Majority of firms with highway work zone projects experienced crashes; April starts reports diverge

Nearly two-thirds (64%) of the 426 construction firms responding to the 2024 AGC/HCSS Work Zone Safety Survey reported that motor vehicles had crashed into their construction work zones during the past year, putting motorists and workers at risk, AGC reported on Thursday. Nearly one-quarter (24%) of respondents reported experiencing five or more crashes during the past 12 months. Among respondents who reported experiencing work zone crashes, 29% experienced crashes that resulted in injury to construction workers. But more than twice as many firms—66%—reported experiencing a crash in which drivers or passengers were injured. Work zone crashes are also nearly three times as likely to result in fatalities to drivers or passengers as construction workers. Nine percent of contractors in the survey report that construction workers were killed in work zone crashes, while 24% report drivers or passengers were killed in those crashes.

Reports this week on construction starts from construction data providers ConstructConnect and Dodge Construction Network show divergent trends for various types of projects. The value of construction starts decreased 2.2% year-to-date in the first four months of 2024 compared to January-April 2023, ConstructConnect reported today. Nonresidential building starts fell 14%, with institutional up 3.6%, commercial down 9.2%, and industrial (manufacturing) down 46%. Engineering (civil) starts rose 8.4%, with roads/highways up 6.0%, water/sewage up 22%, power and miscellaneous up 20%, and bridges up 3.6%. Residential starts increased 3.7%, with single-family up 21% and multifamily down 20%.

Total construction starts increased 6% in April from March at a seasonally adjusted annual rate and rose 13% year-to-date in the first four months of 2024 compared to January-April 2023, Dodge Construction Network reported on Monday. Nonbuilding starts increased 4% for the month and 14% year-to-date. “Miscellaneous nonbuilding starts were up 28%, environmental public works improved 24%, highway and bridge starts rose 16%, and utility/gas plants were 10% lower” year-to-date. Residential building starts slipped 1% in April but soared 22% year-to-date. “Single-family starts improved 32% and multifamily starts were 4% higher” year-to-date. Nonresidential building starts jumped 17% for the month and rose 5% year-to-date. “Institutional starts were 19% higher, while commercial and manufacturing starts were each down 6%” year-to-date.

The Architecture Billings Index (ABI) rose from 43.6 in March, seasonally adjusted, to 48.3 in April but remained below the breakeven 50 mark for the 15th-straight month, the American Institute of Architects (AIA) reported on Wednesday. AIA calls the index “a leading economic indicator of construction activity, providing an approximately 9-to-12-month glimpse into the future of nonresidential construction spending activity.” 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: commercial/industrial, 47.4 (vs. 47.1 in March); institutional, 46.1 (vs. 48.4); residential (mainly multifamily), 45.6 (vs. 45.8); and mixed practice, 43.9 (vs. 45.7). An index for new design contracts declined to 49.2 from 50.0 in March.

“In 2023, the adaptive reuse of buildings into apartments rebounded strongly, approaching the high activity levels of 2019 and 2020,” commercial real estate data provider RentCafe reported on May 7. “This uptick came as developers were quick to respond to the growing demand for housing, following a two-year slowdown. This resurgence saw the conversion of buildings into 12,713 new apartments throughout 2023—showing a substantial 17.6% increase compared to the year before. Moreover, this trend is expected to continue in the coming years, and our analysis of Yardi Matrix data shows that adaptive reuse apartments are poised for further growth: A whopping 151,000 rental apartments are currently in various stages of conversion, with 58,000 of those on track to be repurposed from former office spaces….But, while office conversions are the darlings of future adaptive reuse projects, it was hotel conversions that stole the show in 2023: Nationwide, more than 4,500 apartments were created through repurposing hotels. Next up are rental units transformed from former office spaces, with repurposed factories following at a great distance.” Manhattan had the most conversions (733 converted apartments), followed by Richmond, Va. (662) and Alameda, Calif. (372).