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ConstructConnect, Dodge diverge on year-to-date starts; housing starts decline in May

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 nonresidential construction starts** decreased 1.0% year-to-date in the first five months of 2024 compared to January-May 2023, ConstructConnect [reported](#) today. **Nonresidential building starts** fell 8.4%, with institutional up 6.7%, commercial down 2.1%, and industrial (manufacturing) down 41%. **Engineering (civil) starts** rose 10.5%, with roads/highways up 1.6%, water/sewage up 22.5%, miscellaneous up 58%, and bridges up 3.3%.

Total **construction starts** increased 10% in May from April at a seasonally adjusted annual rate and rose 11% year-to-date in the first five months of 2024 compared to January-May 2023, Dodge Construction Network [reported](#) on Thursday. Nonbuilding starts “gained an impressive 49% during the month, driven by the start of an offshore wind project and an LNG facility, while residential starts lost 7% and nonresidential building starts were down 2%. On a year-to-date basis through May, total construction starts were up 11% from the first five months of 2023. Residential starts were up 16%, while nonbuilding starts gained 17%, and nonresidential building starts rose 3%.”

Housing starts (units) in May fell 5.5% from April and 3.6% year-over-year (y/y) at a seasonally adjusted annual rate, the Census Bureau [reported](#) on Thursday. Single-family starts decreased by 5.2% for the month but rose 18% y/y. Multifamily (five or more units) starts fell 10% for the month and 41% y/y. **Residential permits** declined 3.8% for the month but rose 0.8% y/y. Single-family permits decreased 2.9% from April but climbed 19% y/y. Multifamily permits slumped 6.1% and 27%, respectively. Multifamily units under construction fell for the seventh-straight month, by 1.5%.

From January to April 15 states recorded growth in **multifamily permits**, compared to the first four months of 2023, while 35 states and the District of Columbia recorded a decline, the National Association of Home Builders (NAHB) [posted](#) on Tuesday, based on its analysis of Census Bureau data. “Oklahoma (+247%) led the way with a sharp rise in multifamily permits from 335 to 1,164, while Oregon had the biggest decline of 75% from 3,394 to 834. The 10 states issuing the highest number of multifamily permits combined accounted for 66% of the multifamily permits issued. [The states] with the highest number of multifamily permits issued [were Texas, which] experienced a decline of 28% [; Florida, down 33%; and] New York,” up 130%. Six of the top 10 metro areas for multifamily permits experienced declines. The top three metro areas for permits were New York-Newark-Jersey City, N.Y.-N.J.-Pa., up 85%; Dallas-Fort Worth-Arlington, up 16%; and Phoenix-Mesa-Scottsdale, down 17%.

“The most noticeable recent trend in **construction employment** is the increase in the **number and share of Hispanic workers**,” NAHB posted on Monday, based on its analysis of labor force statistics from the Census Bureau’s 2022 American Community Survey. “From 2010 to 2022, the number of Hispanics working in the construction industry rose from 2.5 million to almost 3.7 million. The share of Hispanics employed in the construction industry grew rapidly over the past decade, from 23.6% in 2010 to 31.1% in 2022....Hispanics are overrepresented in the construction industry, as they make up 31.1% of construction employment compared to 18.7% across all industries in 2022. Non-Hispanic White people account for 57.5% which is about the same as across all industries (58.3%). Black and Asian people are underrepresented in the construction industry.... The share of Hispanic workers in construction varies considerably by state, ranging from only 2% in West Virginia, Vermont, and Maine to more than 50% in New Mexico, Texas, California and Nevada. Hispanic workers in the construction industry are more geographically concentrated in the Southern and Western states, where a large number of Hispanic people reside. In fact, 54% of the nation’s Hispanic construction workforce is concentrated in three states – Texas (827,000), California (775,000), and Florida (373,000). New Mexico also stands out for registering the highest share of Hispanic people in the construction labor force,” 64%, followed by Texas, 63%, and California, 58%. “In contrast, the construction industry in the Northeast region relies heavily on non-Hispanic White Americans. Non-Hispanic White people make up more than 95% of the construction workforce in New Hampshire, West Virginia, Vermont, Maine.”

AGC [posted](#) a brief YouTube video with Chief Economist Ken Simonson and Senior Research Analyst Macrina Wilkins discussing **current trends and outlook for construction**. Ken’s latest PowerPoint presentation is [here](#).

The next Data DIGest will be issued the week of July 8.

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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