

Dodge starts climb, ConstructConnect stress index declines, ABI stays below breakeven in August

Total **construction starts** rose 1.7% from July to August at a seasonally adjusted annual rate, Dodge Construction Network [reported](#) on September 19. “Nonresidential building starts declined by 5.4%, residential starts improved 2.4%, and nonbuilding starts grew 9.3% over the month. On a year-to-date basis through August, total construction starts were up 1.9% from last year. Nonresidential starts were up 3.4%,” with commercial and industrial starts up 7.6% and institutional starts down 0.7% year-to-date. Residential starts were down 5.0%, with single family starts down 11.7% and multifamily starts up 9.9% year-to-date. Nonbuilding starts were 8.1% higher, with highways and bridges up 7.8%, miscellaneous nonbuilding up 22.6%, and utilities up 12.6%, but environmental public works starts down 3.4% year-to-date. “The largest nonbuilding projects to break ground in August included the \$5.1 billion Woodside Louisiana LNG [liquefied natural gas] Facility (Train #3, Phase 1) in Sulphur, Louisiana [and] the \$2.9 billion Cheniere Corpus Christi LNG Facility (Trains 8 and 9, Stage 3B) in Gregory, Texas.”

“The ConstructConnect Project Stress Index (PSI), which tracks **delayed bid dates, on-hold projects, and abandonments** in preconstruction, closed August 2025 [with] a 5.9% month-on-month decline led by a 12.2% drop in on-hold activity,” ConstructConnect [reported](#) on September 16. The PSI is a seasonally adjusted, equal-weight measure of delayed, on-hold, or abandoned projects. “Compared to August 2024, the PSI rose 19%, largely driven by an 88.2% increase in abandonment activity. Bid date delays and on-hold projects registered year-over-year declines of 7.1%. Abandonment activity rebounded from its 2024 low, with recent results signaling a normalization toward historically typical levels rather than a continuation of elevated stress conditions.... The private sector saw abandonment jumps following the liberation day tariffs, which potentially affected commercial construction projects on the cusp of profitability that became unviable due to increases in material and operating costs. Now, the public sector is experiencing its own wave of increased abandonments, suggesting that public sector projects are now facing development constraints despite their traditional insulation from economic pressures.

The **Architecture Billings Index (ABI)** rose to 47.2 in August, seasonally adjusted, from 46.2 in June but remained below the breakeven 50 mark, 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. Any score below 50.0 indicates decreasing business conditions. Billings have declined for 10 months in a row and in all but three of the last 35 months. Nevertheless, readings hit three-year highs for firms with practices that are predominantly commercial/industrial (50.8) or multifamily residential (49.9) In contrast, the index for institutional practices fell to 44.5, the lowest reading since December 2020. An index of **design contract activity** registered 47.2, the 18th consecutive monthly reading below 50.

Despite the current boom in **LNG facility construction**, some analysts are warning that projected excess supply of LNG globally, combined with sharply rising U.S. natural gas prices, could derail upcoming projects. “The rapid build-out of American gas liquefaction capacity in recent years is poised to create a huge global supply glut,” Reuters columnist Ron Bousso [posted](#) on Monday. “While an LNG supply glut should weigh on global prices, domestic U.S. gas prices could actually rise in coming years due to slower deployment of renewable power and a spike in energy demand driven by the artificial intelligence boom, Trump’s ‘Big Beautiful’ tax bill, signed into law on July 4, slashed around \$500 billion worth of tax credits for low-carbon energy projects that were introduced by former President Joe Biden. The tax credit cuts led research firm Wood Mackenzie to reduce its estimates for solar power deployment by 35% by 2030 compared with forecasts one year ago. Wind capacity additions over the next decade are expected to be almost one-quarter lower than previous estimates.... To lower prices, the Trump administration could restrict the volume of gas supplies available for export, prioritizing the country’s AI push. So even though the U.S. LNG industry is growing rapidly in scale and importance, this dynamic could crash with harsh market realities in the coming years.”