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Trump announces end to tariffs on U.K. steel, aluminum; DMI rises in April due to data center plans

President Trump on Thursday announced a trade agreement with the United Kingdom that would remove the 25% **tariff on steel and aluminum** from the U.K., the first sign of tariff relief for construction inputs. The U.K. accounted for roughly 1% of U.S. steel imports (0.3% of consumption) in 2024 and a negligible share of aluminum. It remains to be seen if the agreement will lead to greater imports from the U.K. or a reduction in steel and aluminum tariffs for other countries. Readers are invited to send information about materials costs and project plans or cancellations to ken.simonson@agc.org.

The Dodge Momentum Index (DMI)—“a monthly measure of the **value of nonresidential building projects going into planning**, shown to lead construction spending for nonresidential buildings by a full year”—rose 0.9% in April from March, Dodge Construction Network [reported](#) on Wednesday. Commercial planning rose 3.3%, while institutional planning fell 4.2%. “A wave of data center projects entering planning played a key role in boosting commercial growth. Without data centers, commercial planning would have receded 2.3% in April and the entire DMI would have receded 3.0%. Office and hotel planning saw a sharp retreat this month, while warehouse and retail planning modestly ticked up. On the institutional side, planning momentum waned for education, healthcare, and government buildings. This was slightly offset by an uptick in recreational projects. In April, the DMI was up 22% [year-over-year (y/y)]. The commercial segment was up 20% [y/y], and the institutional segment was up 26% after a weak April last year. If we remove all data center projects between 2023 and 2025, commercial planning would be down 1% [y/y] and the entire DMI would be up 7%.”

“U.S. federal policy changes, coupled with concerns around surging demand for **electricity** and reliability, could provide a reprieve for the nation's fossil fuels, but renewables and energy storage still dominate near-term **generation additions**,” S&P Global Market Intelligence [posted](#) on Thursday. “According to an analysis of S&P Global Market Intelligence data, about 59 [gigawatts (GW)] of wind and solar capacity and more than 31 GW of energy storage are projected to come online in the U.S. during 2025. Solar generation continues to be the predominant resource seeking interconnection to the nation's electricity grid, with nearly 49 GW of planned projects in the queue.”

“**Multifamily developers** are starting the year in a cautious state, according to [first quarter] 2025 results from the Multifamily Market Survey,” the National Association of Home Builders [reported](#) on Thursday. Developers are asked “to rate the current conditions as ‘good’, ‘fair’, or ‘poor’ for multifamily starts in markets where they are active. The [Multifamily Production Index] and all its components are scaled so that a number above 50 indicates that more respondents report conditions as good rather than poor. The [index] is a weighted average of four key market segments: three in the built-for-rent market (garden/low-rise, mid/high-rise, and subsidized) and the built-for-sale (or condominium) market. Three of the four components experienced year-over-year decreases: the component measuring mid/high-rise units fell eight points to 28 and the components measuring garden/low-rise and built-for-sale units both dipped by one point to 54 and 38, respectively. The component measuring subsidized units was unchanged at 50 year-over-year.”

“**Economic activity in the services sector** [covering 18 sectors] expanded for the 10th consecutive month in April,” the Institute for Supply Management [reported](#) on Monday. Construction was among the six sectors reporting a contraction, along with no change in business activity (4 sectors) or backlogs (6), a decrease in new orders (5) and higher prices paid (17), but also an increase in employment (8) and faster supplier deliveries (5). **Items** significant for construction reported **up in price** include aluminum products (3 months in a row); copper-based products (2 months); fasteners; heating, ventilation and air conditioning equipment (2); and steel products (4). **Price declines** were reported for diesel fuel (2). **Items listed in short supply** include steel products.

“**Latino or Hispanic employer businesses** were clustered in construction, accommodation and food services, and professional and technical services, which comprised 18.8%, 12.3%, and 10.9%, respectively, of Latino or Hispanic-owned businesses by sector,” the Brookings Institution [posted](#) on Thursday, based on an analysis of the Census Bureau’s 2022 Annual Business Survey. “In contrast, the top three industries for all employer businesses were professional and technical services (19.2%), construction (15.1%), and retail trade (12.2%). From 2017 to 2022,...the number of Latino or Hispanic-owned businesses in construction increased by over 37,500 (a 75% increase),” the largest numerical gain of any sector.

Note: the next Data DIGest will be sent the week of June 2-6.

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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