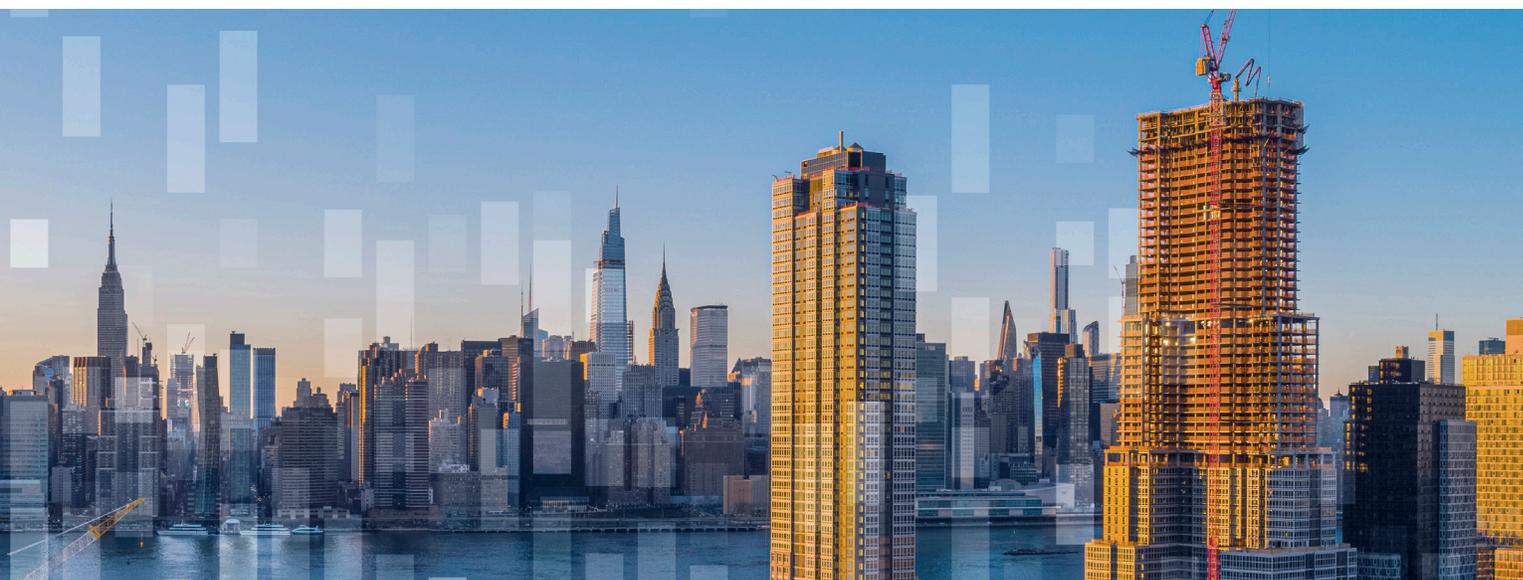
“It always comes down to the fundamentals of budget and schedule and safety and quality,” Consigli said. “The other stuff really doesn’t matter if you don’t do this right.” He also focuses on building an organization that puts people at the forefront and on creating an environment where they can develop throughout their careers.

FOCUS ON FUNDAMENTALS

Improving resiliency often means paying attention to the basics of running a successful business. This includes having discipline around strategy and project selection, adequate capitalization, quality project execution and investment in your people.

Review your strategy to make sure you understand your markets and where you will win work. Be selective about the projects you pursue. For successful, growing companies, this means considering strategic plans, core competencies and market conditions to make the best decisions. It requires discipline and understanding of what differentiates your company from others in the industry.

For many looking to move into different sectors or markets, this can mean partnering with another firm or entering joint ventures to pursue successful projects. The key is understanding what you bring to the project and clearly communicating throughout the collaboration.



“Those that master taking the knowledge of the generations that are moving on and getting that to transfer to the new upcoming generations will be most successful.”

— LES SNYDER,
PRESIDENT
AGC

“We don’t believe that we have to do everything ourselves,” said Strobel of Lithko. “We believe in the concept of partnering and creating joint ventures to help bring complementary core competencies to ours, and then leading in what we do well, which is the project management and project leadership, but bringing other skill sets to bear that apply some advanced manufacturing techniques, some modular techniques that allow us to minimize the amount of labor that’s required.”

Part of that project selection discipline should also consider capitalization and cash flows. Construction projects have limits on the profits you can earn, but the amount of money you can lose is unlimited. Overcoming this risk requires an adequate capital base that allows you to withstand inevitable problems and continue to put quality work in place.

It is this emphasis on quality work that sets the most successful contractors apart from the mediocre. The top executives understand their projects are only as good as the people executing the work on the job site.

The most resilient companies are continually investing in their people, creating the next generation of project managers, estimators, field leaders and executives. As more people retire or leave the industry, it’s going to be critical to transfer their decades of experience and knowledge to your next generation of leaders.

“Development is something that goes on for your entire career,” AGC’s Snyder said. “But those that master taking the knowledge of the generations that are moving on and getting that to transfer to the new upcoming generations will be most successful.”

WAYS TO BECOME MORE RESILIENT

Most successful businesses are continuously improving, yet it can be hard to know what’s going to provide the biggest boost to the bottom line or set you up for long-term success. It’s easy to focus on projects and small improvements. When it comes to being more resilient, it’s important to review overall goals and metrics and think about the larger-scale changes that need to happen.

Here are a few tips for keeping business resiliency top of mind:

- **Revisit and update your strategic plan.** One of the most common things we see with companies is they create excellent plans and then put them aside. Like everything, plans need to evolve with the operating environment and your goals. Did you meet your five-year growth plan in three years? Excellent, how are you going to capitalize on that momentum?

It’s also important to understand your markets, geographies and the various environments where you operate. Conditions change and you may need to shift resources to better serve particular markets.

- **Invest in your people across the organization.** Creating great leaders and engaged employees means providing tools, resources and training for all your employees – from the field to the C-suite. You need to think about who is going to run your business in one, five and 10 years and what skills those employees will need to be ready.

Investing in your field and project staff will directly deliver better

project outcomes, generate repeat business and ensure you are generating profits on each project. Yet, you will need leaders in risk management, human resources, operations and other executive roles to lead your business into the future. This becomes even more critical if you're thinking about transferring ownership of your company.

- Focus on improving operations.** Operationally superior firms continually review their tools, equipment, procedures and processes to drive productivity and efficiency. Best-in-class companies have several common characteristics, with a critical one being that they review each job for lessons learned and then communicate those lessons back to the entire firm.
- Tie investments to your strategic plan and clear, measurable goals.** No one tool or technology is going to fix everything. It's important to make sure the investments you're making in the business are tied to your strategic plan and that you can measure the outcomes. Often companies will jump from solution to solution and not follow through on full implementation or reviews.

As the definition of being resilient evolves to incorporate new technologies, processes and generations of talent, companies that are truly prepared for the future will have strategies for innovating while not losing focus on the fundamentals of what makes a successful business. You'll need to be diligent in ensuring you are investing in the fundamentals and the innovations that will set you on a path of continued growth and profitability.



2024 M&A TRENDS

As we enter 2024, it feels like there is pent-up demand for middle market mergers and acquisitions (M&A) transactions in the built environment. M&A activity in the industry did not slow in 2023; in fact, the built environment was one of the more resilient sectors in an otherwise sluggish M&A landscape. Yet, many value-creating investment opportunities and business combinations, driven by longer-term macro trends, went unexplored in 2023 due to near-term uncertainties and structural obstacles such as geopolitical risks, inflation, fears of recession, supply chain disruptions and tightening debt markets.

The macro trends driving investment and M&A activity in the U.S. built environment — population growth and migration patterns, years of deferred infrastructure investment, increased environmental regulation, unprecedented technology advances, aging company owners, consolidation of fragmented sectors, labor shortages, a massive energy transition, digitalization, reshoring and supply chain resiliency — are deeply established and continue to gain momentum.

These macro trends are also driving an unprecedented amount of private equity interest and participation in the sector. Some of the near-term uncertainties hindering M&A activity, such as inflation and supply chain issues, are expected to recede in 2024, while others, such as geopolitical risks and U.S. political uncertainty, may intensify. Nonetheless, we currently expect that the relentless drive of the macro trends will overwhelm near-term concerns, pushing M&A activity in 2024 meaningfully above 2023 levels.



2024 PRIVATE EQUITY OUTLOOK

Total U.S. buyout activity declined nearly 40% in 2023 as economic uncertainty and higher interest rates tempered investor demand, and lower valuations deterred sellers. Despite this, sponsor appetite for middle-market assets in the built environment was resilient, as firms searched for relative value and growth opportunities in areas not already inflated by past private equity (PE) investment. This theme contributed to a record share of PE dealmaking in E&C, which accounted for 50% of the sector's M&A activity in 2023, a substantial increase from 20% in 2015.

While previously more reluctant, sponsors are increasingly finding value opportunities when willing to bet on operational execution. Several themes continue to draw new investor interest, including energy transition, infrastructure services, environmental services, building or facilities services, and building products.

With the first wave of PE investment in the built environment maturing and a variety of underlying fundamentals driving growth and attractive value creation opportunities, chances to generate quality returns remain plentiful.



U.S. ENGINEERING AND CONSTRUCTION OUTLOOK

Base case assumptions for our forecast is for a recession in 2024, likely sometime during the first half of the year. These expectations are based on a range of predictive economic indicators, but especially the inverted yield curve. The duration of the economic contraction will depend on the U.S. policy response, but as with historical cycles, the impact on the construction industry will likely be longer lasting.

Recent economic factors influencing this forecast include the resumption of student loan payments; weakness in labor data; movement in short- and longer-term Treasury bond yields; commodity and energy prices; and the U.S. dollar. These factors are met with ongoing tightening of private credit, shortages of labor and materials in key industries, constraints on global logistics infrastructure, and volatility in real estate valuations.

Inflationary pressures significantly eased through 2023 and appear to have stabilized above target levels, primarily due to housing. Further, labor force participation and unemployment rates have slowly trended higher, while the Federal Reserve appears to be finished with interest rate increases through this cycle. We also considered wartime and economic turmoil in various countries (e.g., Russia, Ukraine, Israel/Middle East, China) adding to strain and uncertainty on each of the items listed above.

U.S. KEY TAKEAWAYS

- Total engineering and construction spending for the U.S. is forecast to end 2023 up 10%, a slightly slower pace than 12% in 2022. Gains in 2023 were primarily attributed to significant investments in nonresidential building and nonbuilding structures.
- Looking to 2024, FMI forecasts only a 2% increase in engineering and construction spending compared to 2023, due to anticipated corrections across residential and other private sector construction segments.
- The highest growing segments in 2023 were manufacturing, multi-family residential, lodging, sewage and waste disposal, water supply, and conservation and development. Each of these segments are anticipated to record annual growth rates exceeding 20% from 2022 levels.
- Many segments are expected to grow between 10% and 20% in 2023. These segments include office, health care, educational, religious, public safety, amusement and recreation, transportation, power, and highway and street.
- Single-family residential, the largest segment in the industry, will contract sharply in 2023 from 2022 levels.
- The latest Nonresidential Construction Index (NRCI) score of 46.0 is nearly flat from the previous quarter. This is the seventh quarter with a reading less than 50, indicating that participants remain cautious about the overall outlook in the first quarter of 2024. Economic and industry sentiment improved slightly. While there was some improvement in productivity, ongoing issues with labor and materials pricing as well as weakening expectations across private lodging, office and commercial segments are likely going into 2024.

U.S. 2023 SEGMENT PERFORMANCE 2023/2022 COMPARISON



- | | |
|---------------|------------------------------|
| Multifamily | Amusement and Recreation |
| Improvements | Transportation |
| Lodging | Manufacturing |
| Office | Power |
| Commercial | Highway and Street |
| Health Care | Sewage and Waste Disposal |
| Educational | Water Supply |
| Religious | Conservation and Development |
| Public Safety | |



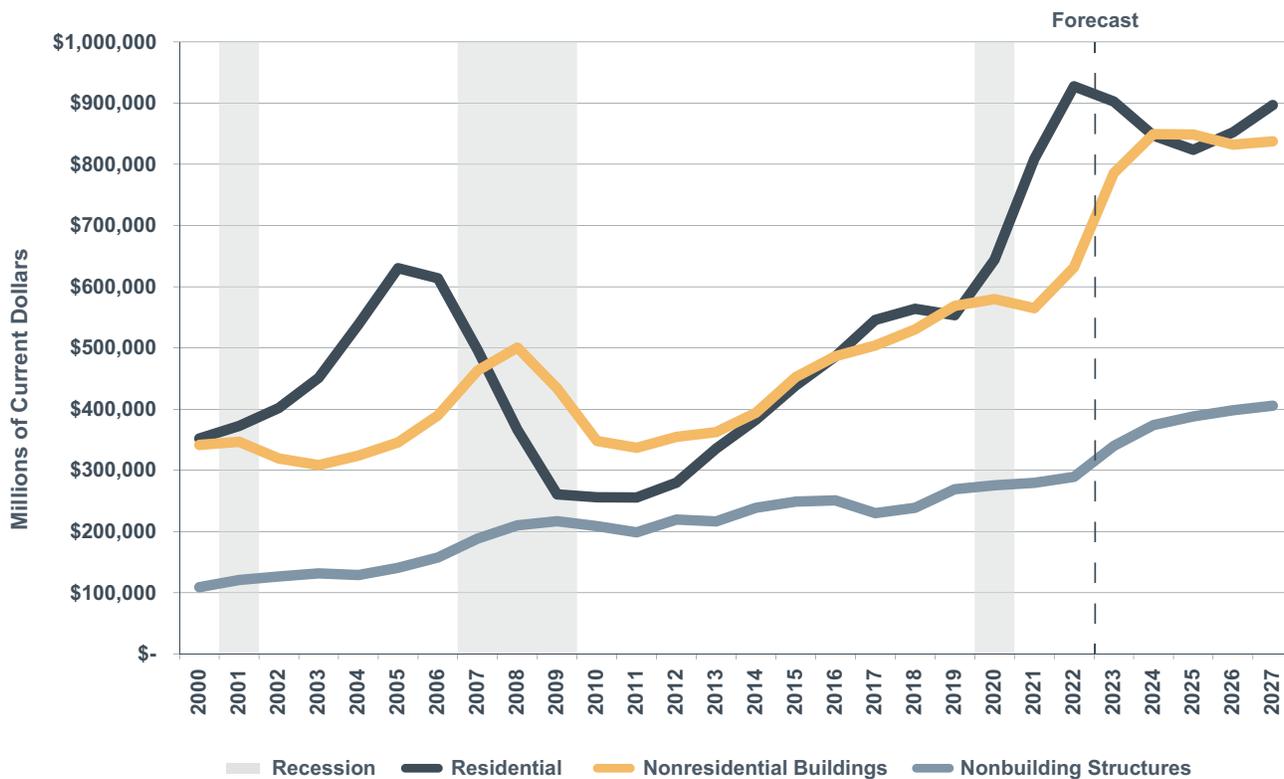
Communication



Single-family



CONSTRUCTION SPENDING PUT IN PLACE ESTIMATED FOR THE UNITED STATES

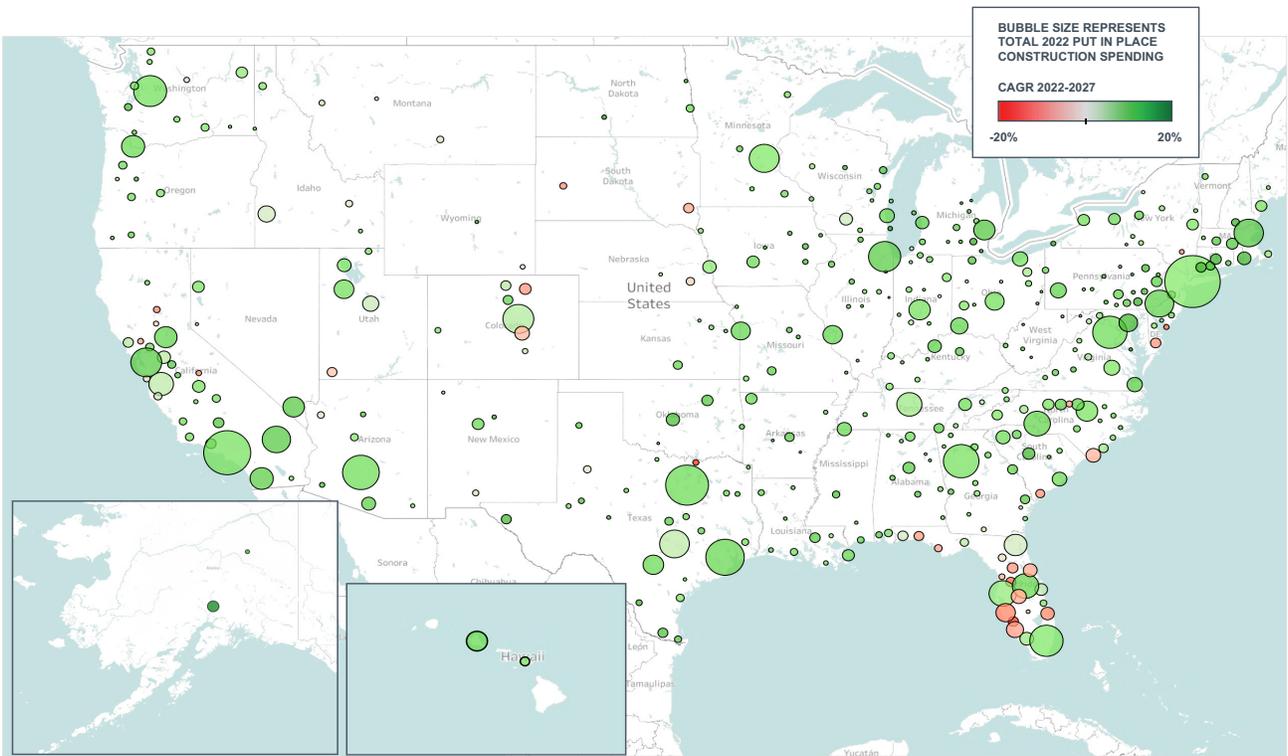


SOURCE: FMI FORECAST Q1 2024

First quarter forecast based on third quarter 2023 actuals and fourth quarter assumptions. Year end 2023 data will be released by the U.S. Census Bureau early this spring and featured in our Q2 Outlook.



HISTORICAL CONSTRUCTION SPENDING PUT IN PLACE FORECAST GROWTH ACROSS METROPOLITAN STATISTICAL AREAS

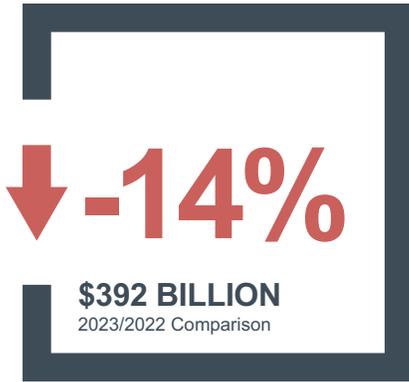


SOURCE: FMI FORECAST Q1 2024

RESIDENTIAL CONSTRUCTION PUT IN PLACE



SINGLE-FAMILY RESIDENTIAL



- DRIVERS:**
- Unemployment rates
 - Core CPI
 - Income
 - Mortgage rates
 - Home prices
 - Housing starts
 - Housing permits



2024	DWN	-5%	\$371 B
2025	STA	1%	\$376 B
2026	UP	5%	\$394 B
2027	UP	6%	\$416 B



- Within the last year, builders shifted to constructing more affordable and smaller homes with fewer upgrades on larger lots. Additionally, neighborhood developments moved further out toward the suburbs and exurbs. Although homebuilder sentiment is weak going into the year, the index was in a similar place in early 2023. Last year, builders leveraged falling input prices against heavy incentives to uphold margins and interest. New construction helped satisfy buyers' demands despite lower supplies. We expect similar conditions in 2024, but homebuilders will face new challenges considering it is unlikely there will be pricing relief on key inputs and market rates appear to have stabilized and likely peaked in late 2023. Large builders will continue to use rate buy-downs and in-house financing as the most advantageous incentives for new home buyers. Smaller builders will have a hard time competing based on incentives.
- In December, the End Hedge Fund Control of American Homes Act was introduced to stop hedge funds and institutional investors from owning or buying single-family properties beginning in 2025. If passed, the legislation would ban investment funds from owning single-family homes, require them to sell 10% of owned assets over a

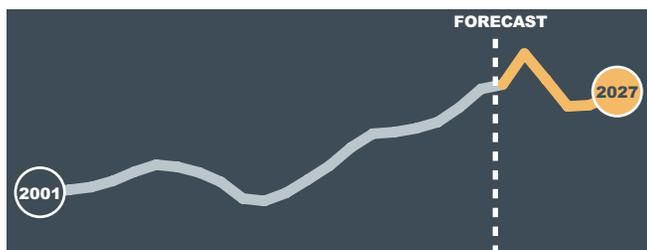
10-year period, and impose taxes and fees if they don't comply. It is estimated that more than 575,000 homes are owned and managed by hedge funds, and the group accounted for more than 25% of home sales through early 2023. These hedge funds are directly competing with first-time and noninvestor buyers.

- Affordability remains a major concern as the cost of buying a home is higher than renting in most markets. This is also keeping existing homeowners from listing their properties, as even a lateral move in monthly payments would require a downgrade in today's market. Even with forthcoming projected rate cuts in 2024, barring no major financial events, 30-year mortgage rates are expected to stay between 6% and 7%. There will likely be a strong wave of pent-up demand if rates are cut more than expected and 30-year mortgage rates fall beneath 5%.
- Year-over-year residential employment remained flat through most of 2023. A pull-back in residential construction employment in 2024 or 2025 would be a concerning signal for the broader U.S. economy.

MULTIFAMILY RESIDENTIAL



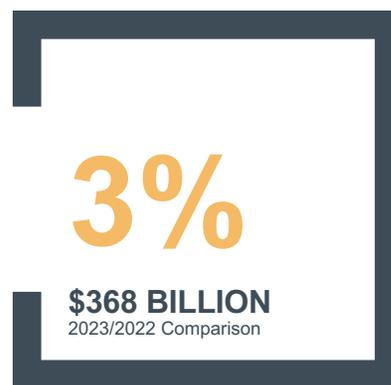
- DRIVERS:**
- Unemployment rates
 - Core CPI
 - Income
 - Mortgage rates
 - Home prices
 - Housing starts
 - Housing permits



2024	DWN	-15%	\$122 B
2025	DWN	-18%	\$101 B
2026	STA	1%	\$102 B
2027	UP	7%	\$109 B

- Affordability factors in the single-family home market supported a large wave of multifamily units in development, which peaked at more than 1 million units mid-2023. Development plans became increasingly challenged at the end of the year due to rising interest rates, stagnant rental rates and tightened lending conditions. Planned units fell slightly in late 2023 but remain at record levels.
- While starts and construction investment are likely to fall in 2024 and 2025, long-term multifamily development is expected to outperform single-family as major cities continue to see an influx of people due to employers embracing hybrid work. We also expect new developments further away from city centers in suburb or exurb markets as infrastructure continues to improve and expand.
- Across 47 of the 50 largest metros, buying a house is at least 60% more expensive than renting. This also doesn't account for the cost of general maintenance for a single-family home. The cost to rent is expected to grow 2.5% to 3.5% in 2024, aligned with historic averages. As rents continue to stabilize, homeowner expectations around rental prices will become more aligned with the market and eventually will be reflected in headline inflation. Affordable housing initiatives that support low-cost options from developers will be in the spotlight this election cycle, especially in areas where there has been a rise in homelessness.

IMPROVEMENTS



- DRIVERS:**
- Unemployment rates
 - Core CPI
 - Income
 - Mortgage rates
 - Home prices
 - Housing starts
 - Housing permits



2024	DWN	-4%	\$353 B
2025	DWN	-2%	\$347 B
2026	STA	3%	\$356 B
2027	STA	4%	\$372 B

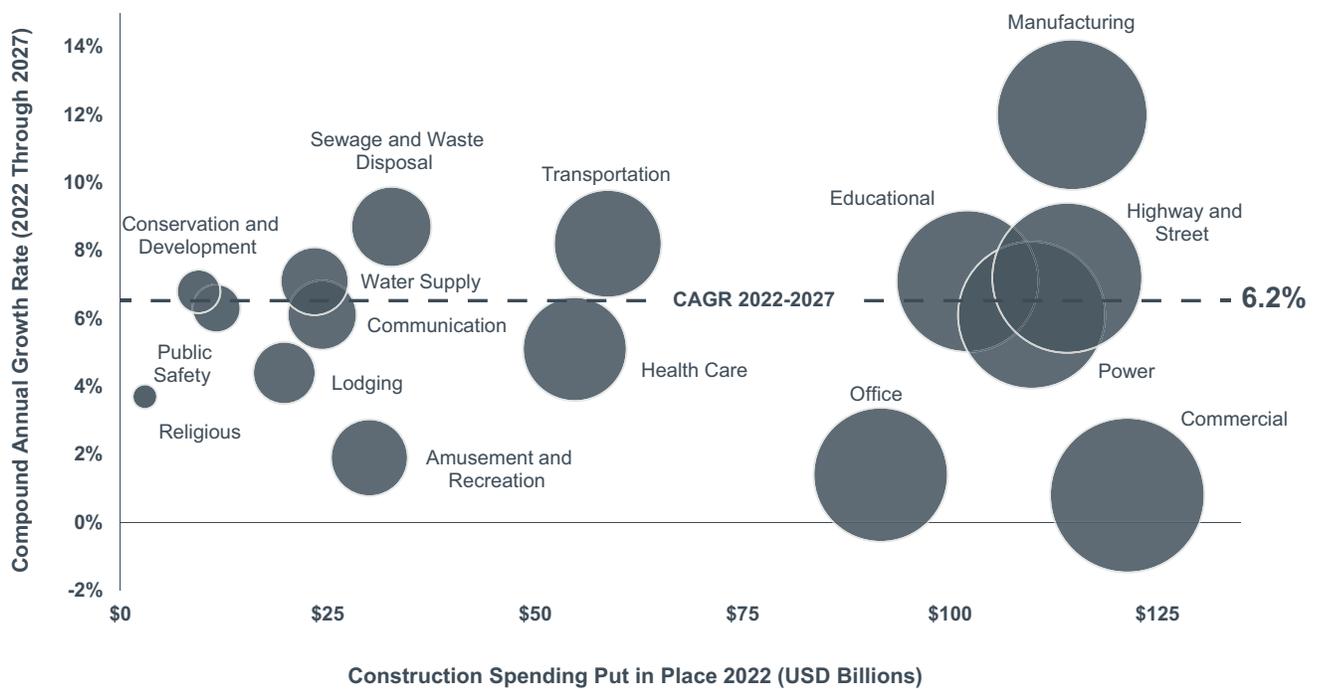
- Improvements investment will remain challenged into 2025 and 2026 due to volatility in single-family and multifamily construction. The potential for falling home prices will limit many investment decisions outside of general repair and maintenance. Concurrently, consumer purchasing power will remain under pressure and rising unemployment may create strong headwinds for discretionary spending on residential improvements.
- Homeowners typically spend the most on improvements and renovations in preparation for selling or after purchasing new homes. Without a significant fall in interest rates, buyer mobility and new and existing home sales will remain limited, stalling short-term demand for upgrades and improvements compared with recent years. Maintenance and systems upgrades are expected to become a larger share of improvements spending as the median age of homes continues to increase.
- Builders of new homes have reduced custom and luxury options in recent years, which will encourage some recent buyers to consider upgrades. Improvements may also pick up if cost pressures and home prices ease due to policy shifts.

NONRESIDENTIAL CONSTRUCTION PUT IN PLACE





NONRESIDENTIAL CONSTRUCTION SPENDING PUT IN PLACE FORECAST GROWTH BY CONSTRUCTION SEGMENT



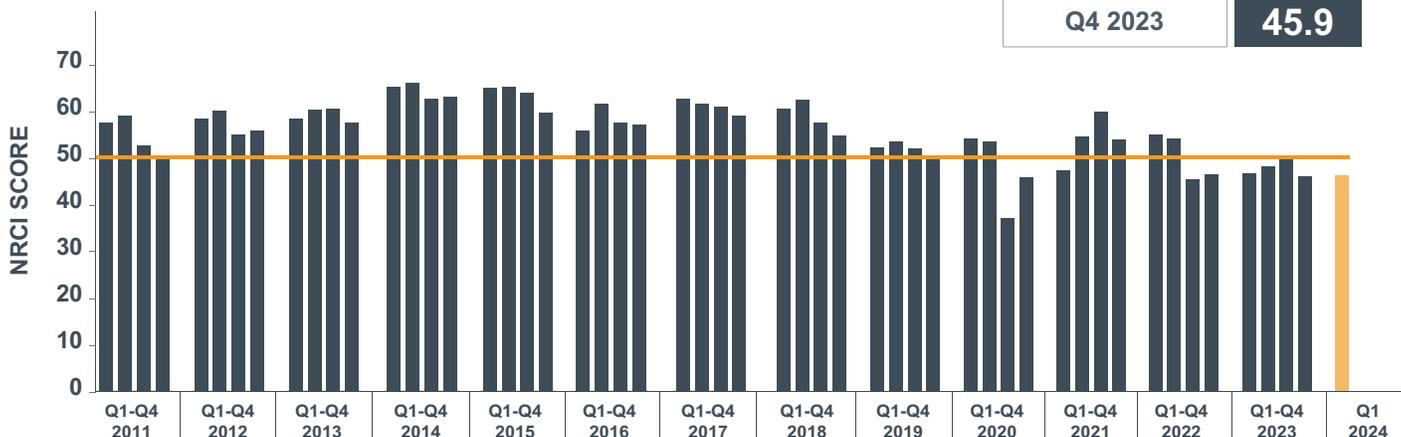
SOURCE: FMI FORECAST Q1 2024

TOTAL NONRESIDENTIAL CONSTRUCTION INDEX (NRCI)

Q1 2011 TO Q1 2024

Scores above 50 indicate expansion; scores below 50 indicate contraction.

Q1 2024 <i>Survey Dates Dec 13 - Jan 5</i>	46.0
Q4 2023	45.9

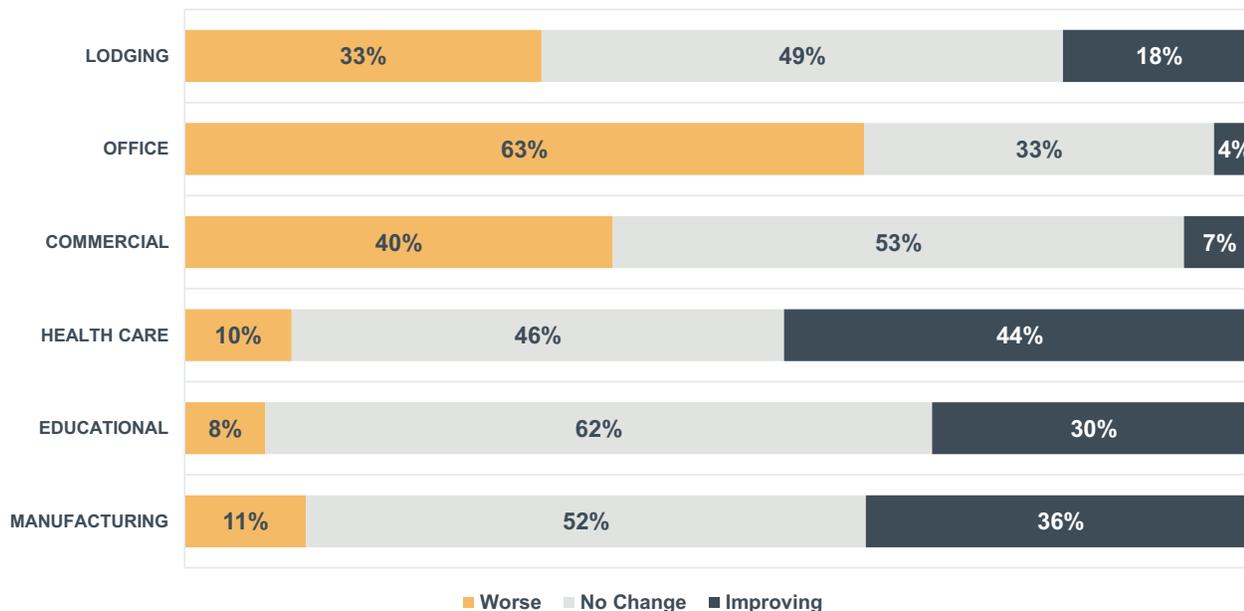


NRCI INDEX MOVEMENT		Q1 2024	Q4 2023
Overall U.S. Economy	↑	45.6	42.2
Economy Where We Do Business	↓	41.9	42.2
Our Engineering and Construction Business	↑	55.1	49.4
Engineering and Construction Where We Do Business	↑	47.1	44.7
Backlog	↑	53.7	49.4
Cost of Materials	↓	36.0	38.3
Cost of Labor	↑	21.3	20.8
Productivity	↑	50.7	46.1

The data in the NRCI is presented as a sampling of construction industry executives voluntarily serving as panelists for this FMI survey. Responses are based on their experience and opinions, and the analysis is based on FMI's interpretation of the aggregated results.

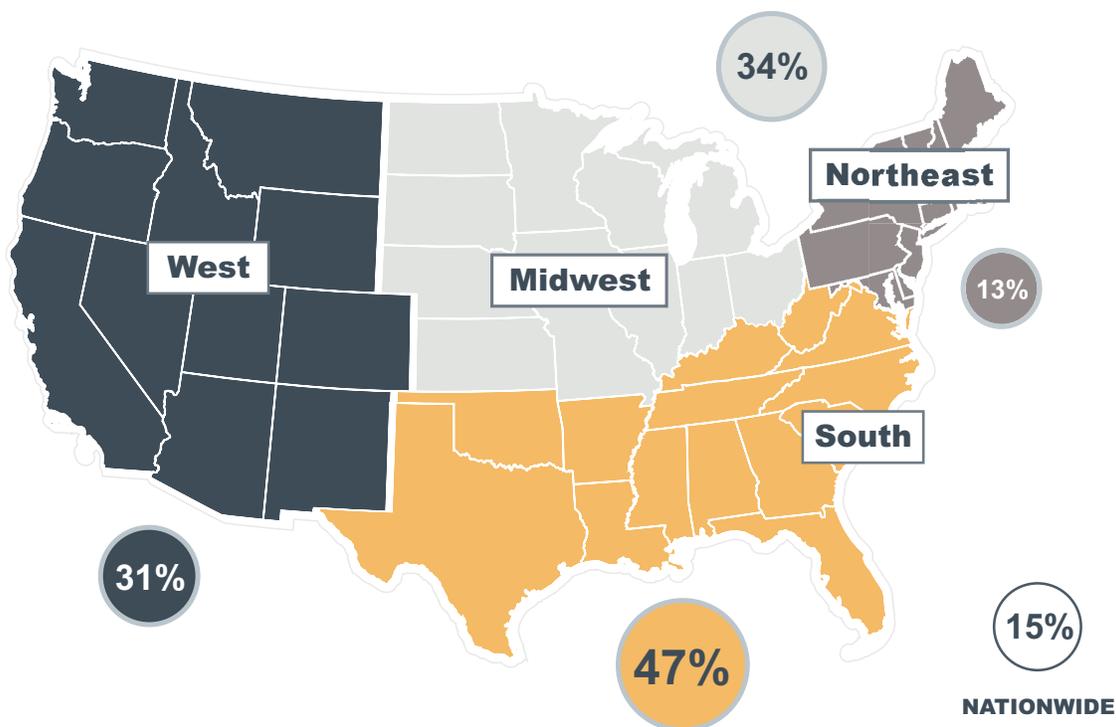
If you are interested in participating in this important industry index, please submit a request via our [NRCI Participation Request form](#).

PERCEPTION OF CHANGE BY SEGMENT FOR NEXT QUARTER*



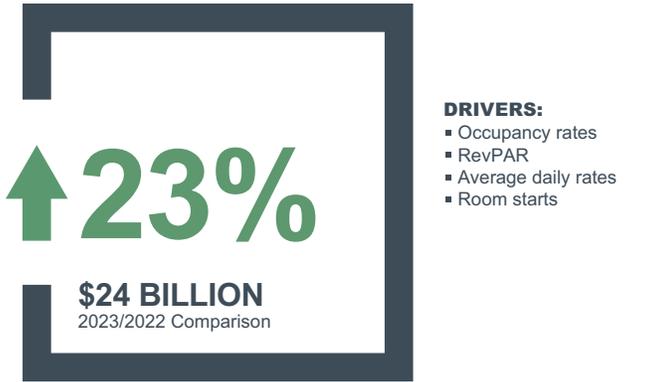
*SEGMENTS CAPTURED IN NRCI SURVEY.

WHERE SURVEY PARTICIPANTS WORK BY GEOGRAPHY*



*RESPONDENTS ARE ABLE TO SELECT MORE THAN ONE OPTION.

LODGING



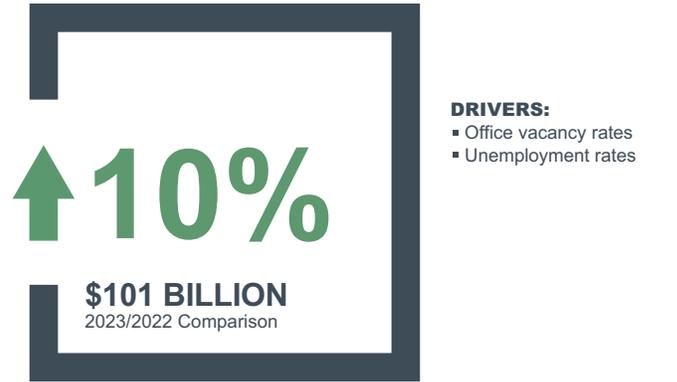
- DRIVERS:**
- Occupancy rates
 - RevPAR
 - Average daily rates
 - Room starts



2024	UP	12%	\$27 B
2025	DWN	-3%	\$26 B
2026	DWN	-9%	\$24 B
2027	STA	2%	\$24 B

- The lodging and hospitality industry will face headwinds in 2024 and 2025 as businesses and consumers cut back on travel to control spending in a weakening economy. Demand for guest rooms in major cities and tourist destinations increased as group travel for conferences and trade shows recovered.
- Large owners and chains account for more than half of all projects in the development pipeline and will lead growth in construction spending through 2025. Owners reported an increase in “bleisure travel,” where working professionals add leisure to one or both ends of business travel. Extended-stay hotel projects are also increasing in prominence, supporting labor for many of the large manufacturing and industrial developments across the country.
- Owners pursuing new and renovation projects will increasingly look to sustainable design and construction practices to meet demands of investors and guests. This includes the use of recycled materials, energy efficient technologies and green solutions built into guest experiences, most of which will be led by upscale or upper midscale chains. Additionally, modular and prefabrication methods have become more prevalent in lodging, and use of these practices is expected to continue to grow.

OFFICE



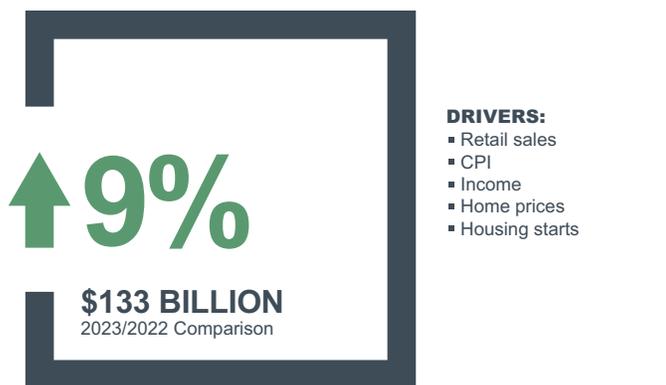
- DRIVERS:**
- Office vacancy rates
 - Unemployment rates



2024	DWN	-2%	\$99 B
2025	DWN	-5%	\$94 B
2026	STA	0%	\$94 B
2027	STA	4%	\$98 B

- U.S. office vacancies are nearly 20%, the highest levels since the late 1970s, and occupancy levels are worse. New construction and renovation projects continue to be challenged due to inflationary pressures on materials and labor, tight lending, high interest rates and increases in insurance premiums. Last year, most of the deals that moved forward were led by developers with cash. Investors, however, have lost interest in office buildings, with sales down more than twice as much as other major property types.
- Sublease activity remains at historically high levels and contract flexibility is a key trend in the current leasing environment, with owners using shorter agreements coupled with extension options to attract interest. Tenants have generally downsized square footage but upgraded or maintained presence in the newest class-A space available.
- Forward-thinking companies are finding ways to repurpose office space into apartments or data centers. Office to multifamily projects are proving to be particularly challenging, especially as rents have cooled.
- Data center upgrades and construction investment to handle the processing requirements of artificial intelligence will continue, particularly around liquid cooling capabilities. Grid modernizations will continue in 2024 to meet rapidly expanding data center demands.

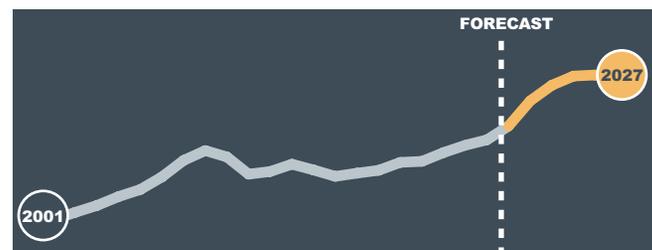
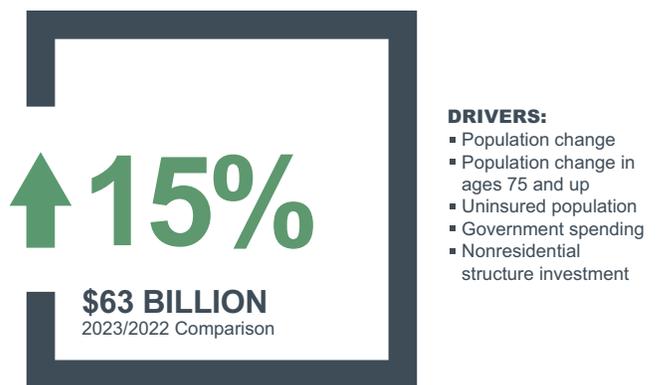
COMMERCIAL



2024	DWN	-4%	\$127 B
2025	DWN	-8%	\$118 B
2026	STA	1%	\$119 B
2027	UP	6%	\$127 B

- The commercial sector is expected to contract in 2024 for the first time since 2019, largely driven by the warehouse sector, which now represents more than half of annual commercial construction put in place. Changes to Amazon's strategy, including delays and cancellations of fulfillment centers, will continue to impact the sector. Additionally, there will likely be a decline in retail construction as multifamily and mixed-use development begins to slow.
- Consumer retail spending remained strong in 2023 while commercial property valuations continued to slide due to rising rates, limited access to capital, store closures and bankruptcies. Even with industry consolidation and closures, traditional retail is experiencing a shortage of available space, with national vacancy rates at more than 4% late 2023.
- Recent large-scale retail industry bankruptcies (e.g., Rite Aid, Bed Bath & Beyond, Party City) have created newly available space for lease and renovation opportunities in support of new business concepts. Big-box retail continues to consolidate and invest in e-commerce.

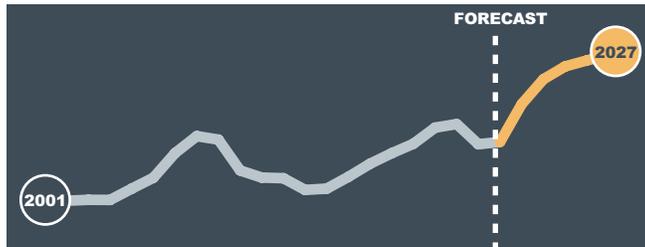
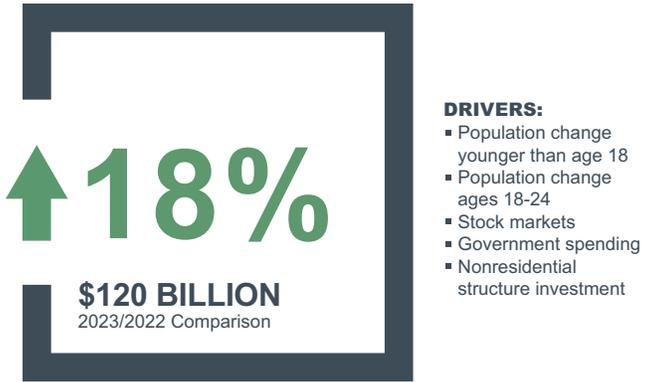
HEALTH CARE



2024	UP	8%	\$68 B
2025	STA	4%	\$71 B
2026	STA	0%	\$71 B
2027	DWN	-1%	\$70 B

- Investment in hospitals and medical offices will remain strong in 2024. Private specialty care continues to be challenged, but public funding in specialty care facilities is expanding. Labor constraints and increased operational costs are likely to impact owners' strategic decisions over the next two to three years.
- Health care systems are expected to receive more than \$64 billion in funding through the Inflation Reduction Act (IRA). By providing incentives for owners to reduce their carbon footprints, IRA funding will help stabilize construction spending in health care. Renewable energy updates and other renovations around sustainability initiatives will bring increased awareness to capacity and maintenance needs across older facilities.
- National health expenditures, comprised of medical-related purchases of facilities, equipment and noncommercial medical research, grew nearly 3% in 2021 and more than 4% in 2022, accounting for approximately 18% and 17% of gross domestic product (GDP), respectively. This share will continue to remain elevated over the forecast period as technology expands and the U.S. population continues to age. Health care spending for those older than 65 was more than five times that of those under 18 years old, and approximately two and a half times more than the working-age (15- to 64-year-old) population.

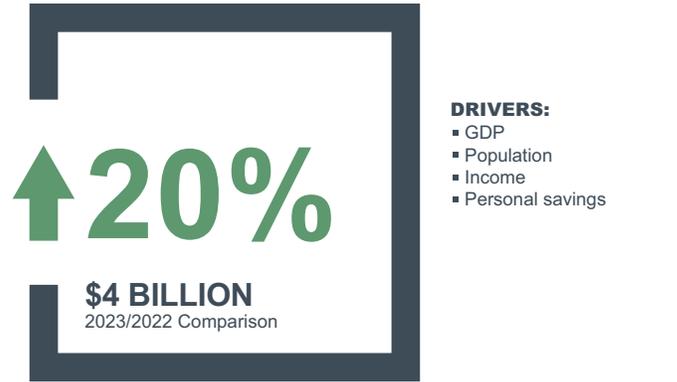
EDUCATIONAL



2024	UP	10%	\$132 B
2025	UP	5%	\$138 B
2026	STA	2%	\$141 B
2027	STA	2%	\$144 B

- Online and hybrid enrollment is outpacing in-person learning across higher education facilities, especially across community colleges. Institutions are quickly investing in the infrastructure needed to embrace this trend and remain competitive, including modernizing networks, data storage and computing power. In similar fashion, many of the largest and most prestigious higher education owners are investing heavily in data centers and computing power to support and protect their research programs.
- Like federal funding in health care, schools eligible for tax credits through the IRA are making significant investments toward sustainability and clean energy systems. Renewable energy solutions are some of the more common energy-saving solutions to receive funding. We expect spending from higher education entities into building renovations (HVAC, lighting and building envelope), clean energy (solar panels and wind farms) and car-charging stations.
- Much of this federal investment highlights the needs of aging educational buildings. On average, environmental conditions and monitoring ranked among the top priorities when updating or renovating facilities. Local bond measures will be the primary driver for increasing K-12 construction activities over the forecast period.

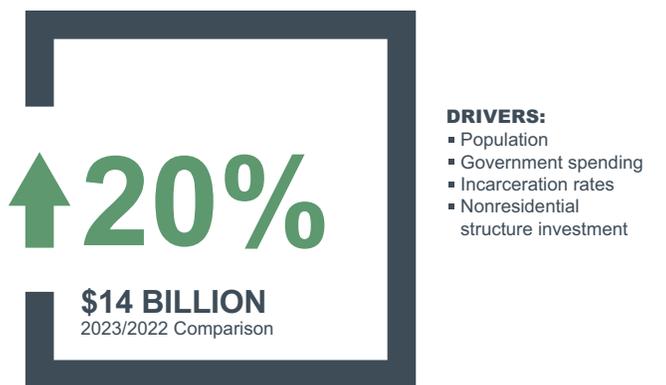
RELIGIOUS



2024	UP	5%	\$4 B
2025	DWN	-2%	\$4 B
2026	DWN	-2%	\$4 B
2027	STA	0%	\$4 B

- In-person church attendance was down 10% in 2023 and is expected to continue to decline into 2024. As in-person attendance continues to slide, successful adoption of digital platforms is becoming increasingly important to remain competitive and to sustain or build connectivity with membership.
- Disposable incomes were up slightly in 2023 and are the main driver for donations, which ultimately supported increased construction spending last year.
- Owners have been pushed to simplify their programs, maximize their facilities with multiuse spaces and use more off-campus resources, which reduces their square footage needs. Also, the permanence and preference for online and hybrid services shifts demand from traditional buildings to other types of community investments.

PUBLIC SAFETY



2024	UP	13%	\$16 B
2025	UP	6%	\$17 B
2026	DWN	-3%	\$16 B
2027	DWN	-2%	\$16 B

- The 2024 budgets for the Department of Homeland Security (DHS), Customs and Border Protection (CBP) and Immigration and Customs Enforcement (ICE) total nearly \$90 billion in combined increases, and support the addition of more than 2,000 employees. The Border Security Investment Act, passed in early 2023, continues to fund and reimburse states for border-related expenses.
- Crime data was released late last year for the first time in several quarters, as more cities reported information. The data indicates a significant decrease in violent crime rates, nearing the lowest levels in 50 years, including a 12% decline in murder rates compared to 2022 levels.
- A detailed inspection last year from the Department of Justice and the Office of Inspector General found that the Bureau of Prisons' buildings needed approximately \$2 billion in improvements and maintenance. Following the inspection several facilities were immediately shut down for renovations due to severe conditions.

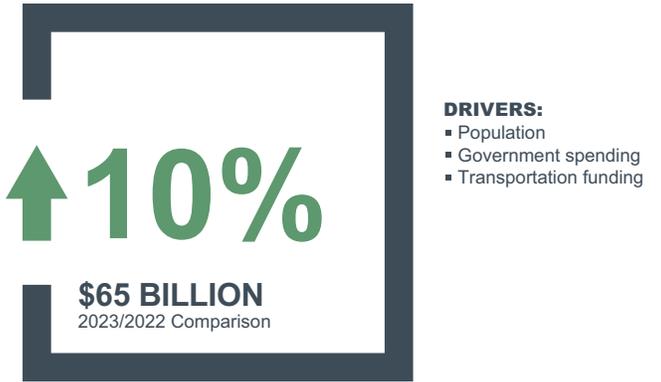
AMUSEMENT AND RECREATION



2024	UP	7%	\$36 B
2025	STA	0%	\$36 B
2026	DWN	-6%	\$34 B
2027	DWN	-2%	\$33 B

- Both Ticketmaster and Live Nation reported record financial performance in 2023, with revenue, profits and ticket sales up significantly, driven by consumers' interest in major arena and stadium events. Increased consumer spending on experiences and globalization of services were large factors last year, and both companies expect continued strong performance through 2024.
- Conversely, ongoing elevated interest rates, tightening lending standards and recessionary pressures (i.e., rising unemployment) are expected to challenge amusement and recreation projects in planning, many of which are important to local economies in secondary and tertiary markets. Further, resumption of student loan payments is expected to eat into consumer discretionary spending on leisure and travel.
- The strongest and most viable projects in planning include those benefiting from or tying into new or expanding infrastructure. Public investments in rail and airport terminals, highways and leisure destinations will support a mix of well-positioned convention centers, stadiums and arenas. One example is the move of Major League Baseball's Oakland Athletics to Las Vegas, backed by nearly \$400 million in public subsidies. Further, as states continue to allow gambling, there is increased interest in casino and other related developments.

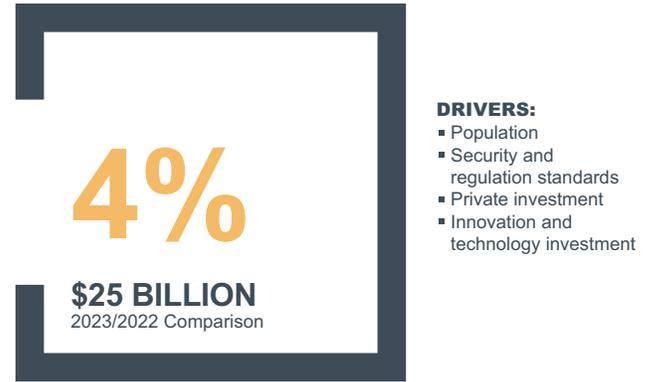
TRANSPORTATION



2024	UP	12%	\$72 B
2025	UP	11%	\$80 B
2026	UP	6%	\$85 B
2027	STA	2%	\$87 B

- Airport infrastructure needs are expanding rapidly, with passenger and cargo volumes expected to double before 2040. The Airports Council International (ACI) for the U.S. estimates more than \$150 billion in airport investment will be needed through 2027, with 53% at large hub airports and 19% at medium hubs. This estimate is more than 30% higher than a similar one done just two years ago. Also, more than half of the needed spending will be toward terminal projects.
- With manufacturing construction booming in the U.S., both freight rail and port activity are expected to benefit from increased volumes. Global trade and petroleum production shifts have recently favored East Coast infrastructure, resulting in shorter inland hauls and slowing trucking activity nationwide.
- The Infrastructure Investment and Jobs Act (IIJA) allotted \$17 billion for ports and waterways, with \$653 million in transportation department grants released in late 2023 to upgrade 41 ports around the country through the Port Infrastructure Development Program. This covers coastal seaports, Great Lakes ports and inland river ports, all aimed at improving domestic supply chains.

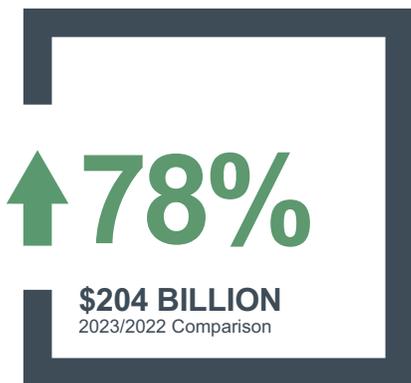
COMMUNICATION



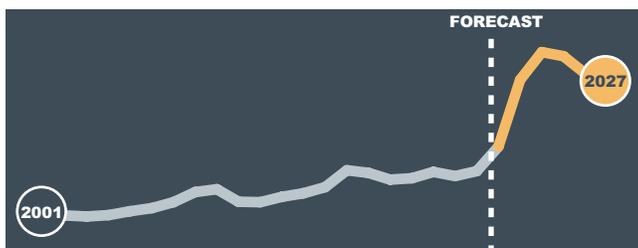
2024	UP	7%	\$27 B
2025	UP	7%	\$29 B
2026	UP	7%	\$31 B
2027	UP	5%	\$33 B

- The growth of AI and other cloud services will necessitate faster and more reliable networks. These demands overlap with complementary construction investment across data centers, manufacturing, transportation, power, and logistics and distribution.
- Investment in fixed fiber infrastructure is partly supported by IIJA funding through the \$42.5 billion Broadband Equity, Access and Deployment (BEAD) program, with an emphasis on the middle mile that closes the gap between last-mile networks and long-haul internet networks. This funding is expected to start in 2024, but may face challenges with permitting and pole attachment; a shortage of skilled labor; and complexities among states, network operators and manufacturers.
- The global satellite service market size is expected to grow from \$78 billion in 2022 to \$204 billion by 2033, a compound annual growth rate (CAGR) of more than 9%. Growth is driven by demands for mobile satellite services, direct-to-device services and an evolving regulatory environment. The forecast will require increased investments across satellite ground stations and launch sites.

MANUFACTURING



- DRIVERS:**
- PMI
 - Industrial production
 - Capacity utilization
 - Durable goods orders
 - Manufacturing inventories



2024	UP	18%	\$241 B
2025	DWN	-2%	\$235 B
2026	DWN	-10%	\$212 B
2027	DWN	-5%	\$202 B



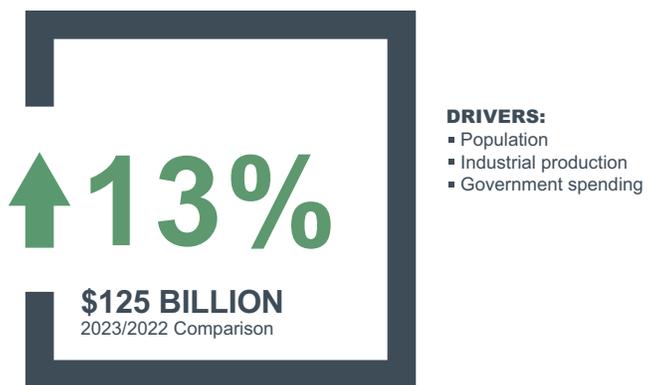
- The IIJA, CHIPS and Science Act, and IRA combined to spur record private sector investment in manufacturing, exceeding \$200 billion in construction in 2023, or nearly triple the annual spending levels recorded in the 2010s. Further, 2023 spending growth is expected to end the year at nearly double any previous highs since the early 1960s.
- The government’s infusion of grants, loans and tax incentives focuses on U.S. manufacturing capabilities in semiconductors, electric vehicles and batteries, clean energy products and technologies, biomanufacturing and all of the various components and materials that support these products and systems. Since the passage of the IRA, companies announced more than 220 manufacturing projects, representing nearly \$650 billion in planned project activity. Semiconductor manufacturing is the largest industry, accounting for one-third, or \$230 billion, in planned investment.

- According to recent Institute for Supply Management (ISM) Manufacturing Purchasing Managers’ Index (PMI) readings, without current government incentives, the manufacturing industry would be near historic lows due to weak orders and backlogs caused by contracting employment, prices and inventory levels. The index shows 14 months of industry contraction. Further, there is growing concern that construction labor shortages and supply chain complexities will continue to strain available national resources across competing planned investments in infrastructure and power.

NONBUILDING STRUCTURES CONSTRUCTION PUT IN PLACE



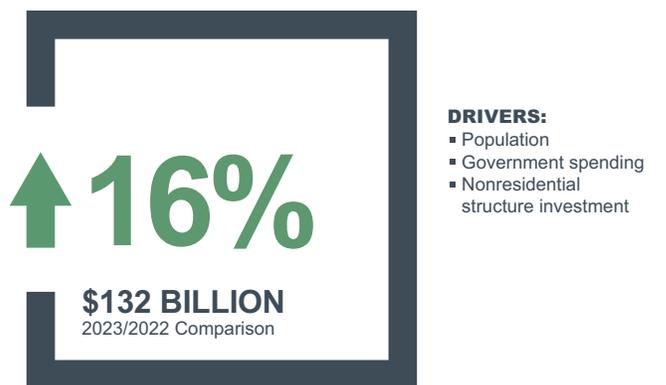
POWER



2024	UP	11%	\$138 B
2025	STA	2%	\$141 B
2026	STA	3%	\$145 B
2027	STA	2%	\$148 B

- Grid planners at the end of 2023 significantly raised their five-year load growth outlooks to a nearly 5% CAGR through 2028 due to aggressive investments in new manufacturing and industrial facilities, data centers, transportation and building electrification. By comparison, over the past decade, load growth has been stable at close to 0% annually. The recent revision calls for peak demand growth of 38 gigawatts by 2028 and will require significant expansion of both new generation and transmission infrastructure nationwide.
- Boston Consulting Group estimates that data centers currently account for 2.5% of national load and may reach 7.5% by 2030, led by expected investment in generative AI.
- Renewable energy investments, battery production and technology, and the shift toward electric transportation and building systems continues to receive political support. However, research and development spending and technological advancements will occur across all generation sources. Traditional fossil fuel operators will continue to consolidate and strategically position assets across competitive oil shale resources, driving increased production and leveraging newly expanded industrial and trade infrastructure against domestic and global demands.

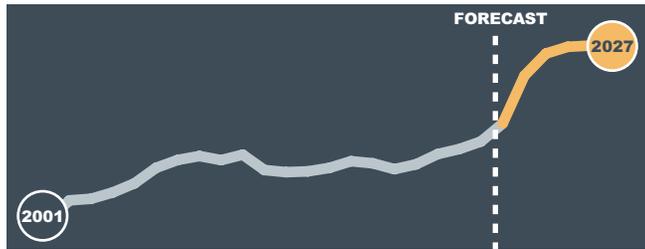
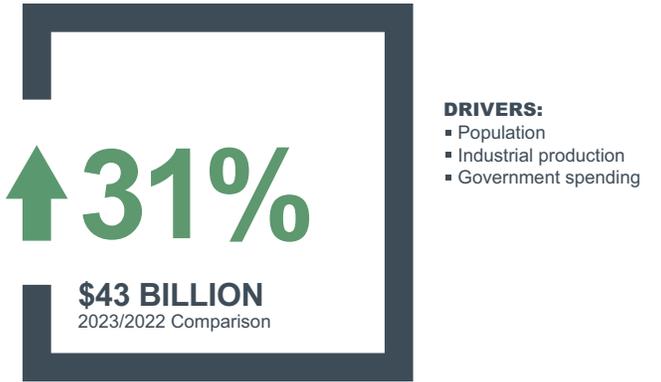
HIGHWAY AND SREET



2024	UP	9%	\$144 B
2025	UP	6%	\$152 B
2026	STA	4%	\$158 B
2027	STA	3%	\$162 B

- Spending growth in 2024 will remain above historic levels but will begin to slow as projects break ground, IIJA funds are deployed and highway construction costs begin to moderate. Disinflation and lower cost pressures will help states move stalled projects forward in 2024 and 2025. Simultaneously, we anticipate an investment shift away from renovation and rehabilitation spending into new and capacity expansion projects over the forecast period.
- Bridge construction will also become a larger focus for many states as they address aging infrastructure with increased funding including new IIJA bridge grant programs. Last December, under the new Bridge Investment Program (BIP), the Federal Highway Administration (FHWA) opened a notice of funding opportunity (NOFO) for as much as \$9.6 billion per year between FY2023 and FY2026 in bridge project grants and another \$80 million per year in bridge planning project grants. Last year nearly \$20 billion in bridge grants were awarded through this program, and the recent NOFO will likely drive increased interest and activity in the year(s) ahead.

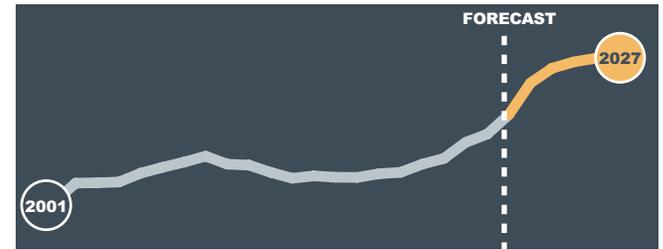
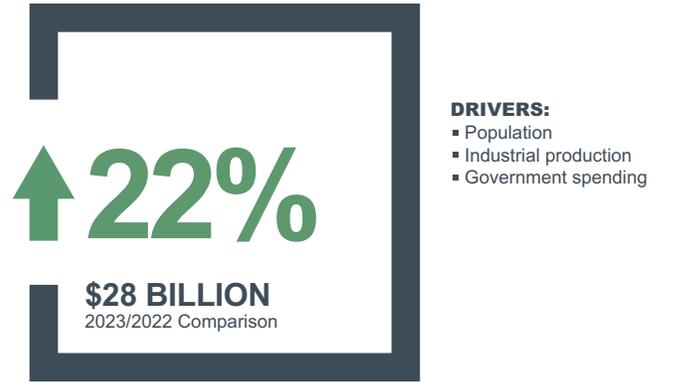
SEWAGE AND WASTE DISPOSAL



2024	UP	11%	\$48 B
2025	STA	3%	\$49 B
2026	STA	1%	\$49 B
2027	STA	1%	\$50 B

- Factors contributing to our strong outlook for this sector into 2025 include the recent wave of new residential and manufacturing development, domestic migration, aging infrastructure, storm hardening and resiliency, and the changing regulatory environment. Further, multiple federal funding mechanisms (including IJIA funds) are being applied to local sewage and waste disposal grants. Like last year, robust regulation of water treatment, specifically regarding the use of polyfluoroalkyl substances (PFAS), continues to drive retrofit and new facility requirements.
- In 2024 the Environmental Protection Agency (EPA) is expected to update and publish the Clean Watersheds Needs Survey (CWNS) for the first time since 2012. This report is used to determine investment needs and policy in redirecting federal dollars toward local and municipal wastewater collection and treatment facilities. It is expected that grant formulas and funding allocations will change dramatically in multiple areas, including storm water needs and storm hardening infrastructure, to respond to and prevent natural disasters.

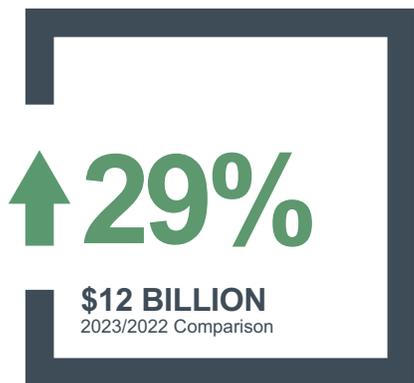
WATER SUPPLY



2024	UP	8%	\$31 B
2025	STA	3%	\$32 B
2026	STA	2%	\$32 B
2027	STA	2%	\$33 B

- Last year the EPA revised its estimated required investment for safe drinking water infrastructure to \$649 billion over the next 20 years, a 10% increase over its 2018 estimate. Approximately two-thirds of this investment will fund the repair of transmission and distribution networks (\$430 billion), followed by water treatment (\$110 billion) and water storage (\$58 billion). In addition, the IJIA will provide supplemental federal appropriations through 2026, and the expansion and creation of new federal grant programs through the Safe Drinking Water Act (SDWA) will result in more local and municipal assistance.
- A new EPA rule proposed in late November 2023 will require all lead service lines (LSLs) to be replaced within 10 years, at an estimated cost of more than \$80 billion. Recent EPA reports show that 5% of U.S. lines are LSLs. States with the most reported LSLs include Florida, Illinois, Ohio, Pennsylvania and Texas. However, nearly 40% of all lines are either unreported or have unknown materials, suggesting that there are just over 9 million LSLs, or 10% of all U.S. service lines. Beyond funding replacements, finding and identifying unknown and unreported lines will require significant spending. Additionally, the new EPA rule will lower the allowable quantity of lead in drinking water and select states will be required to replace galvanized service lines.

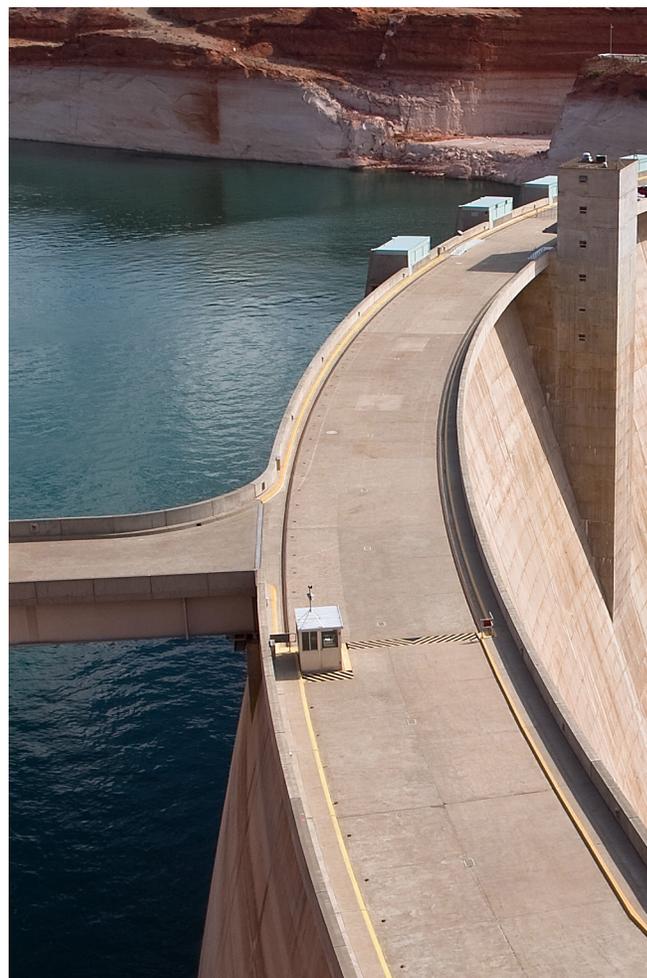
CONSERVATION AND DEVELOPMENT



- DRIVERS:**
- Population
 - Government spending



2024	UP	13%	\$14 B
2025	STA	3%	\$14 B
2026	DWN	-4%	\$14 B
2027	DWN	-4%	\$13 B



- Through combined IIJA and IRA funds, more than \$26 billion was awarded to conservation and development projects in 2023 to be spent over several years, up slightly from the \$22 billion awarded in 2022. Nearly \$6 billion was allotted to coastal resilience projects to prepare for continued climate change, improve fisheries and protected resources, and enhance climate data resources. Additionally, the IIJA included \$8 billion for wildfire management and \$12 billion for flood mitigation. Significant upcoming projects include the proposed Ike Dike in Galveston, Texas, and the Lower Manhattan Coastal Resiliency Project.
- In support of important trade infrastructure, dredging investment continues to expand and represents a growing share of conservation and development spend. The U.S. Army Corps of Engineers (USACE), a major buyer for dredging services, accounts for roughly \$1.5 billion a year in spending. U.S. goods trade in dollar volumes nearly doubled between 2010 and 2022, indicating the financial importance of keeping ports and shipping lanes open. Due to increased trade activity and ships getting larger to accommodate supply chain needs, additional dredging will continue to be required.

Construction Put in Place Estimated for the United States Census Division

Millions of Current Dollars

1st Quarter 2024 Forecast, Based on 3rd Quarter 2023 Actuals and 4th Quarter 2023 Assumptions

	2018	2019	2020	2021	2022	2023F	2024F	2025F	2026F	2027F
RESIDENTIAL BUILDINGS										
Single-family	289,855	280,385	310,060	424,488	453,731	391,570	371,336	375,742	393,890	416,085
Multifamily	83,411	88,401	100,089	114,926	118,455	143,312	122,441	100,990	102,004	109,177
Improvements*	190,611	184,656	234,108	269,554	355,253	367,609	353,131	347,051	356,431	371,595
Total Residential	563,877	553,442	644,257	808,968	927,439	902,492	846,909	823,783	852,325	896,857
NONRESIDENTIAL BUILDINGS										
Lodging	31,464	33,461	28,483	19,082	19,745	24,280	27,204	26,260	23,925	24,476
Office	76,662	88,724	92,831	89,902	91,623	100,645	98,920	94,369	94,294	98,070
Commercial	86,422	84,345	89,714	97,394	121,349	132,733	127,437	117,819	119,251	126,559
Health Care	43,450	46,263	48,599	50,327	54,757	62,817	67,815	70,747	71,088	70,293
Educational	101,210	108,952	110,692	100,988	102,086	120,274	132,179	138,332	141,191	143,889
Religious	3,499	3,730	3,472	3,096	2,946	3,524	3,712	3,628	3,538	3,524
Public Safety	9,353	12,012	17,667	12,826	11,574	13,889	15,721	16,599	16,062	15,685
Amusement and Recreation	28,068	30,416	28,288	27,102	30,001	33,562	36,004	36,001	33,761	32,918
Transportation	53,219	57,448	60,734	59,075	58,725	64,672	72,431	80,354	85,467	87,192
Communication	24,502	22,184	23,876	23,091	24,306	25,326	27,123	29,142	31,153	32,722
Manufacturing	72,508	80,978	75,425	82,030	114,706	203,730	240,683	235,265	212,234	202,045
Total Nonresidential Buildings	530,357	568,513	579,781	564,913	631,818	785,454	849,230	848,516	831,962	837,373
NONBUILDING STRUCTURES										
Power	99,569	117,960	118,168	119,108	109,816	124,585	137,678	141,057	145,072	147,973
Highway and Street	91,745	99,402	102,321	103,381	114,107	131,853	143,966	151,902	157,757	161,820
Sewage and Waste Disposal	23,931	26,119	27,189	28,811	32,660	42,834	47,572	49,002	49,253	49,655
Water Supply	15,477	16,397	18,952	20,284	23,402	28,486	30,834	31,840	32,417	32,946
Conservation and Development	8,229	9,207	8,903	7,911	9,434	12,176	13,747	14,195	13,595	13,094
Total Nonbuilding Structures	238,951	269,085	275,533	279,495	289,419	339,934	373,797	387,996	398,093	405,487
Total Put in Place	\$1,333,185	\$1,391,040	\$1,499,571	\$1,653,376	\$1,848,676	\$2,027,879	\$2,069,935	\$2,060,296	\$2,082,381	\$2,139,717

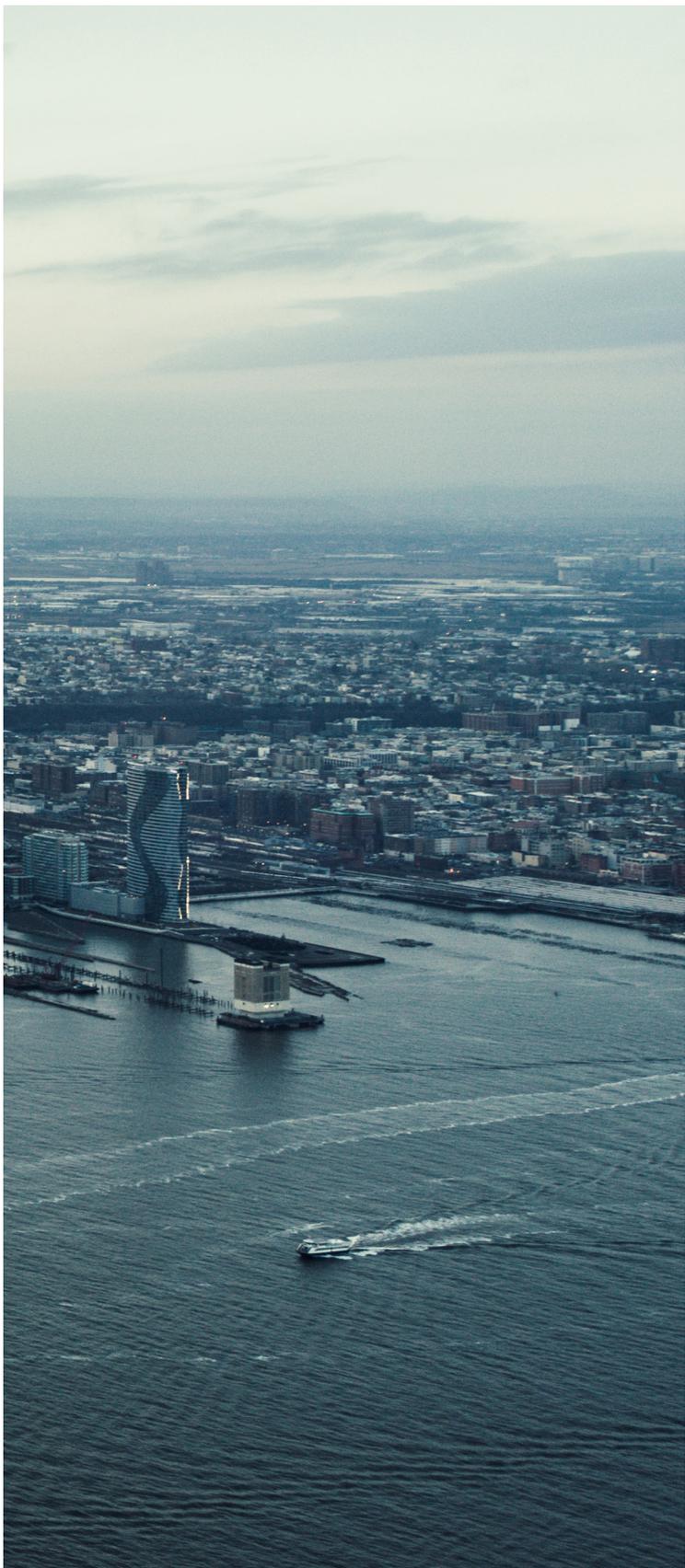
Construction Put in Place Estimated for the United States Census Division

Change From Prior Year — Current Dollar Basis

1st Quarter 2024 Forecast, Based on 3rd Quarter 2023 Actuals and 4th Quarter 2023 Assumptions

	2018	2019	2020	2021	2022	2023F	2024F	2025F	2026F	2027F
RESIDENTIAL BUILDINGS										
Single-family	7%	-3%	11%	37%	7%	-14%	-5%	1%	5%	6%
Multifamily	4%	6%	13%	15%	3%	21%	-15%	-18%	1%	7%
Improvements*	-2%	-3%	27%	15%	32%	3%	-4%	-2%	3%	4%
Total Residential	3%	-2%	16%	26%	15%	-3%	-6%	-3%	3%	5%
NONRESIDENTIAL BUILDINGS										
Lodging	10%	6%	-15%	-33%	3%	23%	12%	-3%	-9%	2%
Office	12%	16%	5%	-3%	2%	10%	-2%	-5%	0%	4%
Commercial	-1%	-2%	6%	9%	25%	9%	-4%	-8%	1%	6%
Health Care	1%	6%	5%	4%	9%	15%	8%	4%	0%	-1%
Educational	5%	8%	2%	-9%	1%	18%	10%	5%	2%	2%
Religious	-2%	7%	-7%	-11%	-5%	20%	5%	-2%	-2%	0%
Public Safety	10%	28%	47%	-27%	-10%	20%	13%	6%	-3%	-2%
Amusement and Recreation	6%	8%	-7%	-4%	11%	12%	7%	0%	-6%	-2%
Transportation	15%	8%	6%	-3%	-1%	10%	12%	11%	6%	2%
Communication	3%	-9%	8%	-3%	5%	4%	7%	7%	7%	5%
Manufacturing	3%	12%	-7%	9%	40%	78%	18%	-2%	-10%	-5%
Total Nonresidential Buildings	5%	7%	2%	-3%	12%	24%	8%	0%	-2%	1%
NONBUILDING STRUCTURES										
Power	4%	18%	0%	1%	-8%	13%	11%	2%	3%	2%
Highway and Street	2%	8%	3%	1%	10%	16%	9%	6%	4%	3%
Sewage and Waste Disposal	4%	9%	4%	6%	13%	31%	11%	3%	1%	1%
Water Supply	9%	6%	16%	7%	15%	22%	8%	3%	2%	2%
Conservation and Development	10%	12%	-3%	-11%	19%	29%	13%	3%	-4%	-4%
Total Nonbuilding Structures	4%	13%	2%	1%	4%	17%	10%	4%	3%	2%
Total Put in Place	4%	4%	8%	10%	12%	10%	2%	0%	1%	3%

*Improvements includes additions, alterations and major replacements. It does not include maintenance and repairs.



REGIONAL SUMMARY

REGIONAL KEY TAKEAWAYS

As seen in the regional summary table below, FMI expects that the top two performing U.S. Census divisions through 2024 year-end will be East North Central (4.1%) and West South Central (3.9%).

- The Census divisions with the lowest declines in residential spending in 2024 will be East South Central (-3.4%), Pacific (-4.7%) and South Atlantic (-5.1%).
- Top Census divisions for nonresidential building spending in 2024 will be West South Central (11.7%), New England (10.8%) and Middle Atlantic (10.3%).
- Top Census divisions for nonbuilding structures spending in 2024 will be Pacific (15.1%), New England (12.8%) and Middle Atlantic (10.8%).

TOTAL CONSTRUCTION PROJECTED GROWTH 2023-2024



New England 3.4%



Middle Atlantic 2.8%



East North Central 4.1%



West North Central 2.7%



South Atlantic -0.2%



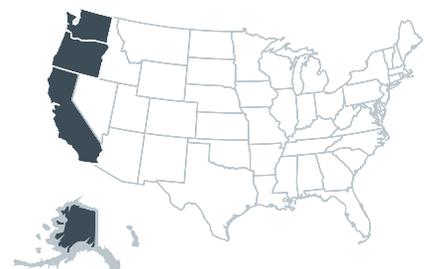
East South Central 1.9%



West South Central 3.9%



Mountain -0.8%



Pacific 3.4%

REGIONAL SUMMARY

		Year	Total Residential	Total Nonresidential Buildings	Total Nonbuilding Structures	Total Construction Put in Place	Projected Growth 2023-2024
Northeast	New England						
	2023	30,747	34,465	9,795	75,006	3.4%	
	2024	28,284	38,196	11,053	77,534		
	Mid-Atlantic						
	2023	70,936	89,695	42,358	202,990	2.8%	
	2024	62,823	98,914	46,931	208,668		
Midwest	East North Central						
	2023	71,764	84,797	39,560	196,120	4.1%	
	2024	68,009	92,942	43,195	204,146		
	West North Central						
	2023	54,310	52,691	33,130	140,130	2.7%	
	2024	50,946	56,871	36,072	143,889		
South	South Atlantic						
	2023	221,011	134,315	53,142	408,469	-0.2%	
	2024	209,706	140,546	57,378	407,630		
	East South Central						
	2023	45,665	50,909	14,659	111,233	1.9%	
	2024	44,101	54,321	14,893	113,315		
	West South Central						
	2023	127,411	137,841	59,532	324,784	3.9%	
	2024	118,363	153,954	65,163	337,480		
West	Mountain						
	2023	144,133	88,068	29,235	261,435	-0.8%	
	2024	134,615	92,845	31,757	259,217		
	Pacific						
	2023	136,515	112,674	58,523	307,712	3.4%	
	2024	130,060	120,641	67,355	318,056		
U.S.	Total United States						
	2023	\$902,492	\$785,454	\$339,934	\$2,027,879	2.1%	
	2024	\$846,909	\$849,230	\$373,797	\$2,069,935		



Construction Put in Place Estimated for the New England Census Division

Millions of Current Dollars

1st Quarter 2024 Forecast, Based on 3rd Quarter 2023 Actuals and 4th Quarter 2023 Assumptions

	2018	2019	2020	2021	2022	2023F	2024F	2025F	2026F	2027F
RESIDENTIAL BUILDINGS										
Single-family	11,116	9,301	10,047	12,766	14,584	12,831	12,000	12,409	13,068	14,085
Multifamily	2,711	2,638	3,007	3,476	4,476	5,422	4,726	3,515	3,404	3,563
Improvements*	7,368	6,781	8,258	8,692	11,925	12,494	11,559	10,897	11,107	11,818
Total Residential	21,195	18,721	21,312	24,933	30,985	30,747	28,284	26,822	27,579	29,466
NONRESIDENTIAL BUILDINGS										
Lodging	2,144	1,571	1,064	666	482	580	627	578	541	555
Office	3,747	4,768	4,622	4,456	4,182	4,631	4,603	4,407	4,283	4,447
Commercial	3,481	3,151	3,164	3,506	4,161	4,646	4,842	4,695	4,444	4,553
Health Care	1,745	2,385	3,060	3,723	4,230	5,082	5,869	6,500	6,201	5,893
Educational	7,009	6,945	6,985	6,543	6,790	8,323	9,666	10,508	10,227	9,405
Religious	164	109	76	41	23	28	30	29	28	28
Public Safety	632	705	970	785	552	661	717	773	811	838
Amusement and Recreation	938	978	1,054	1,040	1,210	1,370	1,432	1,344	1,270	1,299
Transportation	2,414	2,914	3,270	3,919	3,909	4,420	4,801	5,076	5,272	5,391
Communication	421	492	513	540	282	300	320	345	367	383
Manufacturing	2,449	2,408	2,674	3,812	2,869	4,423	5,289	5,554	5,290	5,127
Total Nonresidential Buildings	25,142	26,426	27,450	29,032	28,691	34,465	38,196	39,809	38,732	37,919
NONBUILDING STRUCTURES										
Power	3,236	3,770	3,646	2,919	1,981	2,144	2,361	2,830	3,062	3,120
Highway and Street	3,123	3,745	3,509	3,706	3,903	4,549	5,173	5,494	5,712	5,889
Sewage and Waste Disposal	1,047	1,199	1,055	1,258	1,446	1,883	2,181	2,238	2,288	2,343
Water Supply	657	578	611	568	742	920	1,013	1,058	1,079	1,093
Conservation and Development	206	232	265	156	241	299	326	337	345	351
Total Nonbuilding Structures	8,269	9,524	9,087	8,607	8,313	9,795	11,053	11,957	12,486	12,796
Total Put in Place	\$54,606	\$54,671	\$57,848	\$62,572	\$67,989	\$75,006	\$77,534	\$78,587	\$78,797	\$80,181

Construction Put in Place Estimated for the New England Census Division

Change From Prior Year — Current Dollar Basis

1st Quarter 2024 Forecast, Based on 3rd Quarter 2023 Actuals and 4th Quarter 2023 Assumptions

	2018	2019	2020	2021	2022	2023F	2024F	2025F	2026F	2027F
RESIDENTIAL BUILDINGS										
Single-family	3%	-16%	8%	27%	14%	-12%	-6%	3%	5%	8%
Multifamily	1%	-3%	14%	16%	29%	21%	-13%	-26%	-3%	5%
Improvements*	-3%	-8%	22%	5%	37%	5%	-7%	-6%	2%	6%
Total Residential	1%	-12%	14%	17%	24%	-1%	-8%	-5%	3%	7%
NONRESIDENTIAL BUILDINGS										
Lodging	5%	-27%	-32%	-37%	-28%	20%	8%	-8%	-6%	3%
Office	19%	27%	-3%	-4%	-6%	11%	-1%	-4%	-3%	4%
Commercial	2%	-9%	0%	11%	19%	12%	4%	-3%	-5%	2%
Health Care	9%	37%	28%	22%	14%	20%	15%	11%	-5%	-5%
Educational	8%	-1%	1%	-6%	4%	23%	16%	9%	-3%	-8%
Religious	-2%	-34%	-30%	-46%	-44%	24%	5%	-1%	-6%	3%
Public Safety	12%	12%	38%	-19%	-30%	20%	9%	8%	5%	3%
Amusement and Recreation	-12%	4%	8%	-1%	16%	13%	5%	-6%	-5%	2%
Transportation	42%	21%	12%	20%	0%	13%	9%	6%	4%	2%
Communication	106%	17%	4%	5%	-48%	6%	7%	8%	6%	4%
Manufacturing	13%	-2%	11%	43%	-25%	54%	20%	5%	-5%	-3%
Total Nonresidential Buildings	11%	5%	4%	6%	-1%	20%	11%	4%	-3%	-2%
NONBUILDING STRUCTURES										
Power	-23%	17%	-3%	-20%	-32%	8%	10%	20%	8%	2%
Highway and Street	-7%	20%	-6%	6%	5%	17%	14%	6%	4%	3%
Sewage and Waste Disposal	5%	15%	-12%	19%	15%	30%	16%	3%	2%	2%
Water Supply	88%	-12%	6%	-7%	31%	24%	10%	4%	2%	1%
Conservation and Development	-7%	13%	14%	-41%	54%	24%	9%	3%	2%	2%
Total Nonbuilding Structures	-9%	15%	-5%	-5%	-3%	18%	13%	8%	4%	2%
Total Put in Place	4%	0%	6%	8%	9%	10%	3%	1%	0%	2%

*Improvements includes additions, alterations and major replacements. It does not include maintenance and repairs.

NEW ENGLAND STATES INCLUDE CONNECTICUT, MAINE, MASSACHUSETTS, NEW HAMPSHIRE, RHODE ISLAND AND VERMONT.



Construction Put in Place Estimated for the Middle Atlantic Census Division

Millions of Current Dollars

1st Quarter 2024 Forecast, Based on 3rd Quarter 2023 Actuals and 4th Quarter 2023 Assumptions

	2018	2019	2020	2021	2022	2023F	2024F	2025F	2026F	2027F
RESIDENTIAL BUILDINGS										
Single-family	21,864	19,732	20,328	26,323	32,671	28,296	26,377	26,871	27,730	29,481
Multifamily	8,914	9,624	10,907	15,363	14,472	16,622	11,859	9,877	10,285	10,957
Improvements*	15,288	14,829	17,722	21,305	24,931	26,018	24,587	25,116	25,811	26,741
Total Residential	46,067	44,185	48,957	62,990	72,074	70,936	62,823	61,864	63,827	67,179
NONRESIDENTIAL BUILDINGS										
Lodging	5,046	4,549	3,339	2,646	2,442	3,026	3,277	3,065	2,978	3,161
Office	17,605	18,519	17,053	17,250	15,160	15,385	14,524	13,341	13,216	13,778
Commercial	9,808	9,445	9,904	10,889	11,973	12,695	11,980	10,857	10,663	10,947
Health Care	6,312	7,265	7,114	6,637	6,598	7,759	8,518	8,617	8,189	8,011
Educational	13,034	14,086	13,479	11,825	12,440	14,784	16,027	16,384	16,385	17,411
Religious	345	380	338	320	238	271	288	282	264	268
Public Safety	631	1,090	1,373	1,288	1,314	1,685	2,361	2,552	2,208	1,992
Amusement and Recreation	3,618	4,268	4,791	4,030	3,521	3,961	4,316	4,093	3,773	3,848
Transportation	7,344	10,137	8,359	7,689	8,893	10,380	11,848	13,109	14,105	13,646
Communication	6,626	7,275	6,664	7,582	9,541	9,974	10,670	11,634	12,572	13,158
Manufacturing	6,121	7,016	7,178	6,913	5,389	9,775	15,104	16,088	14,157	13,800
Total Nonresidential Buildings	76,491	84,032	79,592	77,068	77,509	89,695	98,914	100,022	98,509	100,020
NONBUILDING STRUCTURES										
Power	11,210	12,606	19,273	21,879	17,905	19,338	21,910	23,980	25,248	26,060
Highway and Street	10,213	10,962	11,266	9,817	11,136	13,511	14,549	15,357	15,925	16,266
Sewage and Waste Disposal	2,870	2,647	2,667	2,731	3,092	4,352	4,909	5,065	5,141	5,216
Water Supply	1,949	1,800	1,791	2,016	1,826	2,271	2,420	2,521	2,565	2,561
Conservation and Development	865	1,615	1,374	1,217	2,309	2,886	3,143	3,340	3,239	2,958
Total Nonbuilding Structures	27,108	29,630	36,371	37,662	36,269	42,358	46,931	50,262	52,117	53,061
Total Put in Place	\$149,666	\$157,847	\$164,919	\$177,720	\$185,852	\$202,990	\$208,668	\$212,149	\$214,453	\$220,259

Construction Put in Place Estimated for the Middle Atlantic Census Division

Change From Prior Year — Current Dollar Basis

1st Quarter 2024 Forecast, Based on 3rd Quarter 2023 Actuals and 4th Quarter 2023 Assumptions

	2018	2019	2020	2021	2022	2023F	2024F	2025F	2026F	2027F
RESIDENTIAL BUILDINGS										
Single-family	1%	-10%	3%	29%	24%	-13%	-7%	2%	3%	6%
Multifamily	-8%	8%	13%	41%	-6%	15%	-29%	-17%	4%	7%
Improvements*	-13%	-3%	20%	20%	17%	4%	-5%	2%	3%	4%
Total Residential	-6%	-4%	11%	29%	14%	-2%	-11%	-2%	3%	5%
NONRESIDENTIAL BUILDINGS										
Lodging	26%	-10%	-27%	-21%	-8%	24%	8%	-6%	-3%	6%
Office	16%	5%	-8%	1%	-12%	1%	-6%	-8%	-1%	4%
Commercial	8%	-4%	5%	10%	10%	6%	-6%	-9%	-2%	3%
Health Care	14%	15%	-2%	-7%	-1%	18%	10%	1%	-5%	-2%
Educational	-1%	8%	-4%	-12%	5%	19%	8%	2%	0%	6%
Religious	34%	10%	-11%	-6%	-26%	14%	6%	-2%	-6%	1%
Public Safety	-33%	73%	26%	-6%	2%	28%	40%	8%	-13%	-10%
Amusement and Recreation	22%	18%	12%	-16%	-13%	12%	9%	-5%	-8%	2%
Transportation	25%	38%	-18%	-8%	16%	17%	14%	11%	8%	-3%
Communication	-2%	10%	-8%	14%	26%	5%	7%	9%	8%	5%
Manufacturing	63%	15%	2%	-4%	-22%	81%	55%	7%	-12%	-3%
Total Nonresidential Buildings	13%	10%	-5%	-3%	1%	16%	10%	1%	-2%	2%
NONBUILDING STRUCTURES										
Power	32%	12%	53%	14%	-18%	8%	13%	9%	5%	3%
Highway and Street	-6%	7%	3%	-13%	13%	21%	8%	6%	4%	2%
Sewage and Waste Disposal	9%	-8%	1%	2%	13%	41%	13%	3%	2%	1%
Water Supply	82%	-8%	-1%	13%	-9%	24%	7%	4%	2%	0%
Conservation and Development	74%	87%	-15%	-11%	90%	25%	9%	6%	-3%	-9%
Total Nonbuilding Structures	15%	9%	23%	4%	-4%	17%	11%	7%	4%	2%
Total Put in Place	7%	5%	4%	8%	5%	9%	3%	2%	1%	3%

*Improvements includes additions, alterations and major replacements. It does not include maintenance and repairs.

MIDDLE ATLANTIC STATES INCLUDE NEW JERSEY, NEW YORK AND PENNSYLVANIA.



Construction Put in Place Estimated for the East North Central Census Division

Millions of Current Dollars

1st Quarter 2024 Forecast, Based on 3rd Quarter 2023 Actuals and 4th Quarter 2023 Assumptions

	2018	2019	2020	2021	2022	2023F	2024F	2025F	2026F	2027F
RESIDENTIAL BUILDINGS										
Single-family	23,949	22,348	24,650	34,360	37,642	31,049	30,296	32,747	35,032	36,733
Multifamily	5,687	5,899	8,095	8,920	8,675	10,209	8,847	7,462	7,068	7,448
Improvements*	15,809	15,385	20,284	22,991	29,730	30,507	28,865	28,524	29,414	30,895
Total Residential	45,446	43,632	53,030	66,271	76,048	71,764	68,009	68,733	71,515	75,077
NONRESIDENTIAL BUILDINGS										
Lodging	2,789	3,009	2,735	1,898	1,532	1,757	1,889	1,739	1,715	1,912
Office	7,046	8,315	8,110	8,020	7,269	7,892	8,110	7,760	7,379	7,520
Commercial	10,356	10,822	11,376	11,309	12,747	13,982	13,383	12,521	12,982	13,792
Health Care	5,894	6,452	7,462	7,022	6,881	7,725	8,790	9,158	9,074	8,661
Educational	11,345	12,500	13,289	12,049	11,958	13,760	14,929	15,337	16,005	16,374
Religious	238	351	276	205	305	407	413	385	335	341
Public Safety	1,121	1,858	3,227	1,963	1,409	1,744	1,942	2,109	1,992	1,968
Amusement and Recreation	2,545	2,602	3,194	2,391	2,946	3,464	3,627	3,672	3,362	3,278
Transportation	2,691	3,143	4,916	4,569	4,256	4,784	5,661	6,143	6,172	6,029
Communication	1,996	1,466	809	1,034	1,739	1,975	2,295	2,417	2,560	2,656
Manufacturing	9,073	11,141	12,664	11,855	16,477	27,306	31,902	30,552	27,928	26,827
Total Nonresidential Buildings	55,095	61,658	68,059	62,315	67,519	84,797	92,942	91,792	89,503	89,358
NONBUILDING STRUCTURES										
Power	5,108	9,474	11,981	10,205	9,243	11,058	11,951	9,780	10,394	11,171
Highway and Street	13,775	13,676	15,895	17,760	17,378	19,486	21,648	23,026	24,238	24,733
Sewage and Waste Disposal	3,263	3,574	3,681	3,707	3,845	5,288	5,692	5,872	6,043	6,186
Water Supply	1,939	1,886	1,518	2,276	2,579	3,074	3,165	3,264	3,385	3,457
Conservation and Development	350	611	491	362	458	654	739	695	578	555
Total Nonbuilding Structures	24,435	29,220	33,565	34,309	33,503	39,560	43,195	42,637	44,639	46,102
Total Put in Place	\$124,976	\$134,510	\$154,654	\$162,895	\$177,070	\$196,120	\$204,146	\$203,162	\$205,657	\$210,538

Construction Put in Place Estimated for the East North Central Census Division

Change From Prior Year — Current Dollar Basis

1st Quarter 2024 Forecast, Based on 3rd Quarter 2023 Actuals and 4th Quarter 2023 Assumptions

	2018	2019	2020	2021	2022	2023F	2024F	2025F	2026F	2027F
RESIDENTIAL BUILDINGS										
Single-family	0%	-7%	10%	39%	10%	-18%	-2%	8%	7%	5%
Multifamily	-17%	4%	37%	10%	-3%	18%	-13%	-16%	-5%	5%
Improvements*	-12%	-3%	32%	13%	29%	3%	-5%	-1%	3%	5%
Total Residential	-7%	-4%	22%	25%	15%	-6%	-5%	1%	4%	5%
NONRESIDENTIAL BUILDINGS										
Lodging	8%	8%	-9%	-31%	-19%	15%	7%	-8%	-1%	12%
Office	12%	18%	-2%	-1%	-9%	9%	3%	-4%	-5%	2%
Commercial	6%	4%	5%	-1%	13%	10%	-4%	-6%	4%	6%
Health Care	-4%	9%	16%	-6%	-2%	12%	14%	4%	-1%	-5%
Educational	-4%	10%	6%	-9%	-1%	15%	8%	3%	4%	2%
Religious	-9%	47%	-21%	-26%	48%	33%	2%	-7%	-13%	2%
Public Safety	29%	66%	74%	-39%	-28%	24%	11%	9%	-6%	-1%
Amusement and Recreation	-18%	2%	23%	-25%	23%	18%	5%	1%	-8%	-3%
Transportation	-19%	17%	56%	-7%	-7%	12%	18%	9%	0%	-2%
Communication	77%	-27%	-45%	28%	68%	14%	16%	5%	6%	4%
Manufacturing	22%	23%	14%	-6%	39%	66%	17%	-4%	-9%	-4%
Total Nonresidential Buildings	4%	12%	10%	-8%	8%	26%	10%	-1%	-2%	0%
NONBUILDING STRUCTURES										
Power	-44%	85%	26%	-15%	-9%	20%	8%	-18%	6%	7%
Highway and Street	3%	-1%	16%	12%	-2%	12%	11%	6%	5%	2%
Sewage and Waste Disposal	1%	10%	3%	1%	4%	38%	8%	3%	3%	2%
Water Supply	0%	-3%	-20%	50%	13%	19%	3%	3%	4%	2%
Conservation and Development	-11%	75%	-20%	-26%	26%	43%	13%	-6%	-17%	-4%
Total Nonbuilding Structures	-13%	20%	15%	2%	-2%	18%	9%	-1%	5%	3%
Total Put in Place	-3%	8%	15%	5%	9%	11%	4%	0%	1%	2%

*Improvements includes additions, alterations and major replacements. It does not include maintenance and repairs.

EAST NORTH CENTRAL STATES INCLUDE INDIANA, ILLINOIS, MICHIGAN, OHIO AND WISCONSIN.



Construction Put in Place Estimated for the West North Central Census Division

Millions of Current Dollars

1st Quarter 2024 Forecast, Based on 3rd Quarter 2023 Actuals and 4th Quarter 2023 Assumptions

	2018	2019	2020	2021	2022	2023F	2024F	2025F	2026F	2027F
RESIDENTIAL BUILDINGS										
Single-family	16,123	15,730	18,036	24,361	25,557	20,997	20,038	22,062	23,570	24,716
Multifamily	5,158	5,373	7,007	8,451	8,468	10,374	8,831	6,344	6,013	6,258
Improvements*	11,603	11,523	16,023	18,555	22,139	22,938	22,077	21,986	22,669	23,616
Total Residential	32,885	32,627	41,066	51,366	56,164	54,310	50,946	50,392	52,252	54,591
NONRESIDENTIAL BUILDINGS										
Lodging	1,623	1,960	1,495	820	636	870	1,061	1,011	912	887
Office	4,805	4,608	5,753	5,033	6,025	6,909	7,277	7,120	7,030	7,252
Commercial	7,179	6,895	6,977	7,743	8,955	10,020	9,642	9,081	8,923	9,304
Health Care	3,529	4,007	3,575	3,213	4,058	4,462	4,399	4,599	5,024	5,470
Educational	5,793	7,923	7,617	7,823	7,855	8,552	9,366	9,669	9,904	10,044
Religious	303	270	371	190	268	411	426	359	365	396
Public Safety	736	1,068	1,464	1,341	1,333	1,530	1,606	1,545	1,346	1,245
Amusement and Recreation	1,757	1,903	1,767	1,648	2,405	2,864	2,976	2,568	2,293	2,419
Transportation	1,492	2,295	2,714	3,245	3,024	2,978	3,054	3,310	3,535	3,641
Communication	2,295	526	477	718	1,106	1,348	1,469	1,400	1,248	1,204
Manufacturing	7,040	6,594	4,956	5,789	7,122	12,747	15,597	14,954	13,273	12,852
Total Nonresidential Buildings	36,553	38,049	37,167	37,563	42,788	52,691	56,871	55,616	53,853	54,713
NONBUILDING STRUCTURES										
Power	12,675	13,308	9,174	7,415	9,667	11,737	12,636	12,897	13,713	14,395
Highway and Street	7,391	8,306	11,711	11,564	12,660	14,410	15,550	16,229	16,614	17,303
Sewage and Waste Disposal	1,883	2,230	2,414	2,693	2,698	3,900	4,538	4,361	4,135	4,279
Water Supply	1,061	1,058	1,409	1,610	2,232	2,668	2,901	2,639	2,539	2,601
Conservation and Development	314	492	691	707	561	414	446	481	497	494
Total Nonbuilding Structures	23,324	25,394	25,399	23,987	27,818	33,130	36,072	36,607	37,497	39,072
Total Put in Place	\$92,762	\$96,069	\$103,632	\$112,917	\$126,769	\$140,130	\$143,889	\$142,615	\$143,602	\$148,376

Construction Put in Place Estimated for the West North Central Census Division

Change From Prior Year — Current Dollar Basis

1st Quarter 2024 Forecast, Based on 3rd Quarter 2023 Actuals and 4th Quarter 2023 Assumptions

	2018	2019	2020	2021	2022	2023F	2024F	2025F	2026F	2027F
RESIDENTIAL BUILDINGS										
Single-family	-6%	-2%	15%	35%	5%	-18%	-5%	10%	7%	5%
Multifamily	6%	4%	30%	21%	0%	23%	-15%	-28%	-5%	4%
Improvements*	-8%	-1%	39%	16%	19%	4%	-4%	0%	3%	4%
Total Residential	-5%	-1%	26%	25%	9%	-3%	-6%	-1%	4%	4%
NONRESIDENTIAL BUILDINGS										
Lodging	9%	21%	-24%	-45%	-22%	37%	22%	-5%	-10%	-3%
Office	34%	-4%	25%	-13%	20%	15%	5%	-2%	-1%	3%
Commercial	-6%	-4%	1%	11%	16%	12%	-4%	-6%	-2%	4%
Health Care	-2%	14%	-11%	-10%	26%	10%	-1%	5%	9%	9%
Educational	-24%	37%	-4%	3%	0%	9%	10%	3%	2%	1%
Religious	-28%	-11%	38%	-49%	41%	53%	4%	-16%	2%	8%
Public Safety	-3%	45%	37%	-8%	-1%	15%	5%	-4%	-13%	-7%
Amusement and Recreation	-8%	8%	-7%	-7%	46%	19%	4%	-14%	-11%	6%
Transportation	-19%	54%	18%	20%	-7%	-2%	3%	8%	7%	3%
Communication	156%	-77%	-9%	50%	54%	22%	9%	-5%	-11%	-4%
Manufacturing	14%	-6%	-25%	17%	23%	79%	22%	-4%	-11%	-3%
Total Nonresidential Buildings	2%	4%	-2%	1%	14%	23%	8%	-2%	-3%	2%
NONBUILDING STRUCTURES										
Power	6%	5%	-31%	-19%	30%	21%	8%	2%	6%	5%
Highway and Street	-1%	12%	41%	-1%	9%	14%	8%	4%	2%	4%
Sewage and Waste Disposal	-18%	18%	8%	12%	0%	45%	16%	-4%	-5%	3%
Water Supply	-30%	0%	33%	14%	39%	20%	9%	-9%	-4%	2%
Conservation and Development	74%	57%	40%	2%	-21%	-26%	8%	8%	3%	0%
Total Nonbuilding Structures	0%	9%	0%	-6%	16%	19%	9%	1%	2%	4%
Total Put in Place	-1%	4%	8%	9%	12%	11%	3%	-1%	1%	3%

*Improvements includes additions, alterations and major replacements. It does not include maintenance and repairs.

WEST NORTH CENTRAL STATES INCLUDE IOWA, KANSAS, MINNESOTA, MISSOURI, NEBRASKA, NORTH DAKOTA AND SOUTH DAKOTA.



Construction Put in Place Estimated for the South Atlantic Census Division

Millions of Current Dollars

1st Quarter 2024 Forecast, Based on 3rd Quarter 2023 Actuals and 4th Quarter 2023 Assumptions

	2018	2019	2020	2021	2022	2023F	2024F	2025F	2026F	2027F
RESIDENTIAL BUILDINGS										
Single-family	65,282	65,832	71,084	105,105	113,556	99,730	92,744	90,583	93,827	98,804
Multifamily	17,886	18,797	21,882	25,414	27,057	33,813	30,998	24,172	23,300	24,880
Improvements*	44,086	43,160	52,174	58,953	83,090	87,469	85,964	84,788	86,737	89,033
Total Residential	127,254	127,789	145,139	189,472	223,703	221,011	209,706	199,543	203,864	212,716
NONRESIDENTIAL BUILDINGS										
Lodging	6,577	7,746	6,569	4,413	4,830	5,799	6,539	6,650	6,194	5,922
Office	13,837	17,472	18,877	17,199	19,295	20,880	19,737	18,974	19,670	21,160
Commercial	18,799	19,087	20,036	20,246	27,445	30,309	28,910	26,157	26,698	28,802
Health Care	8,842	9,935	10,488	10,360	11,225	13,117	14,212	14,815	14,697	14,472
Educational	16,053	17,457	16,895	16,155	16,095	18,807	20,523	21,653	22,377	22,813
Religious	636	875	765	713	774	886	938	926	890	871
Public Safety	1,314	1,762	2,513	1,941	1,837	2,207	2,413	2,507	2,571	2,617
Amusement and Recreation	5,622	5,285	4,936	5,087	6,136	6,549	6,844	6,575	6,243	6,145
Transportation	8,001	9,618	8,479	7,455	7,941	8,485	9,465	10,961	11,905	12,415
Communication	2,677	3,101	4,220	3,846	4,424	4,718	4,934	5,169	5,313	5,514
Manufacturing	9,799	10,313	6,367	7,946	11,208	22,557	26,031	27,106	25,619	23,840
Total Nonresidential Buildings	92,159	102,650	100,145	95,363	111,208	134,315	140,546	141,493	142,178	144,572
NONBUILDING STRUCTURES										
Power	13,453	17,489	10,864	15,602	12,486	13,510	14,282	16,216	17,972	16,581
Highway and Street	19,556	21,027	18,831	19,195	21,770	25,337	27,690	28,966	29,823	30,542
Sewage and Waste Disposal	4,557	5,279	5,445	5,241	6,143	8,009	8,637	8,930	9,071	9,228
Water Supply	2,453	2,442	3,214	3,058	3,735	4,603	4,833	5,006	5,129	5,224
Conservation and Development	1,270	1,705	1,408	1,100	1,238	1,684	1,937	1,891	1,785	1,732
Total Nonbuilding Structures	41,289	47,942	39,762	44,196	45,373	53,142	57,378	61,010	63,781	63,308
Total Put in Place	\$260,701	\$278,381	\$285,047	\$329,031	\$380,285	\$408,469	\$407,630	\$402,045	\$409,822	\$420,596

Construction Put in Place Estimated for the South Atlantic Census Division

Change From Prior Year — Current Dollar Basis

1st Quarter 2024 Forecast, Based on 3rd Quarter 2023 Actuals and 4th Quarter 2023 Assumptions

	2018	2019	2020	2021	2022	2023F	2024F	2025F	2026F	2027F
RESIDENTIAL BUILDINGS										
Single-family	7%	1%	8%	48%	8%	-12%	-7%	-2%	4%	5%
Multifamily	17%	5%	16%	16%	6%	25%	-8%	-22%	-4%	7%
Improvements*	0%	-2%	21%	13%	41%	5%	-2%	-1%	2%	3%
Total Residential	6%	0%	14%	31%	18%	-1%	-5%	-5%	2%	4%
NONRESIDENTIAL BUILDINGS										
Lodging	18%	18%	-15%	-33%	9%	20%	13%	2%	-7%	-4%
Office	22%	26%	8%	-9%	12%	8%	-5%	-4%	4%	8%
Commercial	2%	2%	5%	1%	36%	10%	-5%	-10%	2%	8%
Health Care	10%	12%	6%	-1%	8%	17%	8%	4%	-1%	-2%
Educational	12%	9%	-3%	-4%	0%	17%	9%	6%	3%	2%
Religious	-19%	38%	-12%	-7%	8%	15%	6%	-1%	-4%	-2%
Public Safety	11%	34%	43%	-23%	-5%	20%	9%	4%	3%	2%
Amusement and Recreation	-3%	-6%	-7%	3%	21%	7%	5%	-4%	-5%	-2%
Transportation	12%	20%	-12%	-12%	7%	7%	12%	16%	9%	4%
Communication	-29%	16%	36%	-9%	15%	7%	5%	5%	3%	4%
Manufacturing	7%	5%	-38%	25%	41%	101%	15%	4%	-5%	-7%
Total Nonresidential Buildings	8%	11%	-2%	-5%	17%	21%	5%	1%	0%	2%
NONBUILDING STRUCTURES										
Power	111%	30%	-38%	44%	-20%	8%	6%	14%	11%	-8%
Highway and Street	14%	8%	-10%	2%	13%	16%	9%	5%	3%	2%
Sewage and Waste Disposal	20%	16%	3%	-4%	17%	30%	8%	3%	2%	2%
Water Supply	-10%	0%	32%	-5%	22%	23%	5%	4%	2%	2%
Conservation and Development	-15%	34%	-17%	-22%	13%	36%	15%	-2%	-6%	-3%
Total Nonbuilding Structures	31%	16%	-17%	11%	3%	17%	8%	6%	5%	-1%
Total Put in Place	10%	7%	2%	15%	16%	7%	0%	-1%	2%	3%

*Improvements includes additions, alterations and major replacements. It does not include maintenance and repairs.

SOUTH ATLANTIC REGION INCLUDES DELAWARE, DISTRICT OF COLUMBIA, FLORIDA, GEORGIA, MARYLAND, NORTH CAROLINA, SOUTH CAROLINA, VIRGINIA AND WEST VIRGINIA.



Construction Put in Place Estimated for the East South Central Census Division

Millions of Current Dollars

1st Quarter 2024 Forecast, Based on 3rd Quarter 2023 Actuals and 4th Quarter 2023 Assumptions

	2018	2019	2020	2021	2022	2023F	2024F	2025F	2026F	2027F
RESIDENTIAL BUILDINGS										
Single-family	13,604	14,291	15,420	20,977	22,726	20,169	19,348	19,497	20,425	22,015
Multifamily	2,853	3,259	4,558	5,513	4,491	5,602	5,753	4,785	4,650	4,897
Improvements*	9,041	9,453	12,223	15,086	19,415	19,894	19,001	17,879	18,316	19,113
Total Residential	25,498	27,004	32,202	41,576	46,632	45,665	44,101	42,160	43,391	46,025
NONRESIDENTIAL BUILDINGS										
Lodging	1,648	1,845	1,479	932	825	958	1,301	1,463	1,148	1,088
Office	2,483	3,650	4,703	3,935	2,826	3,102	3,269	3,168	3,242	3,394
Commercial	4,923	4,690	5,776	5,666	6,195	6,699	6,822	6,623	6,219	6,331
Health Care	2,012	2,103	2,012	1,638	2,325	2,730	2,532	2,236	2,276	2,478
Educational	4,813	4,356	4,499	3,616	4,485	5,276	5,689	5,980	6,202	6,361
Religious	379	345	263	150	158	201	216	210	199	197
Public Safety	561	527	764	559	693	800	857	963	1,144	1,072
Amusement and Recreation	892	1,308	1,043	1,602	1,868	1,927	2,134	2,682	2,607	2,261
Transportation	1,231	2,194	1,653	1,156	1,238	1,307	1,378	1,486	1,611	1,710
Communication	911	2,274	4,484	3,577	1,961	1,744	1,799	1,967	2,116	2,242
Manufacturing	5,132	6,680	6,024	7,033	11,654	26,166	28,322	26,980	24,591	23,586
Total Nonresidential Buildings	24,984	29,971	32,701	29,864	34,229	50,909	54,321	53,757	51,354	50,719
NONBUILDING STRUCTURES										
Power	4,522	2,539	3,933	2,811	5,308	6,140	5,467	5,645	6,384	6,889
Highway and Street	4,726	5,629	5,020	3,886	5,029	5,644	6,191	6,628	6,970	7,167
Sewage and Waste Disposal	915	1,049	1,336	1,484	1,501	1,853	2,083	2,165	2,231	2,279
Water Supply	514	355	599	597	793	939	1,043	1,008	956	975
Conservation and Development	126	175	166	159	40	82	110	128	135	145
Total Nonbuilding Structures	10,803	9,746	11,054	8,938	12,671	14,659	14,893	15,573	16,675	17,456
Total Put in Place	\$61,285	\$66,721	\$75,957	\$80,378	\$93,532	\$111,233	\$113,315	\$111,490	\$111,419	\$114,199

Construction Put in Place Estimated for the East South Central Census Division

Change From Prior Year — Current Dollar Basis

1st Quarter 2024 Forecast, Based on 3rd Quarter 2023 Actuals and 4th Quarter 2023 Assumptions

	2018	2019	2020	2021	2022	2023F	2024F	2025F	2026F	2027F
RESIDENTIAL BUILDINGS										
Single-family	2%	5%	8%	36%	8%	-11%	-4%	1%	5%	8%
Multifamily	-6%	14%	40%	21%	-19%	25%	3%	-17%	-3%	5%
Improvements*	-6%	5%	29%	23%	29%	2%	-4%	-6%	2%	4%
Total Residential	-2%	6%	19%	29%	12%	-2%	-3%	-4%	3%	6%
NONRESIDENTIAL BUILDINGS										
Lodging	3%	12%	-20%	-37%	-11%	16%	36%	12%	-22%	-5%
Office	27%	47%	29%	-16%	-28%	10%	5%	-3%	2%	5%
Commercial	18%	-5%	23%	-2%	9%	8%	2%	-3%	-6%	2%
Health Care	9%	5%	-4%	-19%	42%	17%	-7%	-12%	2%	9%
Educational	-2%	-9%	3%	-20%	24%	18%	8%	5%	4%	3%
Religious	133%	-9%	-24%	-43%	5%	27%	7%	-3%	-5%	-1%
Public Safety	59%	-6%	45%	-27%	24%	15%	7%	12%	19%	-6%
Amusement and Recreation	-28%	47%	-20%	54%	17%	3%	11%	26%	-3%	-13%
Transportation	67%	78%	-25%	-30%	7%	6%	5%	8%	8%	6%
Communication	31%	150%	97%	-20%	-45%	-11%	3%	9%	8%	6%
Manufacturing	24%	30%	-10%	17%	66%	125%	8%	-5%	-9%	-4%
Total Nonresidential Buildings	15%	20%	9%	-9%	15%	49%	7%	-1%	-4%	-1%
NONBUILDING STRUCTURES										
Power	-7%	-44%	55%	-29%	89%	16%	-11%	3%	13%	8%
Highway and Street	10%	19%	-11%	-23%	29%	12%	10%	7%	5%	3%
Sewage and Waste Disposal	-12%	15%	27%	11%	1%	23%	12%	4%	3%	2%
Water Supply	15%	-31%	69%	0%	33%	18%	11%	-3%	-5%	2%
Conservation and Development	43%	39%	-5%	-4%	-75%	106%	33%	16%	6%	8%
Total Nonbuilding Structures	1%	-10%	13%	-19%	42%	16%	2%	5%	7%	5%
Total Put in Place	5%	9%	14%	6%	16%	19%	2%	-2%	0%	2%

*Improvements includes additions, alterations and major replacements. It does not include maintenance and repairs.

EAST SOUTH CENTRAL STATES INCLUDE ALABAMA, KENTUCKY, MISSISSIPPI AND TENNESSEE.



Construction Put in Place Estimated for the West South Central Census Division

Millions of Current Dollars

1st Quarter 2024 Forecast, Based on 3rd Quarter 2023 Actuals and 4th Quarter 2023 Assumptions

	2018	2019	2020	2021	2022	2023F	2024F	2025F	2026F	2027F
RESIDENTIAL BUILDINGS										
Single-family	38,772	39,807	45,024	63,924	66,120	56,131	52,895	51,715	54,501	57,528
Multifamily	11,688	14,579	16,346	17,157	17,910	21,299	17,966	15,849	16,556	17,784
Improvements*	20,993	21,609	27,589	36,090	48,392	49,980	47,503	45,884	47,196	49,522
Total Residential	71,453	75,995	88,959	117,172	132,422	127,411	118,363	113,448	118,253	124,834
NONRESIDENTIAL BUILDINGS										
Lodging	3,276	4,161	3,564	2,109	2,473	3,074	3,518	3,415	2,878	2,778
Office	9,844	12,734	14,117	12,601	14,009	15,845	15,245	14,389	14,716	15,542
Commercial	13,451	13,815	15,302	17,550	22,821	24,752	23,406	21,485	21,782	23,274
Health Care	5,225	5,143	5,868	7,247	7,731	8,630	9,296	9,842	10,241	10,113
Educational	16,855	17,221	18,625	16,805	16,674	19,860	22,259	23,381	23,894	24,846
Religious	896	868	768	755	692	788	836	855	865	837
Public Safety	1,743	1,656	1,994	1,560	1,883	2,247	2,420	2,507	2,220	2,130
Amusement and Recreation	3,618	4,182	3,003	2,502	3,628	4,571	4,713	4,644	4,310	4,218
Transportation	4,238	3,193	4,460	4,571	4,608	5,103	5,831	6,493	6,947	7,284
Communication	4,322	3,856	2,802	1,945	1,478	1,401	1,517	1,717	2,126	2,416
Manufacturing	25,098	27,653	26,278	24,863	28,237	51,570	64,912	62,918	55,622	52,669
Total Nonresidential Buildings	88,567	94,483	96,782	92,507	104,235	137,841	153,954	151,646	145,601	146,106
NONBUILDING STRUCTURES										
Power	7,618	14,140	20,283	18,285	18,181	21,196	23,677	22,619	20,871	21,456
Highway and Street	15,624	16,291	16,542	17,021	20,116	23,404	25,236	26,635	27,808	28,349
Sewage and Waste Disposal	3,493	3,204	3,665	4,538	5,152	6,465	7,084	7,389	7,271	7,034
Water Supply	2,778	3,656	3,888	4,261	5,103	6,024	6,397	6,714	6,885	6,997
Conservation and Development	1,710	1,694	1,924	1,870	1,960	2,442	2,768	2,879	2,747	2,685
Total Nonbuilding Structures	31,224	38,985	46,303	45,975	50,512	59,532	65,163	66,236	65,582	66,520
Total Put in Place	\$191,244	\$209,464	\$232,044	\$255,653	\$287,169	\$324,784	\$337,480	\$331,330	\$329,437	\$337,461

Construction Put in Place Estimated for the West South Central Census Division

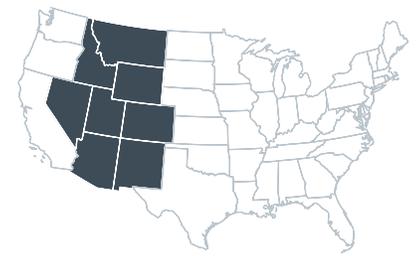
Change From Prior Year — Current Dollar Basis

1st Quarter 2024 Forecast, Based on 3rd Quarter 2023 Actuals and 4th Quarter 2023 Assumptions

	2018	2019	2020	2021	2022	2023F	2024F	2025F	2026F	2027F
RESIDENTIAL BUILDINGS										
Single-family	6%	3%	13%	42%	3%	-15%	-6%	-2%	5%	6%
Multifamily	12%	25%	12%	5%	4%	19%	-16%	-12%	4%	7%
Improvements*	-3%	3%	28%	31%	34%	3%	-5%	-3%	3%	5%
Total Residential	4%	6%	17%	32%	13%	-4%	-7%	-4%	4%	6%
NONRESIDENTIAL BUILDINGS										
Lodging	-3%	27%	-14%	-41%	17%	24%	14%	-3%	-16%	-3%
Office	2%	29%	11%	-11%	11%	13%	-4%	-6%	2%	6%
Commercial	-10%	3%	11%	15%	30%	8%	-5%	-8%	1%	7%
Health Care	-18%	-2%	14%	24%	7%	12%	8%	6%	4%	-1%
Educational	1%	2%	8%	-10%	-1%	19%	12%	5%	2%	4%
Religious	0%	-3%	-11%	-2%	-8%	14%	6%	2%	1%	-3%
Public Safety	26%	-5%	20%	-22%	21%	19%	8%	4%	-11%	-4%
Amusement and Recreation	26%	16%	-28%	-17%	45%	26%	3%	-1%	-7%	-2%
Transportation	9%	-25%	40%	2%	1%	11%	14%	11%	7%	5%
Communication	-6%	-11%	-27%	-31%	-24%	-5%	8%	13%	24%	14%
Manufacturing	-16%	10%	-5%	-5%	14%	83%	26%	-3%	-12%	-5%
Total Nonresidential Buildings	-7%	7%	2%	-4%	13%	32%	12%	-1%	-4%	0%
NONBUILDING STRUCTURES										
Power	-25%	86%	43%	-10%	-1%	17%	12%	-4%	-8%	3%
Highway and Street	2%	4%	2%	3%	18%	16%	8%	6%	4%	2%
Sewage and Waste Disposal	2%	-8%	14%	24%	14%	25%	10%	4%	-2%	-3%
Water Supply	33%	32%	6%	10%	20%	18%	6%	5%	3%	2%
Conservation and Development	7%	-1%	14%	-3%	5%	25%	13%	4%	-5%	-2%
Total Nonbuilding Structures	-4%	25%	19%	-1%	10%	18%	9%	2%	-1%	1%
Total Put in Place	-2%	10%	11%	10%	12%	13%	4%	-2%	-1%	2%

*Improvements includes additions, alterations and major replacements. It does not include maintenance and repairs.

WEST SOUTH CENTRAL STATES INCLUDE ARKANSAS, LOUISIANA, OKLAHOMA AND TEXAS.



Construction Put in Place Estimated for the Mountain Census Division

Millions of Current Dollars

1st Quarter 2024 Forecast, Based on 3rd Quarter 2023 Actuals and 4th Quarter 2023 Assumptions

	2018	2019	2020	2021	2022	2023F	2024F	2025F	2026F	2027F
RESIDENTIAL BUILDINGS										
Single-family	50,926	48,124	58,563	75,882	74,756	64,369	61,203	62,129	65,476	69,113
Multifamily	9,098	9,850	11,639	13,630	14,887	18,002	14,712	11,278	11,554	12,411
Improvements*	31,144	29,553	40,731	45,734	59,799	61,762	58,700	57,874	59,529	62,463
Total Residential	91,169	87,527	110,933	135,246	149,442	144,133	134,615	131,281	136,560	143,988
NONRESIDENTIAL BUILDINGS										
Lodging	2,828	3,675	4,509	3,583	4,407	5,522	5,989	5,513	4,812	5,219
Office	5,435	5,722	6,929	6,812	7,736	8,750	8,594	8,283	8,554	9,034
Commercial	5,827	5,842	7,372	8,968	12,649	13,719	13,248	12,293	12,954	13,971
Health Care	3,571	4,009	4,053	4,603	3,834	4,204	4,571	4,885	5,083	5,019
Educational	6,867	6,189	7,004	6,018	5,943	7,078	7,721	8,110	8,288	8,452
Religious	233	316	483	516	327	349	371	379	384	375
Public Safety	761	1,254	2,841	1,478	788	979	1,153	1,263	1,332	1,360
Amusement and Recreation	3,334	4,939	3,730	3,161	3,168	3,326	3,596	4,153	4,020	3,694
Transportation	5,135	4,978	5,767	5,571	4,804	5,415	6,568	7,247	7,537	7,601
Communication	1,291	840	1,673	1,688	1,563	1,628	1,763	1,994	2,130	2,165
Manufacturing	4,076	5,250	4,938	9,937	25,473	37,097	39,275	35,712	31,214	29,868
Total Nonresidential Buildings	39,358	43,014	49,299	52,336	70,691	88,068	92,845	89,833	86,307	86,759
NONBUILDING STRUCTURES										
Power	8,548	5,930	5,985	7,425	10,837	13,176	14,191	13,557	12,645	12,543
Highway and Street	6,816	6,410	7,120	6,651	7,534	8,840	9,621	10,058	10,300	10,603
Sewage and Waste Disposal	1,719	1,793	1,604	1,865	2,475	3,106	3,466	3,615	3,557	3,263
Water Supply	1,180	1,670	2,130	1,797	2,262	2,739	3,018	3,167	3,248	3,301
Conservation and Development	591	509	392	469	1,052	1,374	1,461	1,373	1,118	1,093
Total Nonbuilding Structures	18,855	16,312	17,231	18,207	24,160	29,235	31,757	31,770	30,868	30,803
Total Put in Place	\$149,382	\$146,853	\$177,463	\$205,789	\$244,294	\$261,435	\$259,217	\$252,884	\$253,735	\$261,550

Construction Put in Place Estimated for the Mountain Census Division

Change From Prior Year — Current Dollar Basis

1st Quarter 2024 Forecast, Based on 3rd Quarter 2023 Actuals and 4th Quarter 2023 Assumptions

	2018	2019	2020	2021	2022	2023F	2024F	2025F	2026F	2027F
RESIDENTIAL BUILDINGS										
Single-family	18%	-6%	22%	30%	-1%	-14%	-5%	2%	5%	6%
Multifamily	0%	8%	18%	17%	9%	21%	-18%	-23%	2%	7%
Improvements*	6%	-5%	38%	12%	31%	3%	-5%	-1%	3%	5%
Total Residential	12%	-4%	27%	22%	10%	-4%	-7%	-2%	4%	5%
NONRESIDENTIAL BUILDINGS										
Lodging	4%	30%	23%	-21%	23%	25%	8%	-8%	-13%	8%
Office	7%	5%	21%	-2%	14%	13%	-2%	-4%	3%	6%
Commercial	-22%	0%	26%	22%	41%	8%	-3%	-7%	5%	8%
Health Care	10%	12%	1%	14%	-17%	10%	9%	7%	4%	-1%
Educational	3%	-10%	13%	-14%	-1%	19%	9%	5%	2%	2%
Religious	-30%	36%	53%	7%	-37%	7%	6%	2%	1%	-2%
Public Safety	18%	65%	126%	-48%	-47%	24%	18%	10%	5%	2%
Amusement and Recreation	70%	48%	-24%	-15%	0%	5%	8%	15%	-3%	-8%
Transportation	33%	-3%	16%	-3%	-14%	13%	21%	10%	4%	1%
Communication	155%	-35%	99%	1%	-7%	4%	8%	13%	7%	2%
Manufacturing	-3%	29%	-6%	101%	156%	46%	6%	-9%	-13%	-4%
Total Nonresidential Buildings	7%	9%	15%	6%	35%	25%	5%	-3%	-4%	1%
NONBUILDING STRUCTURES										
Power	20%	-31%	1%	24%	46%	22%	8%	-4%	-7%	-1%
Highway and Street	-11%	-6%	11%	-7%	13%	17%	9%	5%	2%	3%
Sewage and Waste Disposal	25%	4%	-11%	16%	33%	25%	12%	4%	-2%	-8%
Water Supply	3%	41%	28%	-16%	26%	21%	10%	5%	3%	2%
Conservation and Development	26%	-14%	-23%	20%	124%	31%	6%	-6%	-19%	-2%
Total Nonbuilding Structures	6%	-13%	6%	6%	33%	21%	9%	0%	-3%	0%
Total Put in Place	10%	-2%	21%	16%	19%	7%	-1%	-2%	0%	3%

*Improvements includes additions, alterations and major replacements. It does not include maintenance and repairs.

MOUNTAIN STATES INCLUDE ARIZONA, COLORADO, IDAHO, MONTANA, NEVADA, NEW MEXICO, UTAH AND WYOMING.



Construction Put in Place Estimated for the Pacific Census Division

Millions of Current Dollars

1st Quarter 2024 Forecast, Based on 3rd Quarter 2023 Actuals and 4th Quarter 2023 Assumptions

	2018	2019	2020	2021	2022	2023F	2024F	2025F	2026F	2027F
RESIDENTIAL BUILDINGS										
Single-family	48,218	45,219	46,909	60,791	66,118	57,998	56,436	57,729	60,261	63,609
Multifamily	19,415	18,382	16,647	17,002	18,019	21,969	18,749	17,708	19,173	20,979
Improvements*	35,278	32,362	39,104	42,149	55,831	56,548	54,875	54,103	55,650	58,393
Total Residential	102,911	95,962	102,660	119,942	139,969	136,515	130,060	129,540	135,085	142,981
NONRESIDENTIAL BUILDINGS										
Lodging	5,533	4,946	3,729	2,014	2,117	2,695	3,004	2,825	2,748	2,954
Office	11,860	12,937	12,667	14,596	15,120	17,253	17,561	16,927	16,204	15,942
Commercial	12,598	10,597	9,807	11,517	14,403	15,910	15,204	14,108	14,585	15,584
Health Care	6,319	4,962	4,967	5,884	7,875	9,107	9,627	10,097	10,304	10,175
Educational	19,440	22,276	22,299	20,154	19,846	23,836	26,000	27,310	27,911	28,184
Religious	305	218	130	205	162	181	196	202	209	211
Public Safety	1,855	2,091	2,522	1,911	1,765	2,036	2,253	2,380	2,438	2,464
Amusement and Recreation	5,742	4,951	4,770	5,641	5,120	5,529	6,365	6,270	5,882	5,757
Transportation	20,672	18,976	21,115	20,901	20,052	21,800	23,824	26,528	28,383	29,475
Communication	3,964	2,353	2,234	2,161	2,212	2,238	2,356	2,501	2,721	2,984
Manufacturing	3,720	3,922	4,346	3,882	6,276	12,090	14,251	15,401	14,539	13,477
Total Nonresidential Buildings	92,008	88,230	88,586	88,865	94,948	112,674	120,641	124,549	125,924	127,207
NONBUILDING STRUCTURES										
Power	33,198	38,704	33,029	32,567	24,208	26,286	31,203	33,533	34,784	35,758
Highway and Street	10,521	13,356	12,426	13,781	14,580	16,671	18,309	19,508	20,367	20,967
Sewage and Waste Disposal	4,183	5,145	5,322	5,295	6,307	7,978	8,981	9,367	9,516	9,827
Water Supply	2,945	2,952	3,792	4,101	4,130	5,248	6,045	6,465	6,630	6,737
Conservation and Development	2,797	2,175	2,192	1,870	1,575	2,341	2,818	3,072	3,151	3,080
Total Nonbuilding Structures	53,644	62,331	56,761	57,614	50,800	58,523	67,355	71,944	74,448	76,369
Total Put in Place	\$248,564	\$246,523	\$248,006	\$266,421	\$285,717	\$307,712	\$318,056	\$326,033	\$335,457	\$346,557

Construction Put in Place Estimated for the Pacific Census Division

Change From Prior Year — Current Dollar Basis

1st Quarter 2024 Forecast, Based on 3rd Quarter 2023 Actuals and 4th Quarter 2023 Assumptions

	2018	2019	2020	2021	2022	2023F	2024F	2025F	2026F	2027F
RESIDENTIAL BUILDINGS										
Single-family	13%	-6%	4%	30%	9%	-12%	-3%	2%	4%	6%
Multifamily	4%	-5%	-9%	2%	6%	22%	-15%	-6%	8%	9%
Improvements*	2%	-8%	21%	8%	32%	1%	-3%	-1%	3%	5%
Total Residential	7%	-7%	7%	17%	17%	-2%	-5%	0%	4%	6%
NONRESIDENTIAL BUILDINGS										
Lodging	6%	-11%	-25%	-46%	5%	27%	11%	-6%	-3%	7%
Office	-5%	9%	-2%	15%	4%	14%	2%	-4%	-4%	-2%
Commercial	-1%	-16%	-7%	17%	25%	10%	-4%	-7%	3%	7%
Health Care	-6%	-21%	0%	18%	34%	16%	6%	5%	2%	-1%
Educational	29%	15%	0%	-10%	-2%	20%	9%	5%	2%	1%
Religious	-1%	-29%	-40%	58%	-21%	12%	8%	3%	3%	1%
Public Safety	0%	13%	21%	-24%	-8%	15%	11%	6%	2%	1%
Amusement and Recreation	2%	-14%	-4%	18%	-9%	8%	15%	-1%	-6%	-2%
Transportation	16%	-8%	11%	-1%	-4%	9%	9%	11%	7%	4%
Communication	-23%	-41%	-5%	-3%	2%	1%	5%	6%	9%	10%
Manufacturing	2%	5%	11%	-11%	62%	93%	18%	8%	-6%	-7%
Total Nonresidential Buildings	6%	-4%	0%	0%	7%	19%	7%	3%	1%	1%
NONBUILDING STRUCTURES										
Power	-2%	17%	-15%	-1%	-26%	9%	19%	7%	4%	3%
Highway and Street	4%	27%	-7%	11%	6%	14%	10%	7%	4%	3%
Sewage and Waste Disposal	2%	23%	3%	-1%	19%	26%	13%	4%	2%	3%
Water Supply	3%	0%	28%	8%	1%	27%	15%	7%	3%	2%
Conservation and Development	11%	-22%	1%	-15%	-16%	49%	20%	9%	3%	-2%
Total Nonbuilding Structures	1%	16%	-9%	2%	-12%	15%	15%	7%	3%	3%
Total Put in Place	5%	-1%	1%	7%	7%	8%	3%	3%	3%	3%

*Improvements includes additions, alterations and major replacements. It does not include maintenance and repairs.

PACIFIC STATES INCLUDE ALASKA, CALIFORNIA, HAWAII, OREGON AND WASHINGTON.

CANADIAN ENGINEERING AND CONSTRUCTION OUTLOOK



CANADIAN KEY TAKEAWAYS

- In 2023 total engineering and construction in Canada is expected to be \$365 billion. This represents a 3% decrease from 2022, or about a \$13 billion decline in new construction. Looking ahead to 2024, FMI is forecasting a 2% increase in spending to \$374 billion.
- Overall FMI anticipates total construction spending to slightly increase through the forecast period. Stability across the non-building structures and infrastructure segments keeps Canadian construction from dropping significantly, much like the U.S. construction activity in nonresidential buildings is expected to reach more than \$124 billion by 2027 and nonbuilding structures spending is anticipated to top \$124 billion. Strong provincial and federal investment in infrastructure boosts construction activities.

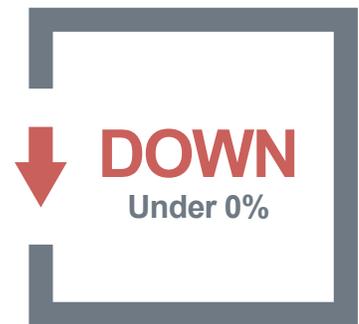
CANADA 2023 SEGMENT PERFORMANCE 2023/2022 COMPARISON



- Office
- Highway and Street
- Sewage and Waste Disposal
- Conservation and Development
- Water Supply
- Transportation
- Communication
- Manufacturing
- Religious
- Public Safety
- Amusement and Recreation



- Lodging
- Power
- Educational
- Health Care



- Single-family
- Multifamily
- Residential Improvement
- Commercial

PROVINCE **by** PROVINCE

- Alberta's construction activity from 2023 and heading into 2024 is buoyed by several segments: power and energy, manufacturing, highway and street, and transportation. The outlook for Alberta is the second-most positive when compared to other provinces, trailing only the Northern Territories, and is projected to grow at a 4.6% CAGR through 2027. The provincial government is under pressure to diversify its income streams, but in the interim is taking advantage of sizeable tax revenues generated by the energy sector. Like other provinces, infrastructure construction led growth in 2023.
- For British Columbia 2023 was a year of significant growth in non-residential segments. Office, health care, educational, communication, transportation, public safety, and amusement and recreation saw double-digit growth year-over-year. Moving forward, the outlook for infrastructure segments (highway and street, sewage and waste disposal) as well as health care remains positive. Residential construction is expected to decline sharply in 2024, particularly single-family construc-



tion. In total, construction spending is forecast to reach nearly \$60 billion in 2027.

- Representing more than 36% of national construction spending, Ontario continues to have significant influence over the total Cana-

dian construction forecast. The residential market declined sharply in 2023, dropping 10%, though spending is anticipated to grow in 2024. In 2023, bright spots in construction included manufacturing, educational and transportation construction. Through the forecast period (2027), transportation, manufacturing, and highway and street are the fastest-growing sectors, with each forecast to post 8% CAGR.

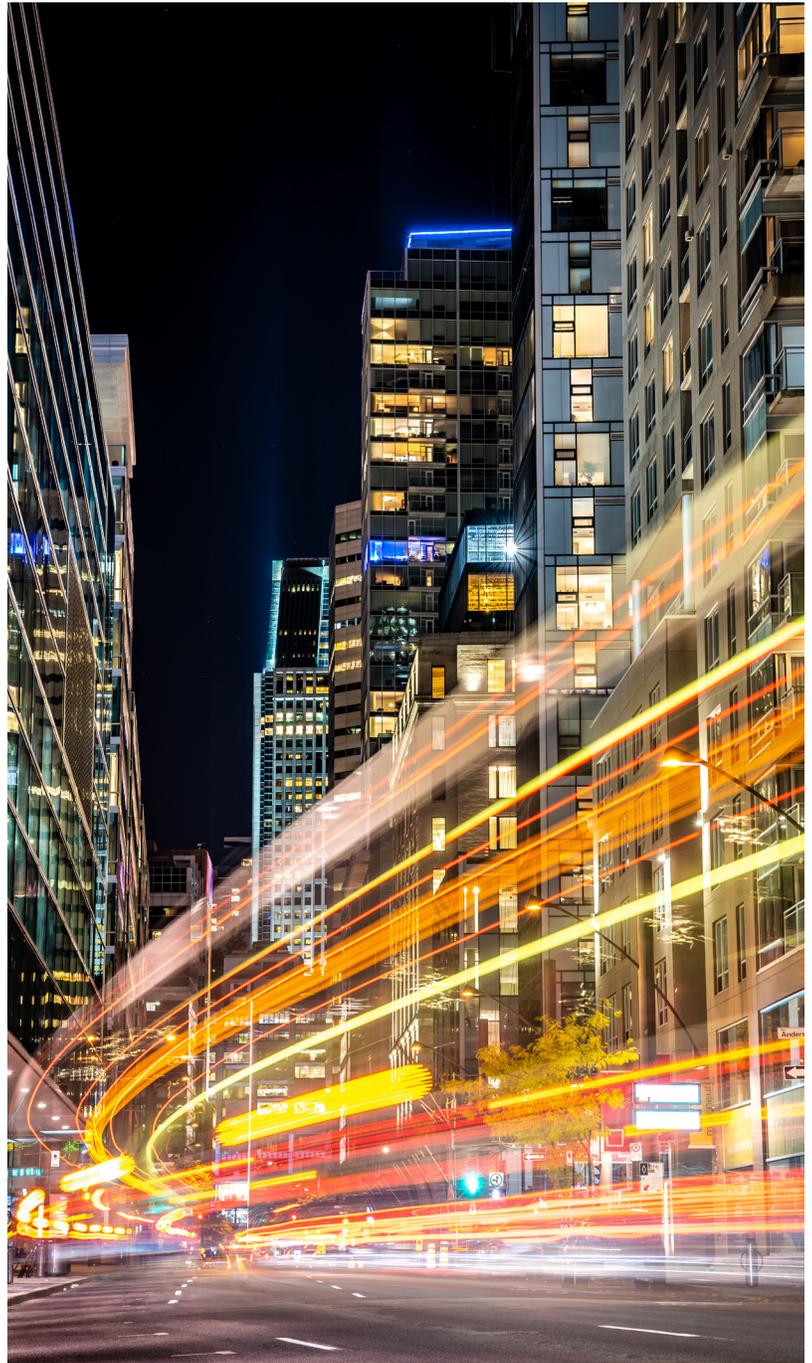
- Quebec is expected to end 2023 with a 10% drop in construction activity compared to 2022. Single-family and multifamily construction are anticipated to continue the decline in construction activity through 2025. Through 2027, highway and street (8.1%), transportation (8.8%) and water supply (10.1%) construction are expected to experience the fastest-growing CAGRs. Lodging, office and commercial will continue to drop slightly and likely won't recover until 2025.

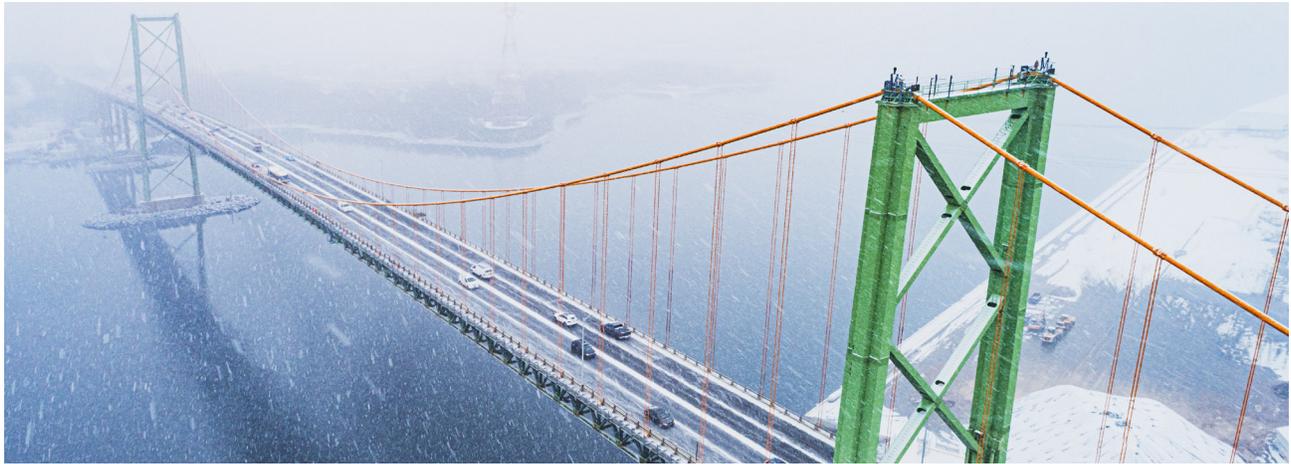
SEGMENT OVERVIEW

Moving into 2024, residential construction will experience the largest decline, dropping 2% from 2023. Declines in residential construction activity should ease in 2024, with spending climbing to more than \$170 billion by 2027. Drops in construction activity in 2024 are also expected in office, commercial, lodging, and amusement and recreation.

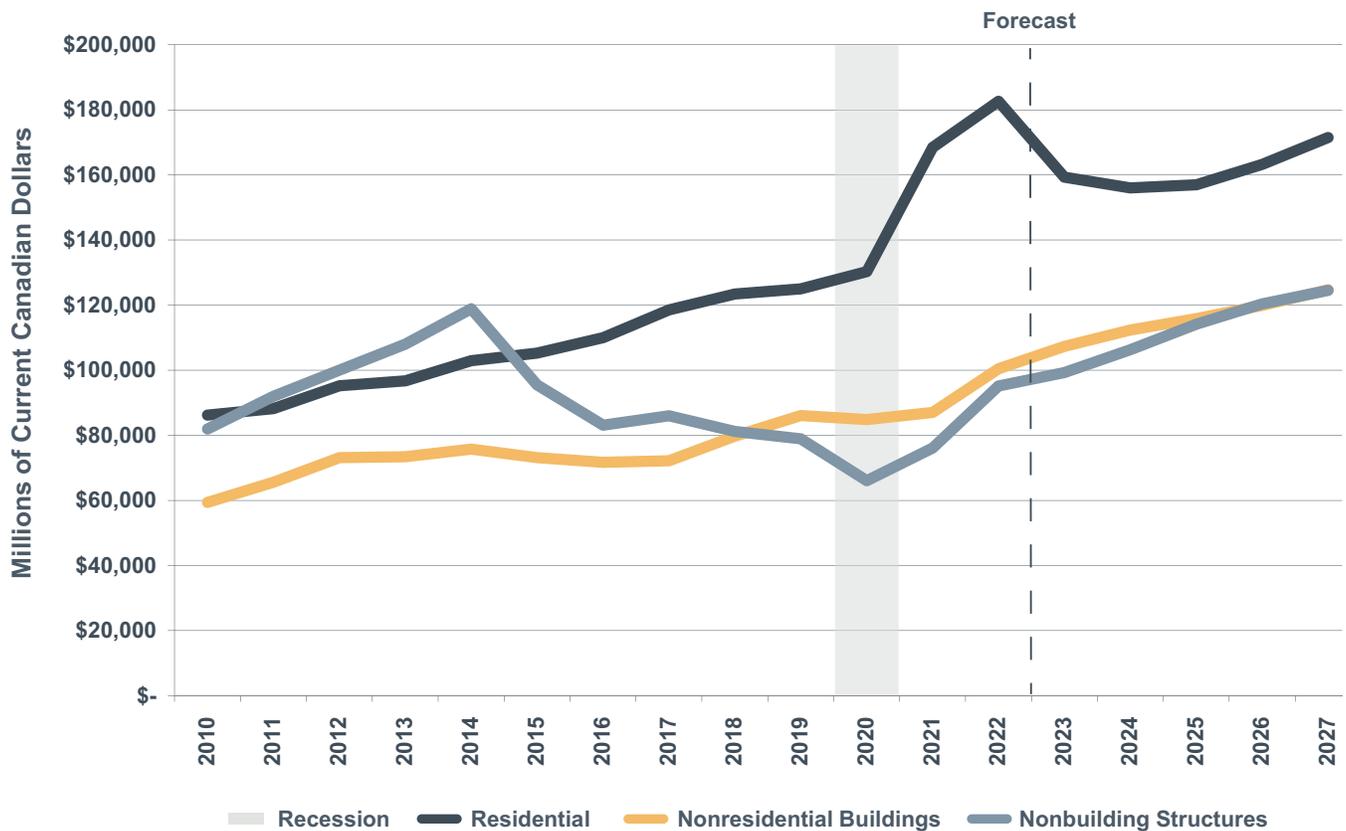
On a positive note, manufacturing and highway and street are the fastest-growing segments through the forecast period (7.3% and 7.1% CAGR). Closely following are transportation (7% CAGR) and water supply (5% CAGR). Health care is expected to be the fastest-growing nonresidential building segment at 5.5% CAGR.

Overall Canada's construction segment saw a strong year despite headwinds. While the residential sector is anticipated to cool during the forecast period, investments in infrastructure will keep construction activity growing at 2.2% CAGR.



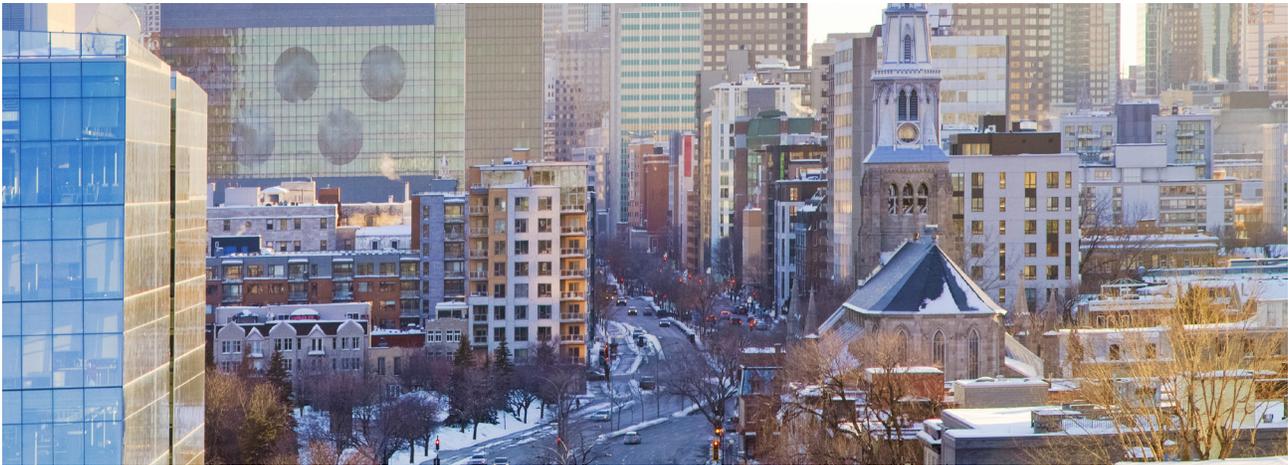


TOTAL CONSTRUCTION SPENDING PUT IN PLACE ESTIMATED FOR CANADA

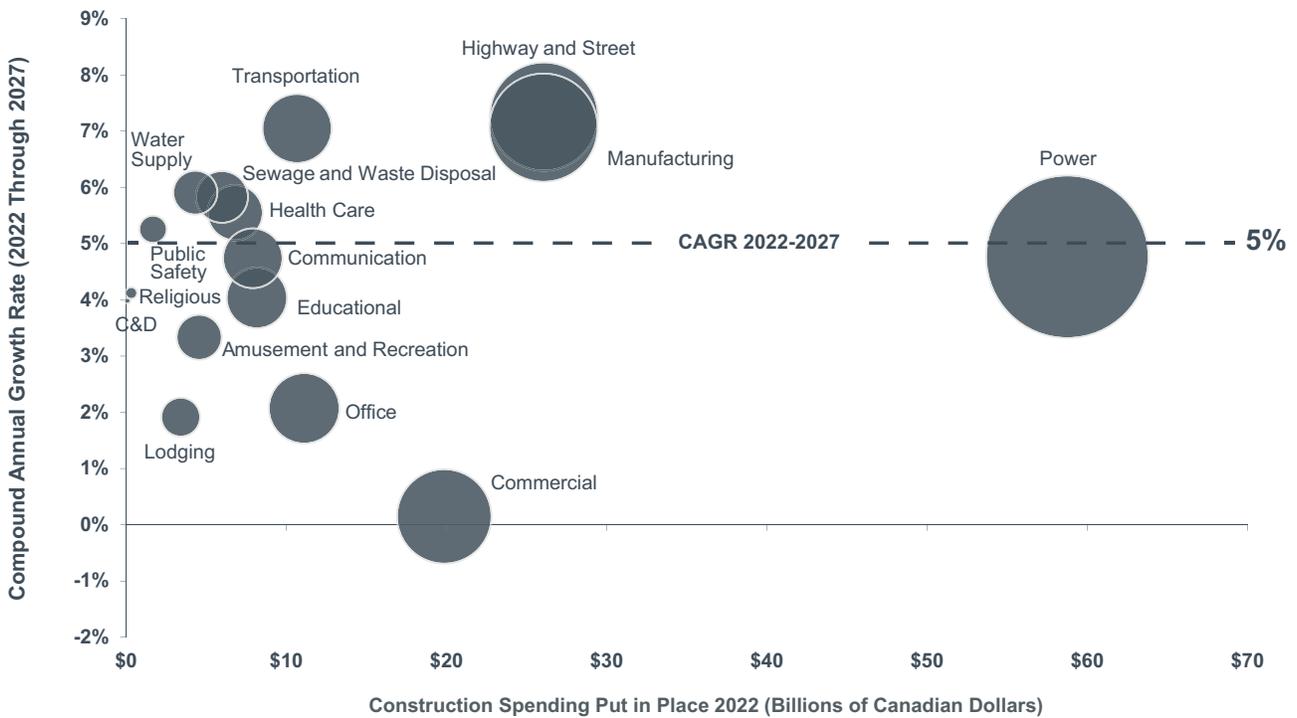


SOURCE: FMI FORECAST Q1 2024

First quarter forecast based on third quarter 2023 actuals and fourth quarter assumptions.



NONRESIDENTIAL CONSTRUCTION SPENDING PUT IN PLACE FORECAST GROWTH BY CONSTRUCTION SEGMENT



SOURCE: FMI FORECAST Q1 2024

Construction Put in Place Estimated for Canadian Census Division

Millions of Current Canadian Dollars

1st Quarter 2024 Forecast, Based on 3rd Quarter 2023 Actuals and 4th Quarter 2023 Assumptions

	2018	2019	2020	2021	2022	2023F	2024F	2025F	2026F	2027F
RESIDENTIAL BUILDINGS										
Single-family	26,394	22,839	24,095	34,694	36,701	27,886	26,940	27,082	27,660	28,996
Multifamily	31,860	35,998	37,949	46,816	50,683	48,988	48,798	49,318	52,308	55,103
Improvements*	65,181	66,148	68,219	86,962	95,242	82,434	80,250	80,558	83,228	87,382
Total Residential	123,435	124,986	130,263	168,472	182,627	159,308	155,987	156,958	163,197	171,480
NONRESIDENTIAL BUILDINGS										
Lodging	2,753	2,749	2,567	2,625	3,396	3,397	3,339	3,429	3,518	3,733
Office	10,138	11,311	11,616	10,311	11,104	11,943	11,505	11,187	11,723	12,302
Commercial	14,002	16,072	15,003	15,346	19,851	19,619	19,187	18,727	19,250	20,000
Health Care	5,252	5,319	5,756	6,311	6,796	6,762	7,496	7,905	8,504	8,903
Educational	7,678	6,744	6,843	7,762	8,151	8,380	8,736	9,116	9,523	9,933
Religious	382	444	415	318	312	337	348	362	372	382
Public Safety	1,250	1,698	1,744	1,548	1,667	1,801	1,887	1,990	2,088	2,154
Amusement and Recreation	4,569	3,983	4,352	3,828	4,554	4,953	4,822	4,851	5,084	5,365
Transportation	7,761	8,718	8,875	10,088	10,662	11,913	12,710	13,604	14,522	14,987
Communication	5,835	5,833	6,784	6,883	7,900	8,851	9,076	9,474	9,885	9,958
Manufacturing	20,116	23,189	20,883	22,021	26,074	29,388	33,239	35,175	35,408	37,015
Total Nonresidential Buildings	79,736	86,062	84,839	87,040	100,469	107,345	112,346	115,821	119,877	124,732
NONBUILDING STRUCTURES										
Power	53,538	51,840	38,925	47,672	58,747	59,848	63,261	67,916	71,963	74,139
Highway and Street	20,029	18,557	19,027	19,934	26,043	28,038	30,808	33,129	34,625	36,628
Sewage and Waste Disposal	3,638	4,637	4,846	5,002	5,972	6,612	7,080	7,577	7,984	7,928
Water Supply	3,657	3,456	3,214	3,428	4,309	4,673	5,056	5,432	5,727	5,741
Conservation and Development	335	430	81	73	73	78	83	85	89	89
Total Nonbuilding Structures	81,197	78,920	66,093	76,109	95,144	99,248	106,288	114,139	120,388	124,524
Total Put in Place	\$284,369	\$289,967	\$281,195	\$331,621	\$378,239	\$365,902	\$374,621	\$386,918	\$403,462	\$420,736

Construction Put in Place Estimated for Canadian Census Division

Change From Prior Year — Current Canadian Dollars

1st Quarter 2024 Forecast, Based on 3rd Quarter 2023 Actuals and 4th Quarter 2023 Assumptions

	2018	2019	2020	2021	2022	2023F	2024F	2025F	2026F	2027F
RESIDENTIAL BUILDINGS										
Single-family	-6%	-13%	6%	44%	6%	-24%	-3%	1%	2%	5%
Multifamily	12%	13%	5%	23%	8%	-3%	0%	1%	6%	5%
Improvements*	5%	1%	3%	27%	10%	-13%	-3%	0%	3%	5%
Total Residential	4%	1%	4%	29%	8%	-13%	-2%	1%	4%	5%
NONRESIDENTIAL BUILDINGS										
Lodging	8%	0%	-7%	2%	29%	0%	-2%	3%	3%	6%
Office	13%	12%	3%	-11%	8%	8%	-4%	-3%	5%	5%
Commercial	4%	15%	-7%	2%	29%	-1%	-2%	-2%	3%	4%
Health Care	2%	1%	8%	10%	8%	0%	1%	5%	8%	5%
Educational	-1%	-12%	1%	13%	5%	3%	4%	4%	4%	4%
Religious	-1%	16%	-7%	-24%	-2%	8%	3%	4%	3%	3%
Public Safety	-3%	36%	3%	-11%	8%	8%	5%	5%	5%	3%
Amusement and Recreation	1%	-13%	9%	-12%	19%	9%	-3%	1%	5%	6%
Transportation	28%	12%	2%	14%	6%	12%	7%	7%	7%	3%
Communication	1%	0%	16%	1%	15%	12%	3%	4%	4%	1%
Manufacturing	24%	15%	-10%	5%	18%	13%	13%	6%	1%	5%
Total Nonresidential Buildings	10%	8%	-1%	3%	15%	7%	5%	3%	4%	4%
NONBUILDING STRUCTURES										
Power	-8%	-3%	-25%	22%	23%	2%	6%	7%	6%	3%
Highway and Street	2%	-7%	3%	5%	31%	8%	10%	8%	5%	6%
Sewage and Waste Disposal	-14%	27%	5%	3%	19%	11%	7%	7%	5%	-1%
Water Supply	17%	-5%	-7%	7%	26%	8%	8%	7%	5%	0%
Conservation and Development	-30%	28%	-81%	-10%	0%	6%	7%	2%	5%	-1%
Total Nonbuilding Structures	-6%	-3%	-16%	15%	25%	4%	7%	7%	5%	3%
Total Put in Place	3%	2%	-3%	18%	14%	-3%	2%	3%	4%	4%

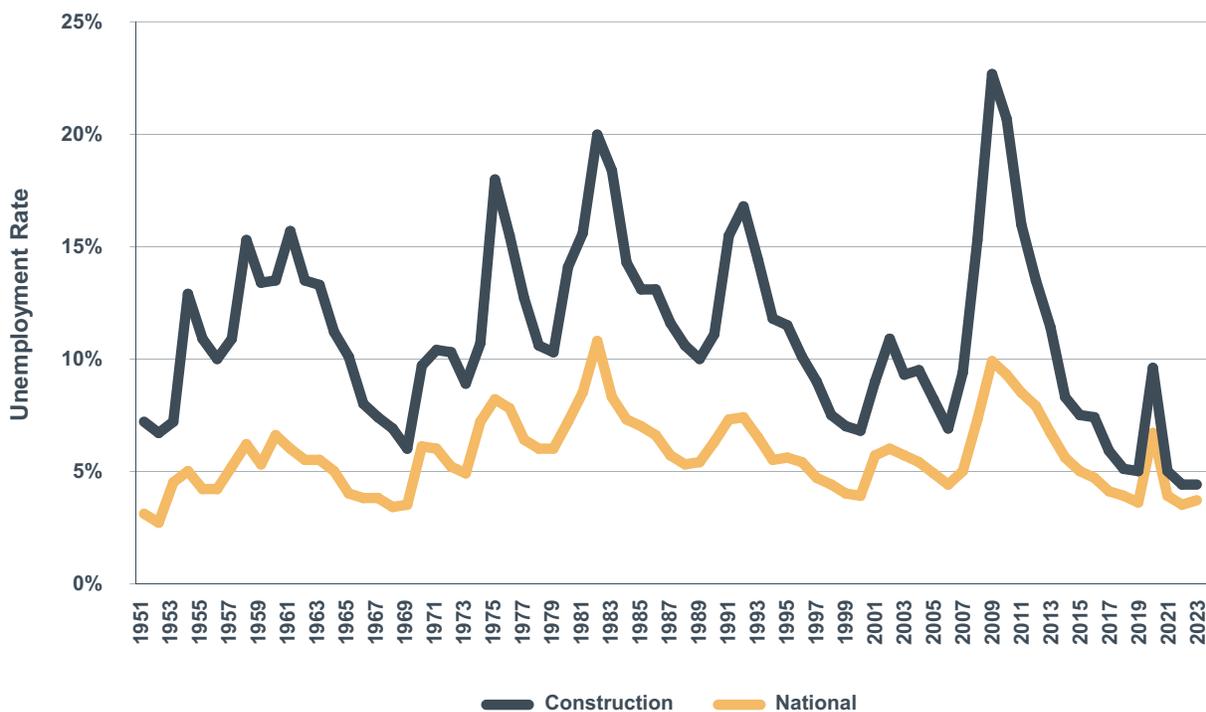
*Improvements includes additions, alterations and major replacements. It does not include maintenance and repairs.



APPENDIX

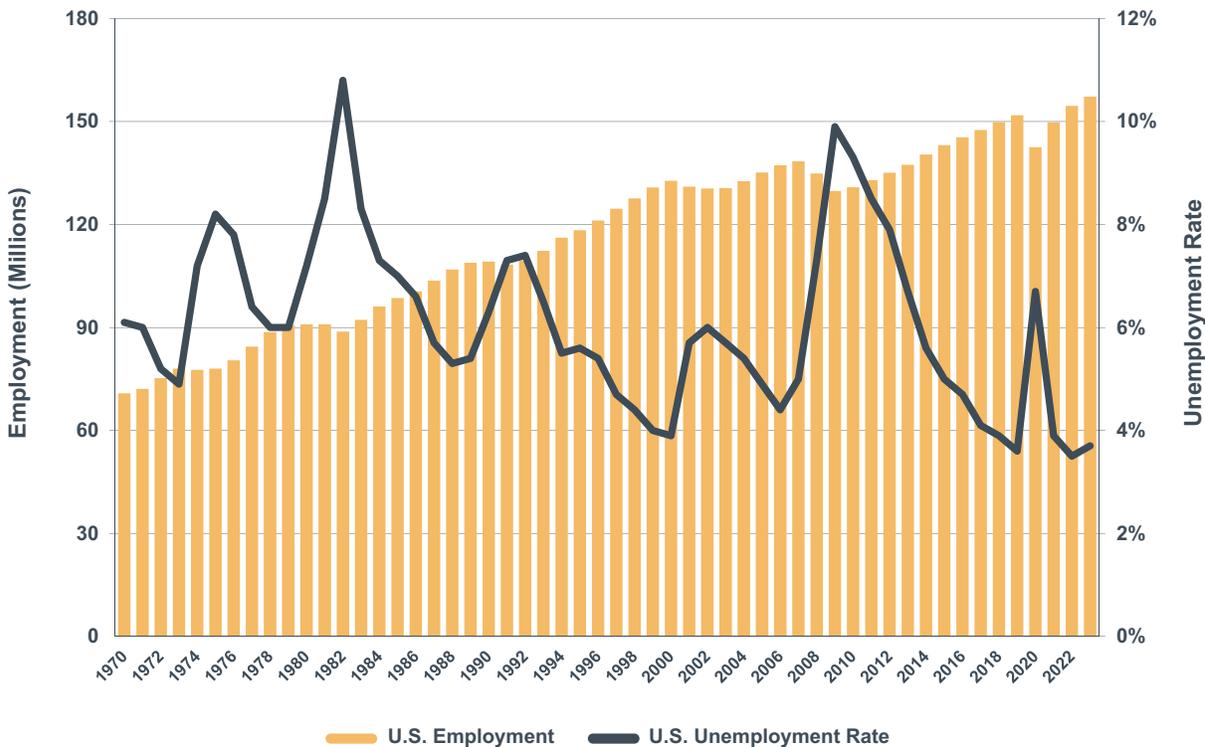


CONSTRUCTION UNEMPLOYMENT VS. NATIONAL UNEMPLOYMENT



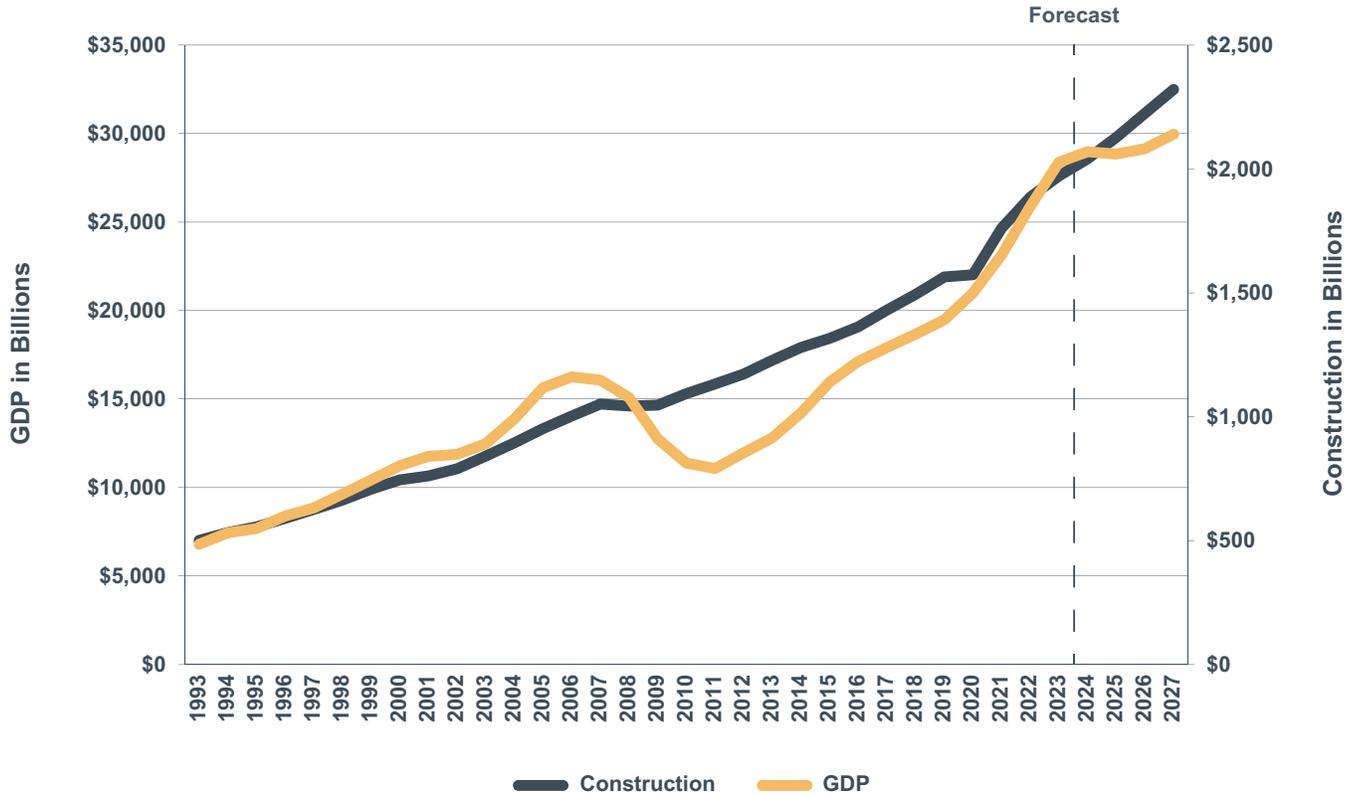
SOURCE: U.S. DEPARTMENT OF LABOR | ANNUAL-END PERIOD

EMPLOYMENT AND UNEMPLOYMENT RATE COMPARISON



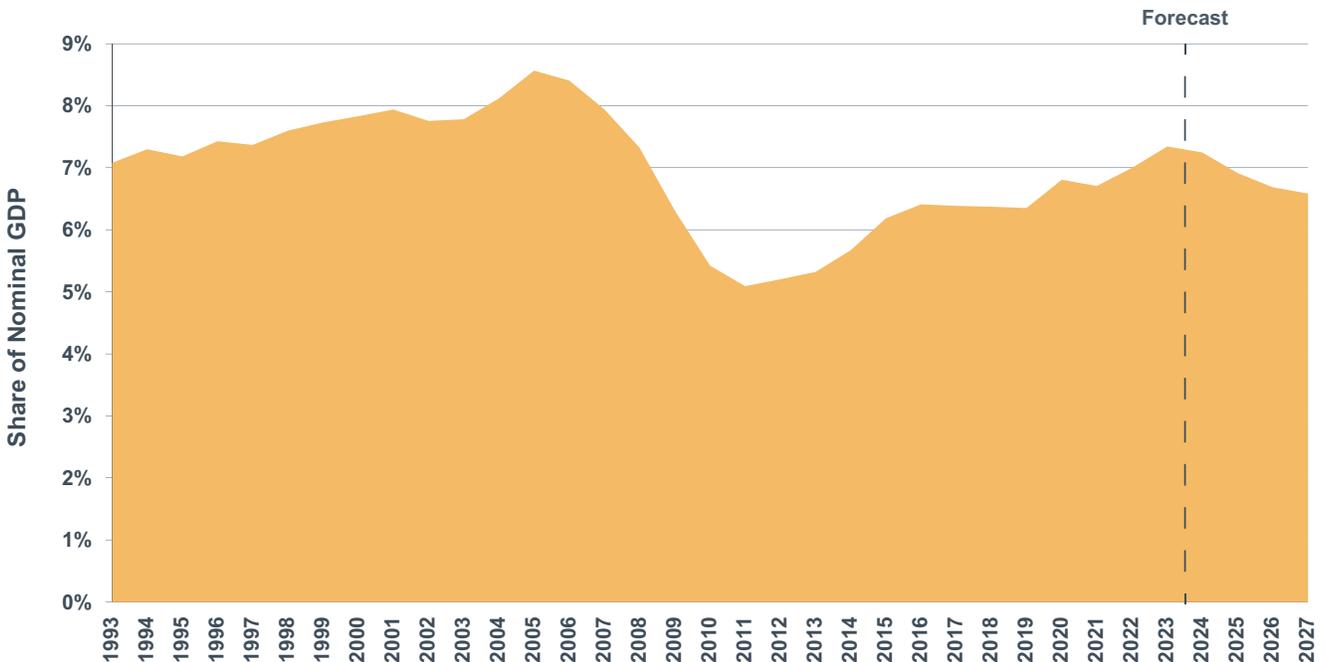
SOURCE: U.S. DEPARTMENT OF LABOR | ANNUAL-END PERIOD

CONSTRUCTION SPENDING AND NOMINAL GROSS DOMESTIC PRODUCT (GDP)



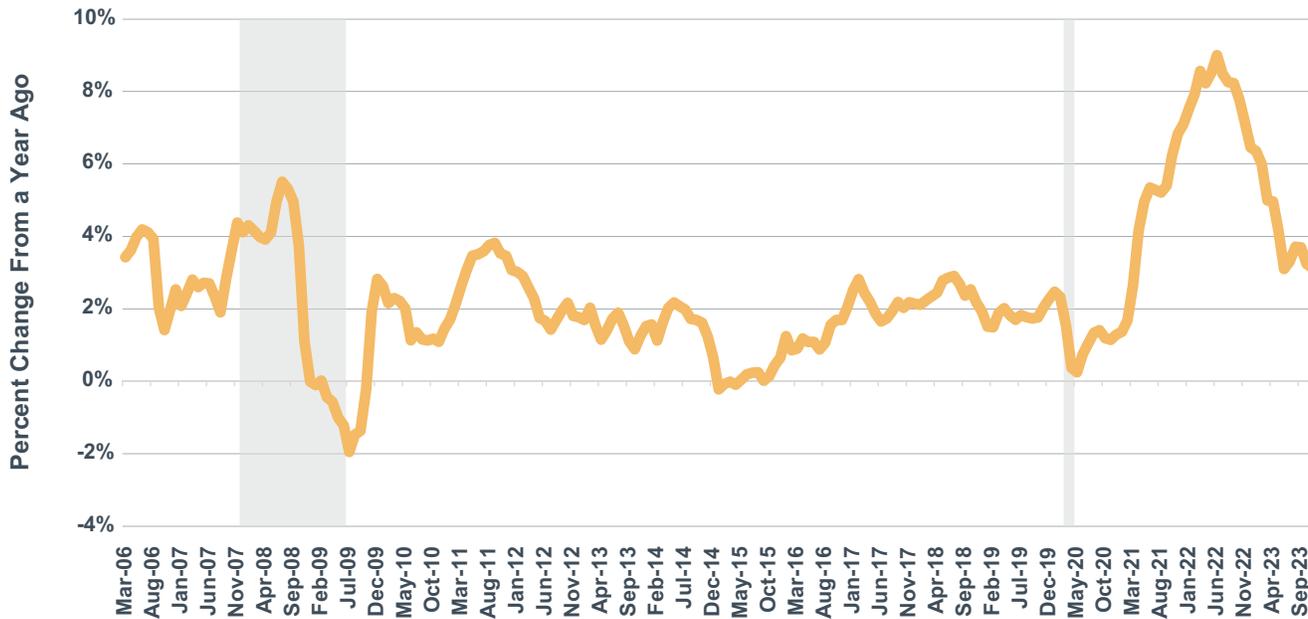
SOURCE: FMI, CONGRESSIONAL BUDGET OFFICE

CONSTRUCTION AS A PERCENTAGE OF GDP



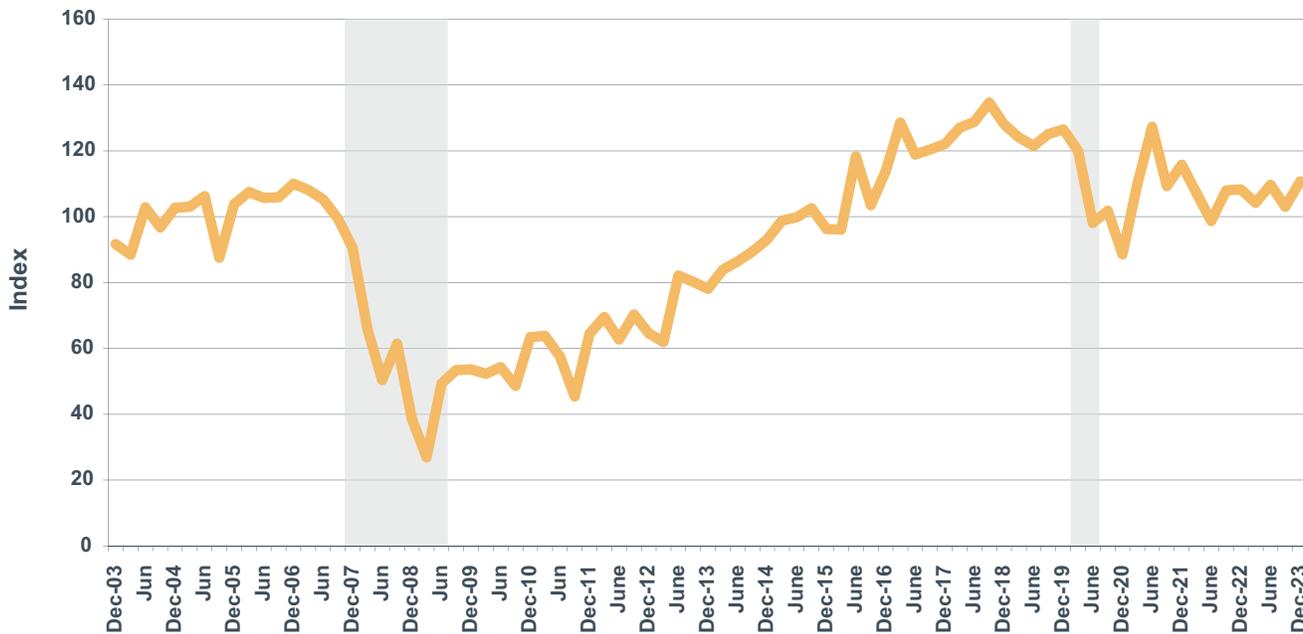
SOURCE: FMI, CONGRESSIONAL BUDGET OFFICE

CONSUMER PRICE INDEX ALL URBAN CONSUMER, 12-MONTH PERCENT CHANGE



SOURCE: BUREAU OF LABOR STATISTICS

CONFERENCE BOARD CONSUMER CONFIDENCE INDEX



SOURCE: THE CONFERENCE BOARD—CONSUMER CONFIDENCE SURVEY

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