



AGC
THE CONSTRUCTION
ASSOCIATION

Data Digest

WWW.AGC.ORG

Vol. 24, No. 16 April 22-29, 2024

Starts are mixed in March, Dodge reports; ABI hits 3-year low; data center demand is 'off the charts'

Total **construction starts** dipped 1% in March from February at a seasonally adjusted annual rate but rose 13% year-to-date in the first quarter (Q1) of 2024 compared to Q1 2023, Dodge Construction Network [reported](#) on Thursday. **Nonbuilding starts** increased 7% for the month and 16% year-to-date, **residential building starts** rose 1% and 24%, respectively, while **nonresidential building starts** slid 9% for the month but edged up 2% year-to-date.

The **Architecture Billings Index (ABI)** fell from 49.5 in February to 43.6 in March, seasonally adjusted, the lowest reading since December 2020 and the 14th-straight reading below the breakeven 50 mark, the American Institute of Architects (AIA) [reported](#) on Wednesday. AIA calls the index “a leading economic indicator that leads nonresidential construction activity by approximately 9-12 months.” The ABI is derived from the share of responding architecture firms that report a gain in billings compared to the previous month less the share reporting a decline in billings, presented on a 0-to-100 scale. Thus, any score below 50 means more firms reported decreased billings than increased billings. Readings for practice specialties (based on three-month averages) varied: institutional, 49.9 (vs. 49.4 in February); mixed practice, 48.3 (vs. 47.1); residential (mainly multifamily), 44.2 (vs. 43.9); and commercial/industrial, 42.9 (vs. 43.9). An index for new design contracts declined to 50.0 from 51.1 in February.

“Demand for new [**data center**] construction is off the charts,” [Data Center Frontier reported](#) on Friday. “Projections shared by analysts at Data Center World ranged from 22 gigawatts (GWs) to 35 GWs of data center construction in the pipeline. That disconnect is forcing new thinking on data center site selection. ‘We used to say “bring the power to the data centers”,’ said Ed Socia, Insight Director for North America at datacenterHawk, a research firm that tracks data center activity. ‘Now we say “bring the data center to the power”.’ Socia says developments are shifting to markets with power availability like Charlotte, Austin, San Antonio and Reno.”

At the end of Q1, “there are 6,065 [**hotel**] **projects** with 702,990 rooms in the pipeline,” lodging data firm Lodging Econometrics [reported](#) on Wednesday. “This new all-time high represents a 9% year-over-year (y/y) increase in projects and a 7% y/y increase in rooms compared to last year. [All] stages of the pipeline...saw y/y growth in Q1. Presently, there [is] a 9% increase in projects and a 1% increase in rooms y/y [under construction]. Projects slated to start construction in the next 12 months [posted] a 10% rise in projects and an 8% increase in rooms y/y. Notably, both projects and room counts in the early planning stage increased by 9% y/y”.

“Half of **payroll workers in construction** earn more than \$58,500 [the median annual wage] and the top 25% make at least \$79,450, according to the latest May 2023 Bureau of Labor Statistics Occupational Employment and Wage Statistics ([OEWS](#)) and analysis by the National Association of Home Builders,” NAHB [reported](#) on April 18. “In comparison, the U.S. median wage is \$48,060, while the top quartile (top 25%) makes at least \$76,980....Among **construction trades**, elevator installers and repairers top the median wages list [at] \$103,340 a year, and the top 25% mak[e] at least \$129,090. First-line supervisors of construction trades are next on the list; their median wages are \$76,960, with the top 25%...earning more than \$97,500. In general, construction trades that require more years of formal education, specialized training, or licensing tend to offer higher annual wages. Median wages [and top 25% of wages] of construction and building inspectors are \$65,790 and [\$88,800, respectively]. Half of plumbers in construction earn over \$61,380, with the top quartile making over \$80,300. Electricians’ wages are similarly high. Carpenters are one of the most prevalent construction crafts in the industry. The trade requires less formal education. Nevertheless, the median wages of carpenters working in construction [\$57,300] exceed the national median. [The] highest paid 25% bring in at least \$73,800.”

Highway contractors are invited to complete AGC’s annual **highway work zone safety survey** by May 10. Responses will be kept confidential. AGC will use the information from this survey as the main focus of a media and public education campaign we will launch the week before Memorial Day and the traditional start of the summer driving season. Our goal is to educate and encourage drivers to operate more safely in highway work zones.

Chief economists Ken Simonson, AGC; Kermit Baker, American Institute of Architects; and Alex Carrick, ConstructConnect will present their views on the **construction and design outlook** in a [webinar](#) on May 9, 2-3:30 pm ET.

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](#).

© 2024 Associated General Contractors of America. License granted for limited use with attribution under Creative Commons Attribution-No Derivatives 4.0 International (CC BY-ND 4.0) license: <https://creativecommons.org/licenses/by-nd/4.0/>. Warranties disclaimed. Conditions apply.