AGC THE CONSTRUCTION ASSOCIATION

Data DIGest

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Steel supply chain, prices worsen; DMI rises in September; ISM survey finds declines in construction

Contractors are reporting **allocations, lengthening lead times and price increases for structural steel**. Two readers reported their "firm orders" had been reduced, in one case by more than 75%, with no firm rolling date and other mills unwilling to accept new customers. One reader reported being told that any project requiring more than 300 tons of fabricated product has lead times of 6-8 months, with one letter stating 46-52 weeks for delivery. Affected products include wide-flange shapes, heavy transfer girders, larger tube sections and joists (with 9-to-10-month lead times). As of early September, the firm had experienced price increases of $600-$700 per ton, with more expected. **Readers are invited to submit reports regarding prices, allocations and other supply issues** to ken.simonson@agc.org.

The Dodge Momentum Index (DMI)—"a monthly measure based on the three-month moving **value of nonresidential building projects going into planning**, shown to lead construction spending for nonresidential buildings by a full year to 18 months"—climbed 2.4% in September from a downwardly revised August reading, Dodge Construction Network reported on Wednesday. Commercial planning declined 1.3% for the month, while institutional planning increased 9.4%. "Commercial planning activity strengthened across retail stores, hotels, office buildings and parking garages over the month. However, this was more than offset by slower momentum in data center and warehouse planning. Robust growth in education, healthcare, and public planning led the strong growth in the institutional portion of the index. Year-over-year, the DMI was up 3.7% when compared to September 2025. The commercial portion of the index was down 3.0% and the institutional portion was up 17.2% over the same period. When removing data centers, the commercial segment would be down 14.9% from year-ago levels, given the surge in activity seen in late 2025."

"**Economic activity in the services sector** continued to expand in September" for the 27th month in a row, the Institute for Supply Management (ISM) reported on Monday. However, construction respondents were the only sector (out of 18) that reported a decrease in new orders in September, along with decreases in order backlogs (4 sectors), business activity (3 sectors) and employment (8), slower deliveries (11), increased inventories (9) and prices paid (17). **Items** significant for construction **reported up in price** include construction contractors; copper (10 months in a row), copper-based products (2 months), copper wire, diesel (7), lumber (also reported down in price), steel, steel products (6), switchgear, and wire and cable. Construction-related **items reported in short supply** include fuel, steel, steel products (4), switchgear and wire and cable (4). Comments relevant to construction from other sectors include: "Weekly price increases are the norm these days on commodities products (copper, aluminum and polyvinyl chloride)" (wholesale trade); "supply chain conditions continue to be challenging. Utilities and materials are experiencing slower availability, with steel particularly difficult to source domestically" (utilities); "decision cycles on discretionary capital projects remain cautious" (information) and the high cost of diesel fuel (several sectors).

"Over a third [35%] of **construction trades workers** were **foreign-born** in 2024, compared with nearly a fifth [18%] of the overall labor force," Riordan Frost of the Harvard Joint Center for Housing Studies reported in a paper posted on Thursday. "This outsized role has grown as immigrants led the recovery in the trades workforce after the Great Recession, from the post-recession trough in the workforce in 2013 through 2024….The foreign-born share of trades workers exceeds their share of the labor force in nearly every metro area, a pattern that has held over the past decade. Net international migration fell sharply in 2025, however, and is projected to fall further in 2026 (US Census Bureau 2026). Even before the slowdown, nearly all the growth in the foreign-born trades workforce was among middle-aged and older workers. These trends could undermine the outsized foreign-born role in the construction trades as well as the source of the workforce's growth since the recession."

Click here for **AGC's** five-part **webinar series**, "**Building the Future: The Data Center Construction Playbook**," on Oct. 6-Nov. 4, 2026, 2-3:30 pm ET. Oct. 13: "Winning Before You Build: Managing Financial, Contractual, and Project Risk." Registrants can also download the Oct. 6 webinar, "The State of Data Center Construction: Market Trends, Growth Opportunities, and What's Next," with AGC Chief Economist Ken Simonson, Dodge Chief Economist Eric Gaus and Brian Lewandowski, University of Colorado, Boulder, who has created a model for AGC that measures the in-state jobs and economic impact of several types of construction projects.

Data DIGest is a weekly summary of economic news. Sign up here. Editor: Ken.Simonson@agc.org, Chief Economist, AGC. Go here for Ken's PPT or more construction data
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