

## Dodge, ConstructConnect report divergent patterns on November starts; input costs end year mixed

Total **construction starts** plunged 20.5% from October to November at a seasonally adjusted annual rate, Dodge Construction Network [reported](#) on December 22, erasing a similar percentage gain initially reported for October. “Nonresidential building starts fell by 13.4%, residential starts increased 13.3%, and nonbuilding starts dropped 43.7% over the month. On a year-to-date [YTD] basis through November, total construction starts were up 5.1% from last year.” **Residential starts** were down 4.9% YTD, with single family starts down 13% and multifamily starts up 12%. **Nonbuilding starts** were 17.5% higher YTD, with highways and bridges up 1.7%, miscellaneous nonbuilding up 43%, utilities up 49.5%, and environmental public works down 1.4%. **Nonresidential building starts** were up 4.7% YTD, with commercial and industrial starts up 11.6% and institutional starts down 2.0%.

The **value of construction starts**, not seasonally adjusted, rose 1.0% year-over-year (y/y) in November and 7.5% YTD in the first 11 months of 2025 compared to January-November 2024, ConstructConnect [reported](#) on December 22. Nonresidential building starts rose 5.2% y/y and 16.5% YTD, with commercial up 17.1% YTD, institutional down 6.1%, and industrial (manufacturing) up 85.6%. Engineering (civil) starts dipped 0.3% y/y but climbed 9.1% YTD, with roads up 4.8% YTD, water and sewage treatment up 8.2%, bridges up 10.4%, airports up 14.1%, and miscellaneous (power, etc.) up 15.7%. Residential starts fell 3.7% y/y and 5.7% YTD, with single-family down 7.2% YTD and apartments down 3.1%.

**Input costs** for construction moved in varied directions in 2025. The spot price for **copper futures** on the Comex exchange ended the year at a near-record \$5.63 per pound, up 41%. A measure for **hot-rolled coil steel** was quoted at \$920 per ton, up 33% y/y. The cash price for **aluminum** on the London Metals Exchange closed at \$2945 per metric ton, up 17% y/y. Prices paid by contractors are likely to reflect these increases and also the variety of tariffs now in effect. But **lumber** futures, which increased 31% during the year, ended down less than 1% y/y, despite a large increase in duties on Canadian softwood lumber. And the Energy Information Administration [reported](#) on Tuesday that the average price of on-highway **diesel fuel** on Monday was \$3.50, unchanged y/y. **Readers are invited to send information about prices and supply issues to [ken.simonson@agc.org](mailto:ken.simonson@agc.org).**

Inflation-adjusted **gross domestic product** (real GDP) rose 4.3% in the third quarter (Q3) of 2025 at a seasonally adjusted annual rate, the Bureau of Economic Analysis [reported](#) on December 23. Real **private nonresidential structures investment** fell for the seventh quarter in a row, by 6.3% (with commercial and health care, -4.6%; manufacturing structures, -11.7%; power and communication, -4.8%; other structures, -4.6%; and mining exploration, shafts, and wells, -2.9%). Real **residential fixed private investment** in permanent site structures fell for the sixth-straight quarter, by 7.6% (single-family, -8.9%; multifamily -2.9%). **Real government gross investment in structures** declined 1.2%, with federal investment up 4.0% (national defense up 0.9% and nondefense up 7.0%) and state and local investment down 1.6%. **Price indexes** increased 3.6% for private nonresidential structures, 3.2% for permanent site residential structures, and 2.8% for government structures.

“**Construction executives** report much more **optimism about where the market will be 3-6 months from now** than they did last quarter,” [Engineering News-Record reported](#) on December 23. “A rating above 50 [on a 0-100 scale] shows a growing market. The measure is based on responses by U.S. executives of leading general contractors, subcontractors and design firms on ENR’s top lists to surveys sent between Oct. 27 and Dec. 8. In Q3, 30.2% of respondents foresaw a declining market in 3-6 months with 21.7% seeing an improving market. In Q4, those numbers have virtually inverted. Now, 28.1% see an improving market in 3-6 months with 21.9% seeing a decline. Subcontractors report significantly higher confidence than either design firms or GC/CMs. Taken separately, their confidence rating rose 12 points from Q3 to a 59 rating. GC/CMs confidence fell five points to a 47 rating, with design firms up three points to a 44 rating. When considering the market 3-6 months from now, the difference is even starker. Subcontractor confidence comes in at 66 for that time frame, with both GC/CMs and design firms at 45. The results of the **Confindex survey** from Princeton, N.J.-based Construction Financial Management Association (CFMA) also saw a slight positive upturn in Q4. Each quarter, CFMA polls CFOs from general and civil contractors and subcontractors on markets and business conditions. [On a scale of 0-200] the overall Confindex is up two points to a 106 rating this quarter.”