

Dodge, ConstructConnect report varied year-to-date starts; stress index moderates; ABI sinks lower

Total **construction starts** rose 3.1% from August to September at a seasonally adjusted annual rate, Dodge Construction Network [reported](#) on Monday. “Nonresidential building starts rose by 11.9%, residential starts improved 3.6%, and nonbuilding starts fell 6.2% over the month. On a year-to-date [YTD] basis through September, total construction starts were up 3.5% from last year.” **Residential starts** were down 4.2% YTD, with single family starts down 12% and multifamily starts up 13%. **Nonbuilding starts** were 11% higher YTD, with highways and bridges up 7.4%, miscellaneous nonbuilding up 42%, utilities up 13%, and environmental public works down 2.2%. **Nonresidential building starts** were up 5.0% YTD, with commercial and industrial starts up 11% and institutional starts down 0.8%.

The **value of construction starts**, not seasonally adjusted, plunged 22% year-over-year (y/y) in September but rose 3.4% YTD in the first nine months of 2025 compared to January-September 2024, ConstructConnect [reported](#) on Tuesday. Nonresidential building starts tumbled 24% y/y but climbed 13% YTD, with commercial up 5.2% YTD, institutional down 3.2%, and industrial (manufacturing) up 82%. Engineering (civil) starts slumped 20% y/y but gained 3.0% YTD, with roads up 7.2% YTD, water and sewage treatment up 7.3%, bridges up 11.5%, airports up 30%, and power infrastructure down 57%. Residential starts fell 20% y/y and 8.8% YTD, with single-family down 10% YTD and multifamily down 7.6%.

“The ConstructConnect Project Stress Index (PSI), which tracks **delayed bid dates, on-hold projects, and abandonments** in preconstruction, dropped 0.6% in September,” the firm [reported](#) on October 8. The PSI is a seasonally adjusted, equal-weight measure of delayed, on-hold, or abandoned projects. “The decline came from retreats in project abandonments and bid date delays, which fell 9.6% and 3.8%, respectively. In comparison, on-hold activity rose 19.5%, though it remained near historically low levels. The Project Stress Index has risen negligibly compared to the same period last year, explained by a 10.7% [y/y] increase in bid date delay activity offset by a 11.1% increase in abandonments and a small rise in on-hold activity....Public and private projects largely trended together in September. Bid date delays fell in both sectors, with private activity reaching near all-time lows. On-hold activity has increased slightly in public and private projects, with both sectors remaining above historic averages. Abandonment patterns showed the only divergence, as the public sector saw a sharp decrease following a jump to record highs in August. In contrast, private sector abandonments grew, remaining well below the spike recorded a few months ago. Despite opposing movements this month, both sectors remain near all-time highs in abandonment activity.”

The **Architecture Billings Index (ABI)** fell to 43.3 in September, seasonally adjusted, from 47.2 in August, the American Institute of Architects [reported](#) on Wednesday. The index is “a leading economic indicator that leads nonresidential construction activity by approximately 9-12 months.” 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 11 months in a row and in all but three of the last 36 months. An index tracking the value of newly signed **design contracts** had a reading of 46.3, down from 47.2 in August and the 19th month in a row below 50. “At firms that have worked on **reconstruction projects** in the last year, they estimated that an average of 50% of their firm’s total building design billings have been from these projects over the past year....Office buildings were by far the most commonly cited building type for which reconstruction projects were undertaken over the past year, cited by 53% of firms. Following office buildings were college/university education facilities (33% had reconstruction projects for this building type over the past year), government (30%), retail (28%), K-12 education (28%), multifamily residential (28%), and health care (27%).”

“The volume of U.S. **hotel rooms under construction** decreased [y/y] for a ninth consecutive month,” by 12%, real-estate data provider CoStar reported on Tuesday. Rooms in final planning declined 3.5% y/y and rooms in planning fell 2.6% y/y. “More than 80,000 rooms below the peak from [the third quarter of] 2020, construction fell to the lowest point of the past 40 quarters,” said Isaac Collazo, STR’s senior director of analytics. “Uncertainty often leads to inaction, and developers and financial institutions are still waiting for a more favorable environment. Higher building and material costs are also hampering groundbreakings...However, more rooms are under construction now than after the Great Recession—development is down but still happening.”

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