



AGC
THE CONSTRUCTION
ASSOCIATION

Data Digest

WWW.AGC.ORG

Vol. 25, No. 24 July 21-25, 2025

Starts rise in June, ConstructConnect, Dodge report; steel price hikes continue; ABI remains down

The **value of construction starts**, not seasonally adjusted, climbed 3.5% year-over-year (y/y) in June and 2.5% year-to-date (YTD) in the first six months of 2025 compared to January-June 2024, ConstructConnect [reported](#) on Monday. Nonresidential building starts climbed 21% y/y and 11.5% YTD, with commercial up 4.3% YTD, institutional down 4.1%, and industrial (manufacturing) up 77%. Engineering (civil) starts rose 1.1% y/y and 6.5% YTD, with roads up 2.0% YTD, water and sewage treatment up 2.8%, bridges up 29.5%, airport up 54%, and power infrastructure down 44%. Residential starts slumped 15% y/y and 12% YTD, with single-family down 13% YTD and multifamily down 10%.

Total **construction starts** rose 16% from May to June at a seasonally adjusted annual rate, Dodge Construction Network [reported](#) on Tuesday. Nonresidential building starts jumped 39%, residential starts slipped 1%, and nonbuilding starts rose 2%. Total starts were up 1% YTD from January through June 2024. Nonresidential starts were up 6% YTD, with commercial and industrial starts up 9% and institutional up 3%. Residential starts were down 5% YTD, with single-family down 11% and multifamily up 8%. Nonbuilding starts were up 1% YTD, with “gains in highways and bridges (+8%) and miscellaneous nonbuilding (+17%). Conversely, utilities are down 15%..., and environmental public works are down 1%.” Sarah Martin, associate director of forecasting, noted “particular strength in manufacturing and data center construction.”

Additional **steel price hikes** were announced this week, following the June 4 increase from 25% to 50% in the tariff on imported steel and aluminum. Nucor sent an announcement on that “Effective for all new orders received after the close of business on Friday, July 18th, 2025, the Nucor Bar Group will increase prices by \$60 per ton...on all **rebar** products.” A reader forwarded an announcement on Tuesday by WMC of an increase of “\$20.00/ton on all **Building Mesh** products effective with orders placed after July 29.” WMC had previously announced an increase of \$50/ton for orders placed after June 23. On Wednesday Peninsula Steel matched the increase, “for all new purchase orders received after July 31” from its Plant City, Florida, location. Peninsula had also matched the previous increase. **Readers are invited to send information about project timing, materials price changes, and supply chains to ken.simonson@agc.org.**

The **Architecture Billings Index (ABI)** dipped to 46.8 in June, seasonally adjusted, from 47.2 in May, the American Institute of Architects [posted](#) on Wednesday. The index is “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, with. Any score below 50.0 indicates decreasing business conditions. Billings have declined for eight months in a row and in all but three of the last 33 months. An index of **design contract activity** registered 46.0, the 16th consecutive monthly reading below 50.

“Many **real estate property** sectors saw very minor occupancy improvements due to increased demand with continued low **supply growth**” in the second quarter of 2025 (2Q25), the [Mueller Real Estate Market Cycle Monitor](#) reported on July 15. “While new [office] lease volume has returned to almost pre-pandemic levels the average lease signed is 15% smaller than the historic average. Supply has slowed to historic lows, but is still not zero with over 80 million square feet still under construction. [Industrial] Demand was well below the strong supply growth, but the supply growth rate started to slow in 2Q25. [Apartment] Supply growth moderated and was 30% below the previous year. [Retail] Supply growth continued to be constrained and was 30% of the pre-pandemic average. [Hotel] supply growth was low at a level 10% below the post-pandemic growth rate.”

“The volume of U.S. **hotel rooms under construction** has decreased each month since January,” [Hotel Dive](#) [reported](#) on Monday, citing a July 15 report from CoStar subsidiary STR. “The volume of U.S. hotel rooms in final planning (266,276 rooms) also decreased [y/y] in June, albeit only by 0.1%, according to CoStar. The number of U.S. hotel rooms in the planning stage (349,802 rooms), meanwhile, increased 4.8% year over year in the month. The majority of rooms in the U.S. hotel construction pipeline are in these two planning phases, but ‘many will likely not be built in the near future,’ [Isaac Collazo, STR senior director of analytics] said.”

Contractors are invited to complete the AGC/NCCER Workforce [Survey](#) by August 15.